

**Treasury Officer of Accounts  
David Thomson**

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**DAO (DFP) 08/08**

**8 July 2008**

**Dear Accounting Officer**

**THE COMPANIES (PUBLIC SECTOR AUDIT) ORDER (NORTHERN IRELAND) 2008**

***Purpose***

1. To make Accounting Officers aware that the Companies (Public Sector Audit) Order (Northern Ireland) 2008 ('the Order') came into operation on 1 July 2008 and to attach a copy for information.

***Background***

2. The legislation was made to implement the recommendations of the Sharman Report 2001, which included a commitment to allow the Comptroller & Auditor General (C&AG) to audit all Non-Departmental Public Bodies (NDPBs) including companies. The Companies Act 2006 allows the C&AG (and his counterparts in the rest of the UK) to conduct a financial audit of any company. The Order relates only to a special category of companies defined as 'non profit making companies subject to public sector audit' and these companies are listed in the Schedule to the Order. Non-profit making has been interpreted as companies limited by guarantee.

3. The Order enables the Comptroller and Auditor General (C&AG) (NI) to conduct a financial audit of the accounts of qualifying NDPBs established as companies, in accordance with the public sector audit requirements set out in the Audit and Accountability (NI) Order 2003. It puts this into effect by specifying the NDPB Companies concerned and puts the specified company NDPBs on the same footing as other NDPBs for audit purposes.
4. In essence the audit will be conducted along similar lines to current commercial audits in terms of the figures included within the accounts but will also include a confirmation that the underlying transactions meet standards for regularity and propriety laid down by the Assembly. Existing value for money audit powers are unaffected by this change.

**Action**

5. The content of this letter should be drawn to the attention of relevant staff in your Department.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Thomson', with a stylized initial 'D'.

**DAVID THOMSON**

**cc Finance Directors**