



Public Finance and Accountability (Scotland) Act 2000

2000 asp 1

PART 2

ACCOUNTABILITY AND AUDIT

Audit and value for money examinations

23 Economy, efficiency and effectiveness examinations

- (1) The Auditor General may initiate examinations into the economy, efficiency and effectiveness with which bodies and office-holders mentioned in subsection (2) have used their resources in discharging their functions.
- (2) Those bodies and office-holders are—
 - (a) any body or office-holder so far as an account of that body or office-holder is an account in relation to which sections 21 and 22 apply,
 - (b) any other body or office-holder, or a body or office-holder of any class, specified by the Scottish Ministers by order,
 - (c) any body or office-holder not falling within paragraph (a) or (b) which agrees to such an examination being carried out.
- (3) An order made under subsection (2)(b) may specify a body or office-holder, or a class of body or office-holder, only if the Scottish Ministers reasonably believe that—
 - (a) in the case of a body or office-holder, in any of the financial years of the body or office-holder—
 - (i) more than a quarter of the income of the body or office-holder was received from public funds, or
 - (ii) the amount of the income of the body or office-holder received from public funds exceeded £500,000,
 - (b) in the case of a class of body or office-holder, paragraph (a) is satisfied in relation to at least half of those in the class.
- (4) An examination under this section in respect of a body or office-holder, or a body or office-holder of a class, specified in such an order may be carried out only—

Changes to legislation: There are currently no known outstanding effects for the Public Finance and Accountability (Scotland) Act 2000, Section 23. (See end of Document for details)

- (a) in relation to any period as respects which the Auditor General reasonably believes that—
 - (i) more than a quarter of the income of the body or office-holder was derived from public funds, or
 - (ii) the amount of the income of the body or office-holder received from public funds exceeded £500,000,
 - (b) so far as is reasonably practicable, in relation to the use by the body or office-holder of the income derived from public funds and to resources used in discharging the functions for which such income was used.
- (5) For the purposes of subsections (3) and (4)—
- (a) income is received from public funds if it is paid by—
 - (i) any body or office-holder mentioned in subsection (2)(a), or
 - (ii) any body or office-holder, or body or office-holder of a class, specified in an order made under subsection (2)(b), in a financial year of that body or office-holder in which more than half of the income of the body or office-holder was received from public funds,
 - (b) in calculating income, capital receipts are to be disregarded,
 - (c) money paid as consideration for the acquisition of property or the supply of goods or services or as remuneration, expenses, pensions, allowances or similar benefits for or in respect of a person as the holder of an office is to be disregarded.
- (6) In determining whether an examination under this section is to be carried out, the Auditor General must take into account any proposals made by the Parliament.
- (7) Before initiating an examination under this section in respect of [^{F1}Scottish Water] the Auditor General must consult the Water Industry [^{F2}Commission] for Scotland.
- (8) It is for the Auditor General personally to initiate an examination under this section and to decide who is to carry out the examination.
- (9) In carrying out the examination that person (“the examiner”)—
- (a) is not entitled to question the merits of the policy objectives of the body or office-holder in question, but
 - (b) may consider the appropriateness of any criteria used by the body or office-holder to assess use of resources.
- (10) The examiner (if not the Auditor General) must report the results to the Auditor General, who may report the results to the Parliament.
- [^{F3}(11) The Auditor General may publish the results of any examination carried out under this section.]

Textual Amendments

- F1** Words in s. 23(7) substituted (1.4.2002) by 2002 asp 3, s. 71(2), **Sch. 7 para. 27(2)** (with s. 67); S.S.I. 2002/118, **art. 2(3)** (subject to art. 3)
- F2** Word in s. 23(7) substituted (1.7.2005) by **Water Services etc. (Scotland) Act 2005** (asp 3), s. 37(2), **sch. 5 para. 5** (with s. 36); S.S.I. 2005/351, art. 2, sch. 2 (with art. 3(3))
- F3** S. 23(11) added (1.10.2010) by **Public Services Reform (Scotland) Act 2010** (asp 8), **ss. 118(6), 134(7)**; S.S.I. 2010/321, art. 3, sch.

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Modifications etc. (not altering text)

- C1** S. 23 modified by 2005 asp 5 s. 39C (as inserted (8.8.2012) by [Police and Fire Reform \(Scotland\) Act 2012 \(asp 8\)](#), **ss. 113**, 129(1)(b))
- C2** S. 23 modified (1.10.2012) by [Police and Fire Reform \(Scotland\) Act 2012 \(asp 8\)](#), **ss. 43**, 129(2) (with s. 100); S.S.I. 2012/253, art. 2, sch.

Changes to legislation:

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