

AUDIT COMMITTEE

Tuesday 2 November 1999
(*Afternoon*)

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CONTENTS

Tuesday 2 November 1999

	Col.
WRITTEN AGREEMENTS (SCOTTISH EXECUTIVE)	93
FUTURE MEETINGS	106

AUDIT COMMITTEE

6th Meeting

CONVENER:

*Mr Andrew Welsh (Angus) (SNP)

COMMITTEE MEMBERS:

*Brian Adam (North-East Scotland) (SNP)
*Scott Barrie (Dunfermline West) (Lab)
*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)
*Miss Annabel Goldie (West of Scotland) (Con)
Margaret Jamieson (Kilmarnock and Loudoun) (Lab)
Mr Nick Johnston (Mid Scotland and Fife) (Con)
*Lewis Macdonald (Aberdeen Central) (Lab)
*Paul Martin (Glasgow Springburn) (Lab)
*Euan Robson (Roxburgh and Berwickshire) (LD)
*Andrew Wilson (Central Scotland) (SNP)

*attended

COMMITTEE CLERK:

Sarah Davidson

SENIOR ASSISTANT CLERK:

Shelagh McKinlay

ASSISTANT CLERK:

Alastair Macfie

Scottish Parliament

Audit Committee

Tuesday 2 November 1999

(Afternoon)

[THE CONVENER *opened the meeting at 13:05*]

The Convener (Mr Andrew Welsh): I call members to order and welcome you all to this public meeting of the Audit Committee. I have received apologies from Margaret Jamieson.

We have two items on the agenda: the draft written agreement between the Parliament and the Executive on the form of accounts and powers of direction, and the future work programme of the committee.

Written Agreements (Scottish Executive)

The Convener: I refer members of the committee to the draft agreement and the covering letter from the Executive and remind them that, in considering the Public Finance and Accountability (Scotland) Bill at stage 1, this committee agreed to the proposal that ministers should direct the form of accounts following consultation with the committee.

I suggest that we consider the content of the draft item by item. That will allow us to individualise each decision that has to be made. As far as possible, where the committee wishes to make changes to the agreement, it should agree on a form of words rather than express a general view. I would like what we are deciding to be clear, not only to assist the clerks, but to make clear our thinking.

I now invite members to make their contributions. Let us start with the form of accounts and powers of direction. Are there any comments on paragraph 1, entitled "Purpose"?

Andrew Wilson (Central Scotland) (SNP): Before we start, I would like—for the record, more than anything else—to express a concern that was also felt by the Finance Committee; it will, I hope, be relayed back to the Executive. My concern is that we are considering these documents after the closure of amendment deadlines for stage 2 of the bill. Much of what we may do in the form of amendments is subject to the finalising of these written understandings between the Executive and us, so we are concerned about the fact that we are getting to see them so late in the day.

Sarah Davidson (Committee Clerk): It might

be helpful if I were to clarify for the committee that members have until this Friday to lodge amendments for stage 2 of the bill.

The Convener: I think that Andrew was expressing a concern on the record, and I am sure that the minister will note it.

Let us get to work. Is paragraph 1 agreed to?

Members indicated agreement.

The Convener: Are there any comments on paragraph 2, "Background"? This is about ministers'

"powers to direct the format of accounts",

which

"should include a comparison with the previous financial year . . . be wide-ranging and cover both resources and performance information."

Are there any comments?

Brian Adam (North-East Scotland) (SNP): I am quite happy with the general statement, but it might be helpful for it to be made a little more specific. I believe that that point was also raised at the Finance Committee. Perhaps the third sentence could read: "Accounts should include a comparison with the previous financial year, including percentage change." That would make the paragraph easy to understand immediately.

The Convener: If I have understood you correctly, you are trying to clarify what the comparison should be. You are saying that, included in the comparison, there should be a figure for percentage change, rather than just the figures themselves. Do members want to comment on that?

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): We are saying that the accounts should be set out in such a way that they can be understood by laypersons. It is a good suggestion to include a plus or minus figure for percentage change, which would indicate upward or downward movement. Could that be incorporated?

The Convener: A percentage change figure would indicate that.

Cathie Craigie: Aye, but we need to include a plus or a minus.

Andrew Wilson: Can I seek clarification from Sarah? She will recall the amendments that we suggested to the written understandings between the Executive and the Finance Committee, which made many of the same points. What is the distinction between the form of accounts and what we were suggesting with regard to the Executive's budget proposals?

Sarah Davidson: I think that the Executive's intention is that budget supporting documentation

and the form of accounts should mirror each other closely. It is, therefore, entirely reasonable that the same points should be made. We should also assume that the Executive, in accepting points that the Finance Committee made about budget documentation, would apply the same points to the form of accounts.

Andrew Wilson: I do not want to go through the same discussion as I had in the Finance Committee. Brian alluded to transparency. There are other points that need to be addressed, which I raised at that committee meeting, but I will leave them to one side. Can I assume that the relevant information will be picked up from the Finance Committee?

Sarah Davidson: If the committee wishes, the clerks could read information across the Audit Committee and Finance Committee, but I would want to be clear that that was the wish of the committee.

The Convener: Is that the wish of the committee?

Members indicated agreement.

Andrew Wilson: The changes that were proposed were, for example, to provide information on year-on-year changes, to remove inflation from the figures and other obvious points. Those changes will improve transparency. I think that the Finance Committee agreed to them unanimously.

Sarah Davidson: Should I compile proposed changes in a draft and circulate it to members, so that they can see what the Finance Committee's views were?

Members indicated agreement.

Brian Adam: Paragraph 2 of the draft document states:

"Accounts should include a comparison with the previous financial year."

My amendment would go after that. The document does not state how detailed the accounts will be. I think that we will want accounts that are more detailed than to departmental level.

The Convener: I think that that point comes up later in the document.

Brian Adam: Does it?

The Convener: Paragraph 8 states:

"Information will be disaggregated to the same level as in the budget documentation."

Will you raise your point when we consider that paragraph?

Brian Adam: Yes.

The Convener: If there are no more comments

on paragraph 2, I will sum up. If I have this right, we are saying that after

"comparison with the previous financial year",

the words "including plus or minus percentage change" should be added. The clerk has agreed to produce for our consideration a draft document of the points made at the Finance Committee. Those are the two decisions that we have taken. Is paragraph 2, with those alterations, agreed to?

Members indicated agreement.

The Convener: Paragraph 3 deals with powers of direction. This part of the document tells us which bodies are covered. Are there any comments?

Brian Adam: Your opening remarks included a statement that the minister had the power of direction in consultation with Parliament. We represent Parliament on this matter. Although reference to that consultation appears in paragraph 5, it does not appear in paragraphs 3 and 4. Paragraph 3 could have included reference to consultation.

Miss Annabel Goldie (West of Scotland) (Con): I support that view. That point also occurred to me. There seems to be an inconsistency in the document.

Brian Adam: I was going to suggest that the final sentence in paragraph 3—

"The Scottish Ministers also possess powers under various pieces of legislation to direct the form of accounts of various other public bodies (such as NDPBs)"—

should conclude with "in consultation with Parliament" or "in consultation with the Audit Committee", whichever was felt appropriate.

The Convener: Do you mean in consultation with either Parliament or the Audit Committee?

Brian Adam: I think that it should read "in consultation with the Audit Committee".

Andrew Wilson: With that amendment, we would be making a statement about the Public Finance and Accountability (Scotland) Bill. I do not know whether the bill will require the Scottish ministers to use the powers in consultation with committees. We can say "and will use them in consultation", because that is our written understanding.

Brian Adam: In that case, I am willing to go along with "and will use them in consultation", but we should specify that we should be consulted.

The Convener: What is your final form of words?

Brian Adam: I am looking to Andrew for them.

Andrew Wilson: We should make the point that we want the ministers to activate those powers,

because I would like to ensure that the form of accounts across the public sector is the same. We need a form of words to do that, so that the accounts of non-departmental public bodies, executive agencies and—less important—local authorities slot in with the form of accounts of departments of the Executive.

Brian Adam: That is a different point.

Andrew Wilson: But that is what the paragraph mentions.

13:15

Miss Goldie: I am not clear. I want clarification from the clerk on what is meant by powers of direction. The paper includes three paragraphs under the heading "Powers of direction". Paragraph 5, as Brian indicated, says that

"the Scottish Parliament must be properly consulted before any new direction is made or before an existing direction is revised substantially."

Is that generic to paragraphs 3 and 4?

Sarah Davidson: I would read that to be so, but I have no more information than anyone else.

The Convener: If the committee wants to clarify that, it is entitled to do so. Paragraph 5, as I read it, says that the Parliament will be consulted on any changes that are made by a minister. Andrew Wilson is introducing the specific proposal that the same form of accounts should be used by other public bodies. Andrew, if we understand you correctly, you want assurances that the powers of direction will be activated and that the same forms of accounts will be used.

Andrew Wilson: I want all bodies that are in receipt of public funds to account for their budgets. If one follows the route of spending, from the enterprise budget, for example, to the agencies, the budgets do not mirror one another in a way that makes them easy to compare. What I am getting at is that there may be difficulties. I am asking, therefore, for advice before we amend this paragraph.

The Convener: In other words, you want to know what the technical problems are.

Andrew Wilson: Yes, but there may also be problems with the extent to which the Executive can set down the form of accounts. It can do so for executive agencies, but may find it more difficult for those bodies that are more at arm's length.

The Convener: So, you are after clarity.

Andrew Wilson: Yes.

The Convener: We will, therefore, ask the clerk to examine that issue and to give us a draft so that we can ensure clarity and uniformity in the presentation of accounts. Perhaps the clerk could

check the technical difficulties that may arise in finding a form of words that will achieve what Andrew seeks. It is an important point.

Brian Adam: I want to pursue the point that Annabel and I raised. We want to include in paragraphs 3 and 4 a reference to consultation with the Audit Committee.

The Convener: We will ask the clerk to examine that. You want to clarify whether paragraph 5 is applicable.

Sarah Davidson: We might be able to do that by inserting an amendment to paragraph 5 that says that the Scottish Parliament must be properly consulted before any new direction is made, including those mentioned in the foregoing paragraphs. We will, however, clarify that that sentence is generic.

Brian Adam: Something along those lines would certainly satisfy me.

The Convener: Have we now dealt with paragraphs 3, 4 and 5?

Brian Adam: I was concerned about the final sentence in paragraph 4, which says that directions

"may be revoked and replaced as the Scottish Ministers see fit."

I was more concerned that we put in a bit about consultation with the Audit Committee at that point. As it stands, the sentence looks rather stark.

The Convener: That brings us to the point on paragraph 5, which the clerk will look at. We have said that directions

"may be revoked and replaced as the Scottish Ministers see fit",

and that they

"must be in writing and they are binding".

If I understand it correctly, the committee is saying that there should be some relationship with the Audit Committee. In the light of those comments, the clerk will redraft the paragraph for our consideration.

I will take our comments on paragraphs 3, 4 and 5 together. The clerk will produce a draft for our perusal and approval—or otherwise—that reflects the fact that we want to activate the powers of direction, use the same form of accounts for all bodies involved and ensure consultation with the Audit Committee.

We move on now to paragraph 6 on the supporting documents for budget bills. Are there any comments?

Andrew Wilson: One of the discussions that we had at this morning's meeting of the Finance Committee resulted in a commitment from the

Minister for Finance—in lieu of an amendment, which Brian Adam withdrew—to include certain information, such as sources of funding, in the supporting documents. Brian can comment on that.

Brian Adam: A concern that I have expressed a number of times is that, to have proper clarity and transparency about where moneys come from, we have to identify clearly moneys that have been recycled, in terms of mandatory efficiency savings—which are typically 1 per cent for further education colleges and 3 per cent for health trusts. There is also the 6 per cent return on capital that is expected from health trusts and the Keeper of the Registers of Scotland, and there may be others of that ilk. That should be clarified in the budget bill and supporting documents. The minister was reluctant—that is putting it kindly—to accept my amendment to that effect this morning, but he assured me that he would consider examining it in the written agreement. I want the minister to bring forward proposals for amendments. We will have to revisit this.

The Convener: This paragraph set down the purposes, the amount, the expected income and proposed treatment, but what you want is a closer identification of recycled moneys within that.

Brian Adam: Yes. The source of money should be absolutely clear.

The Convener: Do you have a form of words to cover that?

Brian Adam: We had an understanding from the minister that he would address the identification of recycled moneys and come back to us. I do not know whether it would be useful for us to produce one form of words and end up fighting over the thes, anys and ands. I want to have it on record that we are considering the matter, almost as a reminder to the minister of what he agreed to do.

The Convener: You have now got that on the record—no doubt the minister will read it. When I report the views of this committee, I shall certainly ensure that that is brought to the attention of the minister.

Are there any other comments on paragraph 6?

Miss Goldie: There seems to be silence in the remaining provisions about reserves or other capital. It is important that the Parliament is presented with a budget bill that, apart from dealing with revenue issues—I think that Brian Adam is trying to get at this—gives information about whether there are accumulated revenues. If there is a percentage increase or decrease in revenue performance, we are entitled to know whether capital has accumulated or been lost as a consequence of the operating budget account for

the year.

Brian Adam: I moved an amendment this morning that covered some of those points, but the minister declined to accept it, although he said that he would address the issue. My amendment was that, in terms of the new resource account budgeting procedure, any carry forward should be limited to 2 per cent, and that that money should be spent on the purpose for which it was voted on in the previous year. The minister had one or two technical objections to the detail and also objected to the principle; he said that he would prefer to deal with the matter in this written understanding. Again, we should expect the minister to come forward with some details.

Miss Goldie: There cannot be a full understanding of the budget bill if the Parliament is not privy to whether there are reserves or carry overs.

The Convener: Do you wish to leave this as a comment, or do you wish to propose a form of words?

Brian Adam: Again, my recollection is that the minister offered to put something on that point into a memorandum of understanding. We should leave it to him and his officials to come forward with a form of words that we can consider.

The Convener: Does it satisfy the committee that these views will be on record for the minister to read?

Members indicated agreement.

Brian Adam: Annabel Goldie also brought up the question of capital. I am not aware that for this purpose the Executive sees the difference between capital and revenue. There was no specific discussion about capital but—

Miss Goldie: There is a loose reference to a projected balance sheet. A balance sheet usually implies an inclusion of capital and liabilities. Again, I want capital specifically to be included with reference to the budget bill.

Euan Robson (Roxburgh and Berwickshire) (LD): Is there not reference to a capital expenditure plan? I understand the point, but are we worrying about something that, in fact—

Miss Goldie: It seems to me, Euan, that if we want transparency of the financial position for what will effectively be a national budget for Scotland before the Parliament is asked to approve or disagree to proposals for raising or spending money, we will need to know whether there is any carry over. We will need to know whether there is anything that may mitigate the need to raise or to spend money.

Euan Robson: I do not disagree with a word of that, but I would have expected those things to be

included in the capital expenditure plan that is mentioned.

Miss Goldie: If the Executive decides that it wants not to spend capital, but to hoard it, all that the Parliament will ever know—if they simply have to produce a capital expenditure plan—is that there are some capital expenditure proposals. We will never know what the kitty of capital is.

The Convener: The system is being set. Once systems are set, it is usually difficult to change them. It is important to get things right at the outset. We are working from a fixed budget, so clarity is important if we are to understand how the fixed budget is operating.

Brian Adam: Could we perhaps have some explanation from the officials of whether there is any distinction between capital and revenue in terms of the budget? Annabel raises an important point. I suspect that the Executive does not want to hoard capital, but the only reference that we will have to that will be the capital expenditure plan. The capital will come from the current revenue, or at least be financed from the current revenue. We need some guidance on that.

The Convener: You have asked for guidance, Brian. I am sure that we can expect an explanatory note from the clerks on that point about capital and revenue.

Cathie Craigie: By what date must we finalise our comments on the memorandum?

Sarah Davidson: There is no specific deadline, although the minister has said that he hopes to have agreed a final version with members of both committees before stage 3 of the bill, so that, if members are still not happy, they can table amendments. That gives us about another four weeks.

Cathie Craigie: Clearly, there are a lot of gaps, so we need further information. The part of paragraph 7 about the capital expenditure plans—

The Convener: We have not reached that yet. That comes next—we are waiting with baited breath.

Cathie Craigie: We need further information to clarify matters. We are unsure about what some of this means.

The Convener: That is the purpose of this meeting. We are now clarifying which areas we want further information on. I would like us to make reasonable speed. Once the clerk has prepared the background papers that we are requesting, I hope that we will have an early opportunity to look at them. The purpose is not to delay the measure; it is to get clarity. That is why it is useful to collate these details.

There are various reminders to the minister in

the record of these proceedings; there are also items for clarification. Is that agreed?

Members indicated agreement.

The Convener: Paragraph 7 is about the operating cost statement, the balance sheet, the capital expenditure plan, the operating budget and

“Operating Statements for each Programme, together with performance indicators and targets for the year. Statements will contain analysis of proposed expenditure and expected income”.

It also covers

“any further tables/analysis considered necessary.”

Are there any comments on that?

Andrew Wilson: Following from what Annabel was motivated by in the last section, I wonder if the following would be helpful on the last two bullet points on page 2 of the document.

On the capital expenditure plan, we really want to seek a wider capital account statement. That would include listing existing capital assets and showing how their value was changing by depreciation or whatever else, and listing all—rather than just large—new expenditure projects individually, so that we could see where in the accounts the capital assets would have been added to, and how much that was costing. Alternatively, we could have a form of words which says what I have just said in a way that is more acceptable—and accurate.

13:30

In the same way, and related to the capital expenditure plan, because much of the current capital expenditure is supported in a different way from revenue going into capital projects—in other words, through private finance initiatives and public private partnerships—a similar plan for PFI and PPP agreements would be helpful. That plan would list all projects individually, along with the annual expenditure servicing them. To an extent, we could get that information in “Serving Scotland’s Needs” and by further questioning, but it would be helpful to have it in the form of accounts. That would mean a change to the third bullet point under paragraph 7 and an additional bullet point below that.

The Convener: Do you have a form of words for that, or do you want the clerk to work on it?

Andrew Wilson: What I said was roughly what I had written down.

The Convener: Forget roughly; we want exactly. I understand that you are looking for a listing of the capital assets, complete with the changes that have taken place, and a listing of all new projects. You also want individual statements

on PPP and PFI projects, so that we have a clear picture of what is going on in terms of capital. Is that correct?

Andrew Wilson: Yes.

The Convener: I ask the clerk to consider that and advise us on how to proceed. Are there any further points on paragraph 7, or can we agree it with that caveat? We are agreed.

Paragraph 8 states

"The format of accounts will report spend against budgets. Information will be disaggregated to the same level as in the budget documentation."

Are there any comments on that?

Brian Adam: We need to know the level that it is intended to disaggregate to. At that point, perhaps we could include the clarity on savings and return on capital that I referred to earlier. I would expect us to have disaggregation of the budget well below departmental level. I have lodged an amendment, which we will come to later, that suggests that information be disaggregated to a sub-programme level. We are looking for a fairly open account. If all we have is a line that says we are spending £5 billion on education, we will know nothing. We need the information at, for example, a little below how much is going into the excellence fund for education. We need an agreed form of words about the required level; we also need clarification on the recycling of the money to which I referred earlier.

The Convener: Some clerk has toiled for years to get this into shorthand; now we are turning it back into longhand. However, we are doing it for a good purpose. You are saying that instead of the phrase "disaggregated to the same level", you want the details of the level to be spelled out to a reasonable level to clarify where the funds are coming from.

Brian Adam: To begin with, we should go for as low a level as reasonable, although reasonable is never a good word to use—it is too open to interpretation. If we then discover that we are getting more detail than we need, we can say so.

Miss Goldie: Brian makes a good point. I, too, was unclear as to what "disaggregated to the same level" meant. I do not know to what level it is reasonable for the Executive to have to provide that further definition of financial amounts. Perhaps the clerk can advise us on that.

Scott Barrie (Dunfermline West) (Lab): I have a similar point. If we were to suggest an amendment, it would not be acceptable to use a phrase such as "as low a level as possible". We have to be much more specific. I have some sympathy with the level of detail that Brian

suggested, but that may well become impractical. We need to work out our exact wording. The sentiments that Brian expressed are laudable and right. We want meaningful information.

Miss Goldie: Convener, it is not unreasonable to ask the Executive to clarify what it means by disaggregated level.

The Convener: From what members have been saying, we have a technical problem. We need some technical expertise to inform this committee's judgment as to what the reasonable level is. We require technical expertise to ensure that we do not go into massive detail and also that we do not make it so large a unit that it is meaningless.

I believe that this issue was discussed at the meeting of the Finance Committee. Were any members present at that meeting?

Andrew Wilson: The meeting this morning?

The Convener: It may have been last week.

Andrew Wilson: John Swinney raised this issue at the Finance Committee.

The Convener: Can you remember what was decided?

Andrew Wilson: Scott's point is reasonable in that I would like a disaggregation that goes as far as is humanly possible. Whether that is given on paper or in electronic format can be decided later. If one does not want to examine it in more detail, it is possible to examine it one level up. I want the greatest possible transparency.

The Convener: We want to clarify what that means.

Lewis Macdonald (Aberdeen Central) (Lab): I read paragraph 8 a little differently from other members. I took it that paragraph 8 was saying that the disaggregation would mirror whatever was agreed as the conduct in paragraph 7. We have agreed, in relation to paragraph 7, to investigate how far we can show capital commitments for individual smaller items. We have also said that we want some indication of public private partnership accounts and so on. By definition, paragraph 8 says that we disaggregate that side of it to the same level. Therefore, we do not have a problem. If we make progress on what has been discussed in paragraph 7, by definition paragraph 8 will come down to the same level.

The Convener: That should be clarified.

Brian Adam: When I was trying to produce an appropriate amendment, I discussed this issue with those who were advising on the amendment and the form of words used was "sub-programme level". Rather than trying to tie it down to amounts of money, that probably achieves what Andrew is

looking for, but does not go as far down as asking how many paper clips are going to be ordered this year.

The Convener: It is clear that the committee knows what it wants. We must get technical advice as to what is feasible, so that we can make a judgment. Can I ask the poor, overworked clerk to consider this matter to see whether the experts can tell us what a reasonable level would be? What the committee is searching for is clear. We should find out what is technically feasible, so that we can make a judgment. Would that be fair?

Brian Adam: I agreed with Scott's suggestion that this should be done by dialogue, rather than us saying, "This is our list of demands", and the minister saying, "This is all that you are going to get."

The Convener: We are trying to come to a judgment as to what this committee thinks is reasonable. There will be dialogue between this committee and the minister. In seeking out technical expertise, the clerk will ensure that the issue is considered. We seek to get the maximum clarity so that we can understand the mechanism, which is our duty. We need some technical input to say what is reasonable and what is unreasonable.

Lewis Macdonald: The principle is that the accounts and the budgets should be mirror images of each other. That improves clarity.

The Convener: Yes, because otherwise there is a shifting of focus.

Are there any other comments on paragraph 8? We have examined the level of information that is required.

Brian Adam: I made the point that clarity with regard to recycling of money in terms of the savings and the return on capital might be included. I am trying to remember whether the minister made a commitment to do that.

Andrew Wilson: He said that that information will go in the supporting documents. He did not want it in the bill. That was discussed this morning.

Brian Adam: I have one further point. There ought to be a statement that says that a review of this agreement can be initiated at the request of this committee. If we feel that the agreement is not delivering what we want, we should be able to request a review of the agreement.

Cathie Craigie: Is that not covered as well under paragraph 5 of the powers of direction? It will be done by the minister in consultation with the Audit Committee.

Andrew Wilson: That implies that it is done by the minister. That relates to the powers of direction. I want only to put in writing that we can

ask for the whole agreement—not just the particular part that is referred to by 3, 4 and 5—to allow the committee to seek a review.

The Convener: The minister has all the powers of review and this committee has the right to ask him or her to come and explain what he or she has done, but you are saying that the committee should have the power to ask for a review. The committee cannot instigate one, but it can put a request to the minister. What you are asking for is an additional right of this committee to seek a review.

Euan Robson: Why are we inhibited from asking for a review at any time? Surely it is within the power of the committee to review this matter at any stage. Do we need to spell that out?

Brian Adam: I am not disagreeing with what you are saying, but mentioning that if it is in writing, no one can dispute it.

The Convener: The document is an understanding; no legal rights or obligations are conferred. Brian is asking for it to be written into that understanding that the committee can request a review. It has no power to instigate one, but it could request one. Is that agreed?

Cathie Craigie: I think that that is understood.

Andrew Wilson: We are all happy.

The Convener: We are asking the clerk to produce a paper on the level at which number 8—the level of budget documentation—should be looked at, and to ask that this committee has the ability to request a review. That has completed section 8. Are there any other comments?

Lewis Macdonald: I want to return to section 7. If you are harmonising the entire discussion, the same technical questions would apply to section 7 as to section 8.

The Convener: Thank you for that clarification. We expect the clerk to give us further papers to scrutinise.

Future Meetings

The Convener: Item 2 concerns future Audit Committee meetings. The paper sets out the dates of future meetings that have been agreed previously. The committee is being asked to agree dates for those meetings for which a date has not been fixed.

The paper asks for the committee's agreement on the way in which the National Audit Office report—covering Scottish matters that were previously considered by the Westminster Public Accounts Committee—which is to be published in December, should be dealt with. Once we have made some decisions this morning, we will receive

an updated timetable and programme.

On Tuesday 9 November, the committee will meet at 2 pm to begin stage 2 consideration of the Public Finance and Accountability (Scotland) Bill. I remind members that the deadline for lodging amendments is 5.30 pm on Friday 5 November. Is that meeting agreed?

Members indicated agreement.

The Convener: The committee will meet at 2 pm on Tuesday 16 November to complete stage 2 consideration of the Public Finance and Accountability (Scotland) Bill. I ask you to note that Parliament has agreed a deadline for completion of 19 November. If it proves impossible to deal with all outstanding amendments in one meeting in the week beginning 15 November, it will be necessary to schedule an additional meeting. That means no verbosity. Let us stick to the issues.

Scott Barrie: Could we decide on a date now, just in case that happens?

Sarah Davidson: The Finance Committee moved fairly quickly through the business of dealing with amendments this morning. Depending on how many additional amendments are lodged this week, I am fairly confident that we might complete the business next Tuesday without having to have a second meeting. It might be premature to agree a third session at this point.

The Convener: The clerk is confident. Let us not ruin her confidence.

Sarah Davidson: Although the deadline is Friday at 5.30 pm, we would very much appreciate amendments as soon as possible.

The Convener: Is the meeting in the week beginning 15 November agreed to?

Members indicated agreement.

13:45

The Convener: We come to a matter that could be a bit of a problem. The committee has to agree a date and time to be briefed by the NAO on the report, "Emergency Planning for the Year 2000", which will be considered on Tuesday 23 November.

I should point out an error in your committee papers relating to possible dates for the NAO briefing. The paper states that, in addition to a meeting after 5 pm or at lunch time on Tuesday 16 or Wednesday 17 November, we could meet in the morning or afternoon of those days. That is not correct. The committee already has a meeting scheduled for that Tuesday afternoon to consider the finance bill and it cannot meet on Wednesday afternoon because Parliament will be in plenary session. Only the mornings of those days are

possible, but that could mean that there will be clashes with other committees.

During an informal meeting, there was a suggestion that a meeting from 1 o'clock to 2 o'clock on Tuesday 16 November would suit a lot of folk. Could those who were not at that informal meeting look in their diaries and see if that would be possible? It was felt that meeting at lunch time would speed the process.

Andrew Wilson: Are you saying that, because it is an informal meeting, there are no constraints on members bringing their lunches along?

The Convener: That is correct; just do not crunch or munch too loudly. If people want to keep themselves alive with sandwiches, they are welcome to do so.

Lewis Macdonald: Will we have our ordinary meeting in the afternoon?

The Convener: Yes, at 2 o'clock.

Brian Adam: That is assuming that we have not finished with the bill next week. I suggest that if it is possible—if we have almost finished with the bill, for example—we could shorten our ordinary meeting and continue the briefing afterwards.

The Convener: Are we agreed that we will have a briefing on Tuesday 16 November between 1 o'clock and 2 o'clock?

Members indicated agreement.

The Convener: The committee will meet at 2 o'clock on Tuesday 23 November to consider the NAO report, "Emergency Planning for the Year 2000".

Members will be pleased to hear that no meetings are scheduled for the week beginning 29 November.

In the week beginning 7 December, we will deal with the Scottish reports that were previously considered by the PAC. The programme of committee meetings that was previously circulated included two meetings for the weeks beginning 6 December and 15 December when we could consider the NAO summary report on the results of previous reports on Scottish matters considered by the PAC. It is likely that that report will not be published until the beginning of December.

I imagine that the committee will want to consider carefully the report and the action that we would propose to take. Members might not want to follow up some subjects at this stage. They might want to ask for written evidence on some subjects or call accounting officers to give oral evidence on progress made since the original report. I suggest that we delay consideration of the report until the new year and use a meeting in December to consider, along with the NAO, questions of

handling and priority. Are we agreed that we will do that?

Members *indicated agreement.*

The Convener: Thank you for attending, I think that we have made considerable progress.

Meeting closed at 13:49.

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