1. This document responds to the Committee’s request of 19 February 2013 to provide further information on two specific issues.

Whether HMRC would intend to provide the extract of its accounts relating to SRIT to the Scottish Parliament by laying this document (and any accompanying NAO opinion?) in the Scottish Parliament? [And if not how would HMRC propose to provide this information to the Scottish Parliament?]

2. The memorandum of understanding (MoU) between the UK and Scottish Governments on the operation of the SRIT states that –

“Expenditure and receipts relating to SRIT will be identified separately in HMRC annual accounts, which are audited by the National Audit Office (NAO). Following audit of the HMRC accounts, the AAO [Additional Accounting Officer] will provide an extract, covering all matters relating to SRIT, to the Scottish Parliament. He will be available to give evidence to Scottish Parliamentary Committees when required.” The MoU has now been approved and will be published on the HMRC website in March. A copy will be sent to the Scottish Parliament’s Finance and Public Audit Committees.

3. HMRC are currently working with the NAO on the arrangements for auditing the SRIT. We anticipate that the NAO’s audit of HMRC’s expenditure relating to the SRIT and the accompanying receipts will be contained in a report that will be laid before the Scottish Parliament. As indicated in the Comptroller and Auditor General’s evidence to the Committee in November, legislation may be required to provide a clear statutory basis for this report.

4. Having examined the Scottish Parliament’s Standing Orders, we do not think HMRC would be able to lay the extract referred to above before the Scottish Parliament without a legislative requirement. HMRC would be happy to consider suggestions for the most convenient way of providing the information to the Parliament, for example, by sending it to the Convenors of the Public Audit and Finance committees.

If HMRC agree to provide additional performance measures about its administration and collection of SRIT, how would HMRC propose to provide this information directly to the Scottish Parliament e.g. laying this with the annual accounts.

5. As set out in letters to the Public Audit Committee, HMRC and the Scottish Government will be discussing the possibility of HMRC providing additional performance information in relation to the SRIT. There may be cost implications associated with providing information of this nature in some cases, and it is worth noting that HMRC is committed to providing the same level of service to Scottish taxpayers and employers of Scottish taxpayers as their equivalents in the rest of the UK.

6. Wider performance information on a UK-wide basis that is not included in HMRC’s accounts is currently published on the HMRC website and we would anticipate that any further analysis would be made available in the same way.
Doug,

Thanks for taking the time to speak with me about the Scottish rate of income tax. As I explained the Public Audit Committee will likely publish an interim report in April 2013 on which it will seek views from all interested parties. In order to inform that report it would be helpful if you could provide me with some further information in relation to the following areas. As we discussed the information provided in response to this email will likely be made public in the report (and will be published by the Committee as evidence). Please let me know if you would like the following queries sent to you in a letter from the Convener of the Committee.

Whether HMRC would intend to provide the extract of its accounts relating to SRIT to the Scottish Parliament by laying this document (and any accompanying NAO opinion?) in the Scottish Parliament? [And if not how would HMRC propose to provide this information to the Scottish Parliament?]

If HMRC agree to provide additional performance measures about its administration and collection of SRIT, how would HMRC propose to provide this information directly to the Scottish Parliament e.g. laying this with the annual accounts.

It would be helpful if you could let me have a response by close of play on Friday 1 March but I appreciate that this is a tight turnaround so please let me know if this deadline will cause you any difficulty. Please do not hesitate to contact me if it would be helpful to discuss this further.

Kind Regards

Jane Williams
Clerk