



Scotland Act 1998

1998 CHAPTER 46

PART III

FINANCIAL PROVISIONS

64 Scottish Consolidated Fund

- (1) There shall be a Scottish Consolidated Fund.
- (2) The Secretary of State shall from time to time make payments into the Fund out of money provided by Parliament of such amounts as he may determine.
- (3) Sums received by an office-holder in the Scottish Administration shall be paid into the Fund.
- (4) Subsection (3) is subject to any provision made by or under an Act of the Scottish Parliament for the disposal of or accounting for such sums.
- (5) The Treasury may, after consulting with the Scottish Ministers, by order designate receipts of any description specified in the order which are payable into the Fund (or would be but for any provision made by or under an Act of the Scottish Parliament).
- (6) The Scottish Ministers shall make payments to the Secretary of State, at such times and by such methods as the Treasury may from time to time determine, of sums equal to the total amount outstanding in respect of designated receipts.
- (7) Amounts required for the payment of sums under subsection (6) shall be charged on the Fund.
- (8) The Fund shall be held with the Paymaster General.

65 Payments out of the Fund

- (1) A sum may only be paid out of the Scottish Consolidated Fund if—
 - (a) it has been charged on the Fund by any enactment,
 - (b) it is payable out of the Fund without further approval by virtue of this Act, or

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- (c) it is paid out for or in connection with any of the purposes mentioned in subsection (2) in accordance with rules made by or under an Act of the Scottish Parliament.
- (2) Those purposes are—
 - (a) meeting expenditure of the Scottish Administration,
 - (b) meeting expenditure payable out of the Fund under any enactment.
- (3) A sum paid out of the Fund shall not be applied for any purpose other than that for which it was charged or (as the case may be) paid out.

66 Borrowing by the Scottish Ministers etc

- (1) The Scottish Ministers may borrow from the Secretary of State any sums required by them for the purpose of—
 - (a) meeting a temporary excess of sums paid out of the Scottish Consolidated Fund over sums paid into that Fund, or
 - (b) providing a working balance in the Fund.
- (2) Amounts required for the repayment of, or the payment of interest on, sums borrowed under this section shall be charged on the Fund.
- (3) Sums borrowed under this section shall be repaid to the Secretary of State at such times and by such methods, and interest on them shall be paid to him at such rates and at such times, as the Treasury may from time to time determine.
- (4) A member of the Scottish Executive may borrow money only under this section or under any power conferred by any other Act of Parliament.

67 Lending by the Secretary of State

- (1) The Treasury may issue to the Secretary of State out of the National Loans Fund such sums as are required by him for making loans under section 66.
- (2) The aggregate at any time outstanding in respect of the principal of sums borrowed under that section shall not exceed £500 million.
- (3) The Secretary of State may by order made with the consent of the Treasury substitute for the amount (or substituted amount) specified in subsection (2) such increased amount as may be specified in the order.
- (4) Sums received by the Secretary of State under section 66(3) shall be paid into the National Loans Fund.

68 Borrowing by statutory bodies

- (1) If a member of the Scottish Executive lends money to a body established under any enactment, the rate of interest on the loan shall not be less than the lowest rate determined by the Treasury under section 5 of the National Loans Act 1968 in respect of similar loans made out of the National Loans Fund on the day the loan is made.
- (2) A body established under any enactment shall not, in pursuance of a power conferred by virtue of an Act of the Scottish Parliament, borrow money in a currency other than

sterling except with the consent of the Scottish Ministers given with the approval of the Treasury.

69 The Auditor General for Scotland

- (1) There shall be an Auditor General for Scotland who shall be an individual appointed by Her Majesty on the nomination of the Parliament.
- (2) A recommendation shall not be made to Her Majesty for the removal from office of the Auditor General for Scotland unless the Parliament so resolves and, if the resolution is passed on a division, the number of members voting in favour is not less than two-thirds of the total number of seats for members of the Parliament.
- (3) The validity of any act of the Auditor General for Scotland is not affected by any defect in his nomination by the Parliament.
- (4) The Auditor General for Scotland shall not, in the exercise of any of his functions, be subject to the direction or control of any member of the Scottish Executive or of the Parliament.
- (5) Subsection (4) does not apply in relation to any function conferred on him of preparing accounts.

70 Financial control, accounts and audit

- (1) Scottish legislation shall provide—
 - (a) for proper accounts to be prepared by the Scottish Ministers, by the Lord Advocate and by other persons to whom sums are paid out of the Scottish Consolidated Fund, of their expenditure and receipts,
 - (b) for the Scottish Ministers to prepare an account of payments into and out of the Fund,
 - (c) for the Auditor General for Scotland to exercise, or ensure the exercise by other persons of, the functions mentioned in subsection (2),
 - (d) for access by persons exercising those functions to such documents as they may reasonably require,
 - (e) for members of the staff of the Scottish Administration designated for the purpose to be answerable to the Parliament in respect of the expenditure and receipts of each part of the Scottish Administration, and
 - (f) for the publication of parliamentary accounts and of reports on such accounts and for the laying of such accounts and reports before the Parliament.
- (2) The functions referred to in subsection (1)(c) are—
 - (a) issuing credits for the payment of sums out of the Fund,
 - (b) examining parliamentary accounts (which includes determining whether sums paid out of the Fund have been paid out and applied in accordance with section 65), and certifying and reporting on them,
 - (c) carrying out examinations into the economy, efficiency and effectiveness with which the Scottish Ministers and the Lord Advocate have used their resources in discharging their functions, and
 - (d) carrying out examinations into the economy, efficiency and effectiveness with which other persons determined under Scottish legislation to whom sums are paid out of the Fund have used those sums in discharging their functions.

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- (3) Standing orders shall provide for the consideration by the Parliament of accounts and reports laid before it in pursuance of subsection (1)(f).
- (4) Scottish legislation may make further provision for the purpose of ensuring that persons who receive sums derived from the Fund are accountable including, in particular, provision for any person to whom subsection (1)(a) does not apply to be accountable for his expenditure and receipts in respect of functions for which he receives sums derived from the Fund.
- (5) Persons (other than the Auditor General for Scotland) charged with the exercise of any function mentioned in subsection (2) or other like function conferred by Scottish legislation shall not, in the exercise of that or any ancillary function, be subject to the direction or control of any member of the Scottish Executive or of the Parliament.
- (6) Scottish legislation may not require any cross-border public authority to prepare accounts if any other legislation requires—
 - (a) the authority to prepare accounts of its expenditure and receipts, and
 - (b) the accounts to be examined, certified and reported on by the Auditor General for Scotland, the Comptroller and Auditor General or a person appointed by either of them.
- (7) Subsection (2)(b) does not apply to accounts prepared by the Auditor General for Scotland.
- (8) This section does not require Scottish legislation to impose any requirement which is imposed by any other legislation.
- (9) In this section—
 - “parliamentary accounts” means—
 - (a) any accounts prepared in pursuance of subsection (1)(a) or (b), and
 - (b) any accounts referred to in subsection (6) which are required to be examined, certified and reported on by the Auditor General for Scotland or any person appointed by him,
 - “Scottish legislation” means provision made by or under an Act of the Scottish Parliament and “other legislation” means provision made by any other enactment.

71 Existing debt

- (1) Subsections (2) to (4) apply where—
 - (a) power to lend money under a provision of a pre-commencement enactment was exercised by the Secretary of State,
 - (b) the sums required by him for the exercise of the power were issued by the Treasury out of the National Loans Fund, and
 - (c) the power is exercisable by the Scottish Ministers by virtue of section 53, or would have been so exercisable but for the repeal of the pre-commencement enactment.
- (2) Any amount payable by way of repayment of or interest on the loan shall be paid to the Scottish Ministers and into the Scottish Consolidated Fund (instead of to the Secretary of State and into the National Loans Fund).

- (3) Amounts equal to those which are to be received by the Scottish Ministers in repayment of principal shall be treated as being amounts of advances made on the commencement of this section to the Scottish Ministers by the Secretary of State.
- (4) Such advances shall be repaid to the Secretary of State at such times and by such methods, and interest on them shall be paid to him at such rates and at such times, as the Treasury may from time to time determine.
- (5) Subsection (6) applies to any amount outstanding immediately before the commencement of this subsection in respect of the principal of the sum treated by virtue of section 2(3) of the Government Trading Funds Act 1973 as issued to the Registers of Scotland Executive Agency Trading Fund on the day on which the order establishing that fund came into force (“the issue date”).
- (6) The Secretary of State may, with the agreement of the Treasury, by order provide—
 - (a) for the amount to be treated as an advance made by him to the Scottish Ministers on the issue date, and
 - (b) for the advance to be repaid to him at such times and by such methods, and for interest on the advance to be paid to him at such rates and at such times, as were determined by the Treasury under section 2B(3) of that Act in respect of the sum referred to in subsection (5).
- (7) Sums required to be paid under subsection (4) or (6) shall be charged on the Scottish Consolidated Fund.
- (8) Sums received under subsection (4) or (6) shall be paid into the National Loans Fund.

72 Accounts of loans to the Scottish Ministers

The Secretary of State shall, for each financial year—

- (a) prepare, in such form and manner as the Treasury may direct, an account of sums paid and received by him under sections 66, 67 and 71, and
- (b) send the account to the Comptroller and Auditor General not later than the end of November in the following financial year,

and the Comptroller and Auditor General shall examine, certify and report on the account and shall lay copies of it and of his report before each House of Parliament.