Local Government Finance Act (Publicity for Auditors' Reports) Act 1991

1991 CHAPTER 15

An Act to make further provision with respect to the furnishing or making of copies, and inspection, of auditors' immediate reports made under section 15(3) of the Local Government Finance Act 1982. [27th June 1991]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Additional publicity for auditors' immediate reports

(1) The Local Government Finance Act 1982 ("the 1982 Act") shall be amended in accordance with this section.

(2) After section 18 of the 1982 Act there shall be inserted—

"**18A Additional publicity for auditors' immediate reports**

(1) As from the time when, by virtue of section 18(3) above, an immediate report made under section 15(3) above is received by a body or by the chairman of a parish meeting, any member of the public shall be entitled—

(a) to inspect the report at all reasonable times and without payment and to make a copy of it, or of any part of it, and

(b) to require the body or chairman to supply to him a copy of the report, or of any part of it, on payment of a reasonable sum.

(2) When such a report is so received by a body or by the chairman of a parish meeting, the body or chairman shall forthwith publish in one or more local newspapers circulating in the area of the body or meeting a notice which—

(a) identifies the subject-matter of the report, and

(b) states that any member of the public—

(i) may inspect the report, and

(ii) may make a copy of it, or of any part of it,

between such times and at such place or places as are specified in the notice;

and, where the report is so received by a body, the body shall in addition forthwith supply a copy of the report to every member of the body.

(3) Any person having the custody of an immediate report who—

(a) obstructs a person in the exercise of any right conferred by subsection (1)(a) above, or

(b) refuses to supply a copy of the report, or (as the case may be) of any part of it, to a person entitled to such a copy by virtue of subsection (1)(b) above,

shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(4) Any person who fails to comply with any requirement of subsection (2) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(5) An auditor who has sent an immediate report to a body or to the chairman of a parish meeting under section 18(3) above—

(a) may notify any person he thinks fit of the fact that he has made such a report, and

(b) may supply a copy of the report, or of any part of it, to any person he thinks fit.

(6) Nothing in this section applies in relation to a health service body.

(7) Nothing in this section is to be construed as affecting the operation of section 18(5) above."

(3) In subsection (1) of section 24 of the 1982 Act (right of elector to inspect statements of accounts and auditors' reports), in paragraph (a), after "auditor" there shall be inserted ", other than an immediate report".

(4) In subsection (1) of section 31 of the 1982 Act (application of Part III of that Act to Passenger Transport Executives and their subsidiaries), after paragraph (c) there shall be inserted—

"(ca) the requirements of section 18A(1) and (2) shall apply to the relevant authority as well as the Executive, but the reference in section 18A(2) to one or more local newspapers circulating in the area of the body or meeting shall be construed as a reference to one or more such newspapers circulating in the area of the relevant authority;".

(5) Nothing in this section shall have effect in relation to any immediate report (within the meaning of section 15(3) of the 1982 Act) sent to a body or, as the case may be, to the chairman of a parish meeting under section 18(3) of the 1982 Act before the commencement of this Act.

2 Short title, commencement and extent

(1) This Act may be cited as the Local Government Finance (Publicity for Auditors' Reports) Act 1991.

(2) This Act shall come into force at the end of the period of two months beginning with the day on which it is passed.

(3) This Act extends to England and Wales only.

EXPLANATORY MEMORANDUM

This Bill amends the Local Government Finance Act 1982 (c. 32) with respect to auditors' immediate public interest reports, that is to say, auditors' reports made under section 15(3) of that Act otherwise than at the end of an audit. It places on bodies which receive such a report a new duty forthwith to advertise the report and make it accessible to the public.

Clause 1 inserts a new section 18A in the Local Government Finance Act 1982 which, in respect of an auditor's immediate public interest report, gives the public an immediate right to inspect and copy; requires the body to advertise and to supply copies to its members and, on request, to the public; provides for sanctions; and gives the auditor powers to publicise the report and to supply copies. The clause also makes consequential amendments.

The Bill will have no significant financial effects and no effects on public service manpower.