



The Scottish Parliament
Pàrlamaid na h-Alba

WRITTEN AGREEMENT BETWEEN THE FINANCE COMMITTEE AND THE SCOTTISH COMMISSION FOR PUBLIC AUDIT ON THE BUDGET PROCESS IN SESSION 4 OF THE SCOTTISH PARLIAMENT

Foreword

1. This document sets out a revised agreement between the Finance Committee and the Scottish Commission for Public Audit (SCPA) on the arrangements to be observed in connection with the scrutiny of the annual draft budget. It is not intended to create any legal rights or obligations on either the Committee or the SCPA.

Background

2. A separate agreement between the SCPA and Audit Scotland exists in order to help the SCPA discharge its statutory duties as set out in the Public Finance and Accountability (Scotland) Act 2000. There are separate agreements between the Committee and the Scottish Government and the Scottish Parliamentary Corporate Body setting out the arrangements for the scrutiny of the annual draft budget. The agreement between the Committee and the Scottish Government details the annual budget process.

Audit Scotland's budget

3. The expenditure plans of any body which has a prior call on the Scottish Consolidated Fund will reduce the total amount available to the Scottish Government for inclusion in its plans. Audit Scotland's budget falls into that category. It is therefore important that accurate information about Audit Scotland's spending plans is provided to the Finance Committee and the Scottish Government at an early stage.

4. To this end, the SCPA, as the body responsible for examining Audit Scotland's expenditure proposals, will provide to the Finance Committee no later than the end of the first week in November each year, its report on Audit Scotland's budget proposals for the next financial year.

5. The SCPA will also keep the Committee and the Scottish Government informed of any substantive changes to Audit Scotland's budget in recognition of the fact that these would affect the Scottish Government's expenditure plans and the Parliament's consideration of them.

6. By convention, the Finance Committee's consideration of the Scottish Government's draft budget has included a discussion of the SCPA's report which

has been included as an annexe to the Committee's report. This is in recognition of the fact that whilst the SCPA has primary responsibility for scrutinising Audit Scotland's expenditure proposals, the Committee is responsible for scrutinising Scottish Government expenditure proposals as a whole.

7. This process creates the possibility of disagreement between the two bodies if they were to take a different opinion on Audit Scotland's proposals. This could result in the Finance Committee's report containing a different recommendation on Audit Scotland's proposals from that reported by the SCPA.

8. To attempt to avoid such a scenario, the Finance Committee and the SCPA can discuss the SCPA's report before the Committee produces its report. To assist the Finance Committee's understanding of Audit Scotland's expenditure plans, the SCPA will seek to answer any questions from the Committee and make information available to it.

9. If there is still disagreement between the Committee and the SCPA, the Committee can express its comments on Audit Scotland's proposals in its report or in the motion to discuss its report. The SCPA is free to lodge an amendment to that motion which is voted on by the Parliament.

10. In situations where the SCPA's report expresses discontent with Audit Scotland's expenditure proposals, and the Finance Committee either has no comment to make or is in agreement, the SCPA can lodge a motion on its report and seek to secure parliamentary time to debate this. Alternatively, the Committee could, with the SCPA's agreement, express any discontent in its report which could then be debated in the Parliament.

11. In either case, the final expenditure proposals for Audit Scotland will appear in the annual Budget Bill, which will be voted upon by the Parliament.