



Department for
Communities and
Local Government

Reform of parish and community council payments law

The Legislative Reform (Payments by Parish
Councils, Community Councils and Charter Trustees)
Order 2013

Explanatory Document by the Department for
Communities and Local Government

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Chapter 1

Introduction

- 1.1 Parish councils (and community councils in Wales) are subject to a statutory rule that all their cheques and other orders for the payment of money must be signed by two members of the council. This rule is a significant barrier to these councils using electronic means of payment, and the effect is to impose additional burdens and costs both on them and on the private firms and other public sector bodies they make payments to. The draft Order accompanying this explanatory document proposes the repeal of this rule. At the same time changes to the financial and audit framework for the councils will ensure that they maintain robust controls on payments as an integrated part of their overall financial control system. These changes are described in this document.
- 1.2 This explanatory document is laid before Parliament in accordance with section 14 of the Legislative and Regulatory Reform Act 2006 (“the 2006 Act”) together with the draft of the Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2013 (“the draft Order”) which we propose to make under section 1 of that Act. The purpose of the draft Order is to repeal sections 150(5) and 246(12) of the Local Government Act 1972 and to revoke regulation 15(2) of the Charter Trustees Regulations 1996.
- 1.3 The Government is satisfied that Ministerial duties have been met under the relevant sections of the 2006 Act. This includes that the order serves a purpose under section 1(2) of the 2006 Act, that the pre-conditions under section 3 of the 2006 Act have been met, and that the appropriate consultation has been carried out in accordance with section 13 of the 2006 Act.

Chapter 2

Background to the Order

Current arrangements

- 2.1 Parish councils (in England) and community councils (in Wales) provide the most local level of local government in the two countries. The exact number of parish councils is not known, but there are more than 9000 of them. There are 734 community councils in Wales. Parish and community councils do not cover all areas, but are mainly confined to rural parts and small towns.
- 2.2 Charter trustees have been established as part of local government reorganisations. They cover the areas of abolished local authorities which held a royal charter giving them the status of a city or borough where there was no successor body covering the same area as the abolished authority. There are currently charter trustees for 18 areas, all of them in England.

- 2.3 Section 150(5) of the Local Government Act 1972 provides as follows:

“Every cheque or other order for the payment of money by a parish or community council shall be signed by two members of the council.”

This provision reproduces requirements that have applied to parish councils since they were established by the Local Government Act 1894.

- 2.4 Three groups of charter trustees have been established since 1974. The first two are governed by the following provision:

“Every cheque or other order for the payment of money by charter trustees shall be signed by two of them.” (identical wording in section 246(12) of the Local Government Act 1972 and regulation 15(2) of the Charter Trustees Regulations 1996)

There are currently 13 sets of charter trustees subject to this requirement. The third group of charter trustees, established under the Local Government and Public Involvement in Health Act 2007, is not covered by the requirement.

- 2.5 Parish and community councils and charter trustees are subject to duties imposed by the Accounts and Audit Regulations made under audit legislation in England and Wales. In both countries these duties include requirements:

- to ensure financial management is adequate and effective
- to maintain a sound system of internal control

- to conduct an annual review of the system of internal control
- to publish with the annual accounts a statement reflecting the outcome of the annual review
- to have an adequate and effective internal audit of accounting records and the system of internal control.

2.6 These bodies are also subject to external audit.

The case for repeal

2.7 In the Government's view the "two signature rule" detailed in paragraphs 2.3 and 2.4 represents an unreasonable burden on the bodies it applies to, and should be removed. The case for removal turns on two specific burdens imposed by the rule:

- that it inhibits the use of electronic means of payment
- that it involves an unreasonable and unproductive use of members' time in the larger bodies..

Repeal or revocation of the legislative provisions would not prevent any of the bodies from requiring two member signatures on their cheques; indeed, many are likely to do so as a part of the controls they incorporate in their payment procedures.

2.8 Electronic methods are now the predominate way of making non-cash payments. Figures for United Kingdom payments published by the Payments Council show that cheques accounted for 7% of non-cash payments in 2010; credit cards, debit cards and automated transfers accounted for the rest. Electronic methods are generally cheaper and quicker, and evidence submitted in the consultation responses shows that businesses and other public bodies that parish and community councils deal with are increasingly either refusing to take cheques or discouraging their use by, for example, allowing discounts on electronic payments. HM Revenue and Customs has had to make special arrangements for receiving payments from bodies covered by the two signature rule, which involves the affected bodies paying at a bank.

2.9 Some banks do make available methods of authorising electronic payments involving two electronic signatures, but these facilities are not generally available and may be difficult for the smaller bodies to operate because of the access required to computer facilities. Some of the consultation responses have described the "work-arounds" used by councils to make electronic payments. These often involve the use of the council clerk's personal credit or debit cards to make a payment. This is an unreasonable imposition on an employee, and can also attract unwarranted suspicion when the reimbursement payments to the clerk are listed in the council's payment disclosures.

2.10 Figures for 2010-11 suggest that in the region of 50 parish councils in England spend more than £1 million a year. For them and other larger bodies the requirement that every payment must be signed by two

members represents a significant commitment of time that might otherwise be spent more usefully. Also, where large numbers of items have to be signed at one time, the effectiveness of the check provided is likely to be reduced. No exceptions are permitted by the current rule, and so a tiered system, allowing for example smaller payments to be authorised by the clerk, is not possible.

- 2.11 In addition to the specific burdens described in the paragraphs above there is a more fundamental objection to the imposition of the two signature rule as a statutory requirement. The process of procuring goods and services by any organisation involves a number of financial procedures, including budgeting, seeking quotations, authorising purchase, checking receipt, making payment and reconciling bank statements. Controls are required at each of these stages, which together provide the sound internal control system required by the Accounts and Audit Regulations. The same principle applies to other transactions that result in payments, such as employing staff, making grants and paying taxes. To pick out one stage in the process and specify one particular form of control detracts from the responsibility placed on the body by the Accounts and Audit Regulations to devise a sound system of control appropriate to its own circumstances and the types of transactions it enters into. There is a risk that, because it has a statutory basis, it is regarded as a sufficient control, and, as a result, bodies do not fully address the comprehensive system of controls that is needed to provide adequate security for their funds.

Payment controls after the repeal

- 2.12 If the order is made as drafted the affected bodies will be responsible for devising controls over their payments within the framework set by:
- the continuing requirements of the Accounts and Audit Regulations in England and Wales outlined in paragraph 2.5
 - new guidance on payments issued by the local council sector
 - the annual return made for the purposes of the external audit.
- 2.13 In England the Joint Practitioners Advisory Group is responsible for preparing “Governance and Accountability for Local Councils: A Practitioners’ Guide”, which provides guidance on the financial accountability framework for parish councils. The Guide is freely available to all on the website of the National Association of Local Councils. The Advisory Group comprises members of organisations representative of local bodies (including parish councils) and their clerks, audit authorities, accountancy institutes and government departments. The Group has recently published a new section for the Guide giving guidance on payments procedures, which they intend to incorporate in the Guide in the event of section 150(5) of the 1972 Act being repealed. This is available on the National Association’s website at:
http://www.nalc.gov.uk/Latest_News/Governance_and_Accountability_2010.aspx

- 2.14 In Wales a similar Guide is published jointly by One Voice Wales and the Society of Local Council Clerks, and is freely available to all on the former's website at:

<http://www.onevoicewales.org.uk/practitioners-guide/practioners-guide/>

In preparing the Guide these bodies consult the Local Councils Audit Liaison Group, which was established by the Auditor General for Wales in 2007 and includes representatives of community councils and their clerks, the Auditor General, audit firms and the Welsh Government. A new section on payments, the same in substance as the English guidance, has been incorporated in the Guide (currently with a note reminding councils that section 150(5) of the 1972 Act remains in force).

- 2.15 The new payments guidance sets out the key principles that must govern a payments system without attempting to specify every detail. This is consistent with the duty placed on parish and community councils by the Accounts and Audit Regulations outlined in paragraph 2.11. The guidance for both countries makes provision for the transition from the current framework with the provision that "Councils must not relinquish the 'two member signatures' control over cheques and other orders for payment until they have put in place safe and efficient arrangements in accordance with this guidance."
- 2.16 Parish and community councils are subject to external audit by an auditor appointed by the Audit Commission or the Auditor General for Wales. In both countries almost all local councils fall within a limited assurance framework, which involves the completion of an annual return set out in the two guides mentioned in paragraphs 2.13 and 2.14 above. The annual return, in addition to accounting statements, includes:
- an Annual Governance Statement, which must be approved by the full council, and requires confirmation that key aspects of internal control have been complied with during the year; and
 - an annual internal audit report, to be signed by the person performing the internal audit function during the year, and stating whether assurance has been obtained on a list of key internal control objectives.
- 2.17 If the order is made, these sections of the return will be amended so that they require confirmation that the mandatory elements of the Practitioners Guides (including those in the new payments guidance) have been complied with. This will provide an annual check on compliance. This, taken with the new payments guidance and the duties under the Accounts and Audit Regulations, will in the Government's view provide a robust control framework for payments by the councils. Note that in Wales, because of a lower threshold for the limited assurance framework, a handful of community councils are subject instead to a full annual external audit.

- 2.18 In both countries proposals to reform the external audit framework for local government are being pursued, but in both the limited assurance framework is likely to continue. In England consultations have indicated support for the framework, and the Local Audit and Accountability Bill, currently before the House of Commons, provides for it to continue. The proposals include an annual turnover threshold of £25,000 below which a parish council would not be subject to an automatic external audit. But such councils would still be required to publish an Annual Governance Statement and an annual internal audit report, and an external audit could be triggered in certain circumstances.
- 2.19 Charter trustees are subject to the same duties as parish councils under the English Accounts and Audit Regulations, and come under the limited assurance framework for external audit. They will therefore be expected to confirm that they have followed the new payments guidance in the same way as if they were a parish council.

Chapter 3

The Order

Power to remove burden under section 1 of the 2006 Act

- 3.1 The Government is committed to removing outdated and cumbersome controls on public bodies. The purpose of the Order is to remove one such control on the most local level of local government in England and Wales. The Order is therefore made under section 1 of the 2006 Act. The “two signature rule” places burdens not only on the parish and community councils and charter trustees who must apply it, but also on the small and large private sector organisations and other public bodies with which they have financial dealings.
- 3.2 Further detail of the burdens imposed by the rule is given in chapter 4 of this document.

Compliance with conditions in section 3 of the 2006 Act

Non-legislative solutions

- 3.3 The Minister is satisfied that no non-legislative solution is possible. Sections 150(5) and 246(12) of the 1972 Act can only be removed by other primary legislation or by a Legislative Reform Order. While regulation 15(2) of the Charter Trustee Regulations 1996 could be revoked using other powers, it would not make sense to make that change in a separate instrument. It is desirable to make all the changes together in the same instrument.

Proportionality

- 3.4 Only the specific provisions that create the barrier to using modern payment methods and proportionate controls are being removed. All the other components of the legal framework for the finances of the affected bodies remain in place. The Minister therefore considers the proposal proportionate to the problem it is addressing.

Fair balance

- 3.5 It is not expected that any individual will be adversely affected. The Order does not stop the present arrangements continuing if a parish or community council prefers to maintain the two signature rule. A robust framework to protect the councils' funds will be in place after the repeal. The Minister therefore considers that the Order meets the requirement to strike a fair balance between the public interest and the interests of any person adversely affected by it.

Necessary protection

- 3.6 The Minister considers that the proposals maintain necessary protection by bringing payment procedures within the same control framework as applies to all other aspects of the bodies' financial procedures. In addition, as outlined in paragraphs 2.12 to 2.21, specific guidance will be given by the sector on effective payment procedures, and compliance with that guidance will receive specific attention in the year end accounting and audit processes.

Rights and freedoms

- 3.7 The Minister does not believe that the proposal will prevent anyone from exercising an existing right or freedom.

Constitutional significance

- 3.8 The Minister does not believe that the proposal is constitutionally significant.

Other Ministerial duties under the 2006 Act

Consultation

- 3.9 The Minister conducted an eight week consultation exercise on the proposal between July and September 2012 and is satisfied that the consultation met the requirements of section 13 of the 2006 Act. More details of the consultation and the responses received are set out in chapter 4.

Parliamentary procedure

- 3.10 The Minister recommends that the draft Order should be considered by Parliament under the negative resolution procedure in accordance with section 16 of the 2006 Act. The Order proposes a low key and straightforward reform which does not introduce any new controls. It does not reverse any decisions recently taken by Parliament, but simply responds to developments in technology that make a nineteenth century provision inappropriate for the twenty first century. It has been requested by the local council sector and is a high priority for them.

Compatibility with the European Convention on Human Rights

- 3.11 The Minister does not believe that the repeals proposed by the draft Order would prejudice any of the rights and freedoms protected by the European Convention on Human Rights.

Compatibility with the legal obligations arising from membership of the European Union

- 3.12 The Minister is satisfied that the proposals are compatible with the legal obligations arising from membership of the European Union.

Territorial extent

- 3.13 The draft Order extends to England and Wales. The Government is satisfied it has no implications for the devolved administrations in Scotland and Northern Ireland.
- 3.14 The Order does not affect the functions of Welsh Ministers, the First Minister for Wales or the Counsel General to the Welsh Government in a way that would require the agreement of Welsh Ministers under section 11(2) of the 2006 Act or require them to be consulted under section 13(1)(c). Nevertheless officials of the Welsh Assembly Government have been kept informed throughout the development of the proposals, and the Welsh Minister for Social Justice and Local Government has written to the Parliamentary Under Secretary of State in this Department to confirm his support for the making of the Order.
- 3.15 The Order, however, is within the legislative competence of the Welsh Assembly, and will therefore require the agreement of the Assembly under section 11(1) of the 2006 Act. A motion to provide the necessary agreement will be tabled at the appropriate point after the draft Order has been laid in Parliament.

Binding the Crown

- 3.16 The Minister is satisfied that the proposed repeals and revocation will not bind the Crown.

Chapter 4

Consultation

- 4.1 Proposals have been put forward to remove or modify the “two signature rule” since at least the year 2000. The current proposal has its origin in a letter from the Minister of Housing and Local Government to the Chairman of the National Association of Local Councils dated 21 July 2010. The letter asked whether officials of the Association might assist in the preparation of a draft order, including the drafting of guidance to be added to the Practitioners’ Guide. The Chairman responded on the same day accepting the invitation to assist. Following meetings between the Department, the Association and other interested parties, the Minister announced the intention to change the law on 9 October 2010, and this announcement was included in a written ministerial statement on 11 October (Hansard, 11 October 2010, Column 2WS). The letter indicating the support of the Welsh Assembly Government (see paragraph 3.14) was sent on 8 October. Preparation of the new guidance was then taken forward.
- 4.2 A formal consultation on the proposal was initiated by the publication of a consultation paper on 17 July 2012. The consultation period ran for eight weeks, ending on 11 September. A list of those to whom the paper was sent is attached at Annex A, though the paper made clear that others were welcome to submit responses. Notification of publication of the paper was also sent to the House of Commons Regulatory Reform Committee and the House of Lords Delegated Powers and Regulatory Reform Committee. Some responses were received after 11 September, all of which have been considered and are included in the analysis below.
- 4.3 A total of 503 responses were received. An analysis of those replying is given in Table 1 on the next page. The national bodies replying were:
- | | |
|-----------------|--|
| England | - National Association of Local Councils
- Audit Commission
- Joint Practitioners Advisory Group |
| Wales | - One Voice Wales
- Auditor General for Wales |
| England & Wales | - Society of Local Council Clerks
- Chartered Institute of Public Finance and Accountancy |

Table 1 - Responses to consultation

	England	Wales	England & Wales	Total
National Bodies	3	2	2	7
County Associations	16	0	0	16
Parish/Community Councils	376	64	0	440
Personal or Other	39	1	0	40
Total	434	67	2	503

- 4.4 The reference to county associations in Table 1 is to the county associations of the National Association of Local Councils. Note that parish councils are sometimes designated town, village, community, neighbourhood or city councils, but remain parish councils for the purposes of section 150(5). Similarly some community councils in Wales are designated town councils.

The policy proposal

- 4.5 Of the 503 responses, 394 (78.3 per cent) supported the removal of the two signature rule from legislation, 86 (17.1 per cent) were opposed, and 23 (4.6 per cent) either did not answer or were not entirely for or against. An analysis of the answers is given in Table 2. Points to note from this analysis are:
- six of the seven national bodies supported the proposal. The exception was the Joint Practitioners Advisory Group, which provided a factual commentary on the proposal, but left formal responses to the questions to its members.
 - 15 of the 16 county associations in England supported the move. The one that did not (Yorkshire) did not oppose, but was of the view that councils that did not use electronic means of payment should remain subject to the two signature rule.
 - The level of support among parish councils was higher than for community councils (82 per cent as against 59 per cent of those responding), but a clear majority of responses supported in both countries.

Table 2 – Response to policy proposal question

Do you agree that the two signature rule for parish and community councils and charter trustees should be removed from legislation?

	<u>Yes</u>	<u>No</u>	<u>No Response</u>
England			
National Bodies	2	0	1
County Associations	15	0	1
Parish Councils	309	54	13
Personal or Other	25	10	4
Sub total	351	64	19
Wales			
National Bodies	2	0	0
Community Councils	38	22	4
Personal or Other	1	0	0
Sub total	41	22	4
England & Wales			
National Bodies	2	0	0
Total	394	86	23

4.6 The main points made by those opposing the Order are set out later in this chapter, together with the Government's observations on them. Evidence given in support of the Order is summarised in the next section.

Evidence in support of the reform

- 4.7 Because of the large number of parish and community councils and the wide variety of their sizes and circumstances it has been difficult to gather evidence on the effect of removing the two signature rule. A request was therefore included in the consultation paper for evidence on the reduction of the burdens and other benefits claimed for the reform.
- 4.8 149 of the responses provided evidence. They included specific instances of the practical problems created by the rule. The following points are typical of those commonly referred to:
- The difficulty of purchasing certain items, such as anti-virus software, in some cases involving journeys to buy a new product when, with electronic payment, an update could have been downloaded online. Some items, such as website domain names and Land Registry online searches, must be paid for electronically.
 - Loss of discounts available for online purchase, or inability to claim discount for rapid payment because of delays in cheque signing and postal payment.
 - Use of personal credit cards of staff, and increasing reluctance of staff to agree to this because of the suspicions created by the frequent appearance of their name in published payment lists. Use of personal credit cards can also complicate the reclaim by a council of VAT from HM Revenue and Customs.
 - Special pleading required to persuade some suppliers to accept payment by cheque.
 - Concern at delays in payments to small local suppliers, and consequent cash flow effects, because the time taken to get signatures on cheques.
 - The time and expense involved in members coming in to sign cheques, in particular at the larger councils.
 - The general effect on the credibility of parish and community councils as business-like bodies.
- 4.9 Two very specific responses help to illustrate the problems. The clerk to the council of one small parish commented as follows:
- “The parish council comprises voluntary clerk (myself), Chairman and councillors. The majority of the councillors have full time jobs and either work/live in London during the week or travel the world as part of their job role. Consequently, finding second signatories available is difficult, even with several nominated. The councillors are distributed through the two villages that comprise the parish requiring cycling (weather permitting) or use of car (in inclement weather) to obtain signatures. This inevitably leads to delays in payments being made. As the council endeavours to use local craftsmen/suppliers, it feels that this puts an additional burden on their financial position in a time of economic hardship. Use of electronic transactions also reduces the burden on the parish council/rate payers through avoidance of stationery/postage.”

The chair of another council commented as follows on the payment arrangements for telephone services:

“We have been subjected to []’s policy of imposing a totally disproportionate “Payment Processing Fee” (effectively a fine) of £9 per bill (regardless of the bill total) for paying by cheque. This amounts to over £100 per year in our case – a significant sum for a small council. We expect the number of organisations imposing such penalties for paying by cheque to increase.”

The case against the reform

4.10 Table 2 shows that 86 responses (17.1 per cent) opposed the removal of the two signature rule. In some cases those opposing appeared to be under the impression that the proposal would prevent them requiring their council’s cheques to be signed by two members, and opposed for that reason. This is not the case, and the option for the council to continue to require two signatures will always be available.

4.11 Apart from that, there were two principal lines of argument against the reform:

- That the “two signature” requirement is an essential safeguard for public money, which should continue to be required by statute. This was often linked with the safeguard it provides to members and, particularly, the clerk against accusations of impropriety.
- That removal of the requirement was unnecessary either because banks can or should be able to provide arrangements for dual authorisation of electronic payments, or because there were other ways of securing compliance with the rule.

These two arguments are discussed in the following paragraphs. For the reasons given in those paragraphs, no changes have been made to the proposals as a result of representations made in the responses.

Essential safeguard

4.12 The case for retention is that most parish and community councils are small organisations with only a clerk (often part-time) as staff. If the cheque book is held by the clerk the two signature rule requires the involvement of the clerk and two members in all payments. This is a safeguard against fraud and other inappropriate payments. The rule should be mandatory to prevent any party being able to persuade the council to agree different controls that would facilitate fraud. It is also a safeguard against, for example, the clerk being persuaded to become sole authoriser of payments, and as a result becoming vulnerable to accusations or suspicions of acting with impropriety.

4.13 The Government accepts that a requirement for two signatures is a valuable control over payments, and expects that it will often continue to form a part of the control framework for parish and community council

payments. But we do not agree that it should continue to be a statutory requirement. This is primarily for the reason given in paragraph 2.11 above. The Chartered Institute of Public Finance and Accountancy commented in its response to the consultation: "CIPFA believes that the two signature rule can lead to a false sense of security over the probity of payments. We believe that it is far more effective for payments to be considered as part of the overall system of internal control and for local councils to give consideration to these in the context of local circumstances and risks." The response of the Auditor General for Wales drew attention to recent audit reports and press comments on financial irregularities in councils in Wales: "A common theme for these councils has been the misuse of cheques involving the use of false signatures and/or council members pre-signing blank cheques. These practices undermine the statutory rule." These irregularities reinforce the message that the cheque signature rule is not a sufficient safeguard in itself.

- 4.14 Removal of the two signature rule from legislation will make clearer that it the responsibility of the council to devise and operate a sound and comprehensive system of internal control in accordance with its duty under the Accounts and Audit Regulations. The new guidance will be available to assist them, and the year end reporting arrangements will be amended to enhance independent scrutiny of the procedures adopted (see paragraphs 2.12 to 21 above)

Removal of the rule unnecessary

- 4.15 Some of the larger councils noted in their responses that their banking arrangements permitted dual authorisation of electronic payments. Some, though not all, of these councils argued that therefore the removal of the two signature rule was unnecessary, as it did not create a barrier to electronic payments. The Government accepts facilities for dual authorisation electronic payments are likely to become more widely available, and indeed the Payments Council has a current project to encourage such a move. These facilities will be a valuable addition to the control options available to councils. However, they will not always be convenient for councils to use, and their availability should not rule out other means of control for electronic payments involving single authorisation which councils may wish to adopt.
- 4.16 Other responses suggested other mechanisms by which electronic payments could be made in compliance with the two signature rule. Some of these turned on an ambiguity in the meaning of the words "or other order for the payment of money" in the statutory provision, as to whether it meant the document actually authorising payment, or an internal document giving authority to an officer to order the payment. This is a potentially useful means for authorising payments that could form part of a control system, but the Government would not want councils to have to rely on ambiguities in the meaning of the statutory provisions in devising their controls. In our view neither of the options outlined in this and the previous paragraph negates the fundamental reasons for wanting to remove the two signature rule from legislation outlined in paragraphs 2.11 and 4.13 and 14.

Removal of any necessary protection

- 4.17 The consultation paper asked whether the proposals removed any necessary protection. Of the 503 responses received, 295 (59 per cent) responded to this question. Of those 52 (18 per cent) said that a necessary protection was being removed, and 243 (82 per cent) that a necessary protection was not being removed. Some of those answering in the negative added that this was provided that adequate alternative safeguards were implemented, while some of those answering in the affirmative said that this could be offset by new controls. The issues raised by those who held that a necessary protection was being removed are covered in paragraphs 4.12 and 4.13 above.

Preconditions for a Legislative Reform Order

- 4.18 The consultation paper asked whether the proposal satisfied the preconditions for a Legislative Reform Order set out in section 3 of the 2006 Act and reproduced in Annex A to the paper. There were 275 responses to this question (55 per cent of the total responses), of which 265 (96 per cent) agreed and 10 (4 per cent) disagreed.

Parliamentary procedure

- 4.19 The consultation paper asked whether the negative Parliamentary resolution procedure should apply to the scrutiny of the proposal. There were 277 responses to this question (55 per cent of the total responses), of which 264 (95 per cent) agreed and 13 (5 per cent) disagreed. We have excluded from the figures for this question those who supported the negative procedure but opposed the substance of the proposals, as it did not seem appropriate to add to the support for the negative resolution procedure those who did not want an order to be made. Seven responses fell into this category.

Annex A

List of consultees

National Association of Local Councils

Association of Charter Trustees and Charter Town Councils

Audit Commission

British Bankers' Association

Chartered Institute of Public Finance and Accountancy

Payments Council

Society of Local Council Clerks

Wales:

Welsh Government

One Voice Wales

Wales Audit Office

Through the National Association of Local Councils the proposal was brought to the attention of that body's county associations and the parish councils that make up their membership. The Welsh Government brought the proposal to the attention of individual community councils in Wales.

Annex B

List of relevant statutes

Local Government Act 1894

Local Government Act 1972

Local Government Act 1992 (power to make Charter Trustees Regulations 1996, SI 1996 No 263)

Audit Commission Act 1998 (power to make Accounts and Audit (England) Regulations 2011, SI 2011 No 817)

Public Audit (Wales) Act 2004 (power to make Accounts and Audit (Wales) Regulations 2005, SI 2005 No 368)