



Local Government Finance Act 1982

1982 CHAPTER 32

PART III

ACCOUNTS AND AUDIT

Audit of accounts

[^{F1}25A Power of auditor to issue prohibition order.

(1) The person who is for the time being the auditor in relation to the accounts of any body whose accounts are required to be audited in accordance with this Part of this Act [^{F2}other than a health service body] may issue an order under this section (in this Part referred to as a “prohibition order”) if he has reason to believe that the body or any officer of the body—

- (a) is about to make or has made a decision which involves or would involve the body incurring expenditure which is unlawful; or
- (b) is about to take or has taken a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- (c) is about to enter an item of account, the entry of which is unlawful;

and for the purposes of this section and section 25B below, the actions of a committee or sub-committee of the body or of any other person (not being an officer) authorised to act on behalf of the body shall be treated as the actions of the body itself.

(2) A prohibition order is one—

- (a) which is addressed to the body or officer concerned;
- (b) which specifies the paragraph of subsection (1) above which is relevant and the decision, course of action or item of account to which the order relates;
- (c) which specifies the date on which (subject to subsection (5) below) the order is to take effect, being a date not earlier than the date of service of a copy of the order in accordance with paragraph (a) or, as the case may be, paragraphs (a) and (b) of subsection (4) below; and

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- (d) which requires the body or officer concerned to desist from making or implementing the decision, taking or continuing to take the course of action or, as the case may be, entering the item of account in question.
- (3) Where two or more auditors are appointed in relation to the accounts of any body, the power to issue a prohibition order may be exercised by the auditors acting jointly or by such one of them as they may determine; and, in relation to such an order, any reference in subsections (4) and (5) below to the auditor is a reference to the auditor or auditors by whom the order is issued.
- (4) A copy of a prohibition order—
- (a) shall be served on the body to which, or to an officer of which, it is addressed; and
 - (b) in the case of an order addressed to an officer, shall also be served on him; and
 - (c) may be served on such other person or persons as appears to the auditor to be appropriate.
- (5) A prohibition order shall not have effect unless, not later than the end of the period of seven days beginning on the date of service referred to in subsection (2)(c) above, the auditor serves on the body concerned and on any officer on whom a copy of the order was served under subsection (4)(b) above, a statement of the auditor's reasons for the belief referred to in subsection (1) above.
- (6) Any copy of an order or statement which under this section is to be served on an officer of a body shall be served on him by addressing it to him and by delivering it to him or leaving it at, or sending it by post, to the office at which he is employed.
- (7) A prohibition order may at any time be revoked (but not varied) by the person who is for the time being the auditor in relation to the accounts of the body to which or to an officer of which the order was addressed.]

Textual Amendments

F1 Ss. 25A, 25B, 25C and 25D inserted by [Local Government Act 1988 \(c. 9, SIF 81:1, 2\)](#), s. 30(1), **Sch. 4**

F2 Words inserted by [National Health Service and Community Care Act 1990 \(c. 19, SIF 113:2\)](#), s. 20(1), **Sch. 4 para. 16**

Modifications etc. (not altering text)

C1 25A restricted (30.12.1997) by [1997 c. 65, s. 8\(2\)](#) (with s. 12(3)); [S.I. 1997/2843](#), 2(2)
[S. 25A](#) amended (28.11.1994) by [S.I. 1994/2825](#), **reg. 22**

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Changes to legislation:

There are currently no known outstanding effects for the Local Government Finance Act 1982, Section 25A.