Dear John

I am writing to request information on preparations for the forthcoming 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 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.

The Committee considers this information 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.

The questions the Committee agreed to raise with you are as follows:

**Audit arrangements and accountability**

- which of these organisations (Revenue Scotland or 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?

**Risk management**

- what does the Government consider to be the key risks associated with establishing Revenue Scotland and adding responsibilities to Registers of Scotland?

- how are the risks associated with development of new ICT systems being mitigated? For example, the Committee would be interested in whether, if Revenue Scotland issues a contract for ICT system development, lessons will be learned from previous ICT contracts detailed in the AGS report on *ICT contracts: an audit of three public sector programmes*.

I would intend to send your response to the Finance Committee to inform its evidence sessions with you, Revenue Scotland and Registers of Scotland on 27 February. On that basis I should be grateful for a response by 20 February.
For information, I also intend to write to Audit Scotland on the anticipated accountability and audit arrangements. This response will also be provided to the Finance Committee in advance of 27 February.

Yours sincerely

Iain Gray MSP, Convener

cc: Audit Scotland