

# **PUBLIC FINANCE AND ACCOUNTABILITY (SCOTLAND) ACT 2000**

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## **EXPLANATORY NOTES**

### **THE ACT**

#### ***Section 11: Audit Scotland: Financial Provisions***

##### **Subsection (1)**

53. These provisions enable Audit Scotland to make reasonable charges in respect of the following circumstances:
- (a) services provided by Audit Scotland on a voluntary basis to or in respect of another public body or office-holder (see section 10(5)).
  - (b) audits of and reports on accounts required to be undertaken under the Act under the control of the Auditor General (sections 21 and 22), other than audits of the accounts of the Scottish Administration and any other direct funded bodies (sections 19(1) to 19(3)) or audits of consolidated public accounts (section 20).
  - (c) economy, efficiency and effectiveness examinations carried out under the Act under the control of the Auditor General (section 23), other than examinations in respect of office holders in the Scottish Administration or any other direct funded body.
  - (d) audits of accounts in pursuance of Part VII of the Local Government (Scotland) Act 1973, which mainly deals with the audit of local authority accounts under the control of the Accounts Commission.
  - (e) studies undertaken under sections 97A or 105A of the 1973 Act, which mainly concerns studies in relation to local authorities under the control of the Accounts Commission.
  - (f) work undertaken on behalf of the Accounts Commission under section 1 of the Local Government Act 1992. This concerns the giving of directions requiring local authorities and other relevant bodies to publish performance standards relating to their activities in any financial year.

##### **Subsection (2)**

54. This provides that charges may be set on a case by case basis or may be set in relation to particular classes of case.

##### **Subsection (3)**

55. This provision requires Audit Scotland to ensure that the charges received by them under subsection (1) are broadly equivalent to the expenditure incurred by them in connection with the activities in respect of which the charges are imposed, taking one year with another. The provision is intended to ensure that excessive charges cannot

*These notes relate to the Public Finance and Accountability (Scotland)  
Act 2000 (asp 1) which received Royal Assent on 17 January 2000*

be levied, and equally that sufficient funds are received to cover costs. But it also recognises that income and expenditure in any single financial year may not be precisely equal, by allowing for income and expenditure to be considered over a period of years.

**Subsection (4)**

56. This directs that charges are payable by the body or office holder whose accounts are being audited, or in respect of whom an examination or study is carried out or a direction given.

**Subsection (5)**

57. This provides that where an examination or study is carried out that involves more than one body or office holder, Audit Scotland shall determine what proportion of the charge each body should pay. This may be the case in respect of some studies carried out under the control of the Accounts Commission in relation to local authorities.

**Subsection (6)**

58. This ensures that charges received by Audit Scotland are retained and used to meet the expenditure incurred by it in connection with the activities for which the charges are imposed.

**Subsection (7)**

59. This ensures that any other sums received by Audit Scotland are to be paid into the Fund, unless any enactment (including the Public Finance and Accountability (Scotland) Act itself) authorises such sums to be applied for another purpose, such as meeting expenses incurred by Audit Scotland.

**Subsection (8)**

60. This provides that any expenditure of Audit Scotland which is not met by charges is payable from the Scottish Consolidated Fund. In general terms, this covers expenditure on audits and studies in relation to the accounts of the Scottish Administration and the other direct funded bodies.

**Subsection (9)**

61. This subsection requires Audit Scotland to prepare proposals for its use of resources and expenditure for each financial year and submit these to the Scottish Commission for Public Audit, which is constituted under section 12, which is required to examine the proposals and report on them to the Parliament.