Dear Caroline

I am writing to request your views on the proposed arrangements for the collection of the new land and buildings transaction tax, specifically in relation to the new responsibilities for Registers of Scotland and the establishment of Revenue Scotland.

The Public Audit Committee considered the provisions of the Land and Buildings Transaction Tax (Scotland) Bill at its meeting on 16 January. The Committee noted that, as the legislative provisions for LBTT will come into force in Spring 2015, then Revenue Scotland, in its current form within the Scottish Government, will already be making arrangements with Registers of Scotland for the forthcoming tax well in advance of it being provided with operational independence.

The Committee therefore agreed to write at this early stage seeking information from the Scottish Government on the anticipated respective roles and responsibilities of Revenue Scotland and Registers of Scotland and the audit arrangements for these organisations. This letter is attached for your reference.

The Committee also agreed to write to you seeking your views on what you consider would constitute appropriate audit arrangements for Revenue Scotland and the new responsibilities for Registers of Scotland. In answering this, the questions that the
Committee has posed to the Scottish Government may provide useful context. These are as follows:

**Audit arrangements and accountability**

- which of these organisations (Revenue Scotland and Registers of Scotland) would include the accountable officer for this tax? Would there be one accountable officer for administration and one for collection of the tax?

- would all of Registers of Scotland’s new responsibilities be subject to audit by Audit Scotland?

- would Registers of Scotland be required to publish information on their annual performance in collecting the tax and the levels of tax collected?

- where does the Government envisage responsibility would lie between the two organisations for delegated functions? For example, should there be lower levels of tax collected than anticipated, would Revenue Scotland or Registers of Scotland ultimately be accountable?

Please also feel free to provide any thoughts on what would be best practice in mitigating the key risks associated with establishing Revenue Scotland and adding responsibilities to Registers of Scotland, such as in the development of new ICT systems.

The Committee considers the information from you and the Government will be beneficial if provided to the Finance Committee to inform Stage 1 scrutiny, and also to inform this Committee’s scrutiny of bills stemming from the Scotland Act 2012 over the course of this parliamentary session.

I would intend to send your response and the Government’s response to the Finance Committee to inform its evidence sessions with the Scottish Government, Revenue Scotland and Registers of Scotland on 27 February. On that basis I should be grateful for a response by 20 February.

Yours sincerely

Iain Gray MSP, Convener