



Local Government in Scotland Act 2003

2003 asp 1

PART 1

BEST VALUE AND ACCOUNTABILITY

Accounts, finance and performance accountability

12 Proper accounting practices

- (1) It is the duty of a local authority to observe proper accounting practices.
- (2) In subsection (1) above and in paragraph (b) of section 99 (auditor to be satisfied that proper accounting practices have been observed) of the 1973 Act, the references to proper accounting practices are references to accounting practices which fall within one or more of the following—
 - (a) those which the local authority is required to observe by virtue of any enactment;
 - (b) those which have been specified in guidance issued for the purposes of this section and that section by the Scottish Ministers;
 - (c) those which, whether by reference to any generally recognised, published code or otherwise, are regarded as proper accounting practices to be observed in the preparation and publication of accounts of local authorities.
- (3) In the event of a conflict in any respect between the practices within paragraph (a) of subsection (2) above and those within paragraph (b) or (c) of that subsection, only those within paragraph (a) are to be regarded as proper accounting practices in that respect, and in the event of a conflict in any respect between those within paragraph (b) and paragraph (c) of that subsection, only those within paragraph (b) are, in that respect, to be so regarded.

13 Publication by local authorities of information about finance and performance

- (1) It is the duty of a local authority to make arrangements for the reporting to the public of the outcome of the performance of its functions.
- (2) Subject to subsections (3) and (6) below, it is for the local authority to determine the form, content and frequency of and time limits for reports made under subsection (1)

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above, to whom they are to be given and by what means they are to be published or made available to members of the public.

- (3) The Scottish Ministers may, by regulations, make provision governing any of the matters set out in subsection (2) above.
- (4) Such regulations shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the Scottish Parliament.
- (5) Before making such regulations, the Scottish Ministers shall consult such associations of local authorities and such other persons as they think fit.
- (6) Such regulations may include provision—
 - (a) for a summary of the local authority’s assets and their value, its sources of income, the amounts derived from those sources, and its expenditures to be included in that which is to be reported under subsection (1) above;
 - (b) for the local authority’s trading accounts or a summary thereof to be included in that which is to be reported under subsection (1) above;
 - (c) for a summary of the authority’s expenditure under such works contracts as may be specified in the regulations to be included in that which is to be reported under subsection (1) above;
 - (d) for the publication of the information which is to be provided under section 1 (power of Accounts Commission to direct publication of information about standards of performance) of the Local Government Act 1992 (c. 19), to be included in that which is to be reported under subsection (1) above; and
 - (e) for—
 - (i) a statement setting out the arrangements the local authority had in place under section 1 above during the financial year immediately preceding that in which the statement is made and describing what it did under those arrangements and to what effect, including an account of how what it did contributed to the achievement of sustainable development;
 - (ii) a statement specifying by what means and when the local authority proposes to carry out its duties under this section during the remainder of the year in which the statement is made; and
 - (iii) a statement specifying any unimplemented recommendations about the performance of the authority’s functions made to the authority by any person discharging a power or duty under an enactment to make the recommendation,
 to be included in that which is to be reported under subsection (1) above.
- (7) The Scottish Ministers may issue guidance to local authorities on how those authorities might carry out their functions under this section.
- (8) Before doing so, the Scottish Ministers shall consult such associations of local authorities and such other persons as they think fit.
- (9) In section 1 (Accounts Commission’s power to direct publication of information about the activities, in a financial year of local authorities etc.) of the Local Government Act 1992 (c. 19)—
 - (a) in subsection (1)—

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- (i) after “year”, where first occurring, there is inserted “or such other period as is specified in the direction being a period beginning not less than 3 months after the giving of the direction”;
 - (ii) after “effectiveness” there is inserted “and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003 (asp 1)”;
 - (iii) after “year”, where secondly occurring, there is inserted “or other period”;
 - (iv) after “years”, there is inserted “or, as the case may be, other periods”;
- (b) in subsection (2), after “year”, in each place where that word occurs, there is inserted “or other period”.
- (10) In section 2 (further provisions about directions) of that Act—
- (a) in subsection (1)(a), after “years” there is inserted “or other periods”; and
 - (b) in subsection (4) there is inserted at the end “or, where another period has, under section 1(1) above, been specified in the direction, than such date as is there specified for the purposes of this subsection.”.

14 Application of this Part to other bodies

This Part of this Act applies also to those bodies to which Part VII (finance) of the 1973 Act applies by virtue of section 106(1) of that Act (application to committees, joint committees and joint boards the members of which are appointed by local authorities and to charities etc. the trustees of which are local authorities or their members).