

# **PROTOCOL BETWEEN THE SCOTTISH COMMISSION FOR PUBLIC AUDIT AND AUDIT SCOTLAND**

## **Introduction**

1. This protocol sets out the agreed administrative arrangements and procedures between the Scottish Commission for Public Audit (“the Commission”) and Audit Scotland, in order to help the Commission discharge its statutory duties as set out in the Public Finance and Accountability (Scotland) Act 2000. This protocol is established for the benefit of both the Commission and Audit Scotland and does not impose a binding duty on either body.

## **Methods of communication**

2. The primary route for formal communication between the Commission and Audit Scotland shall be between the Convener (on behalf of the Commission) and the Auditor General (as the accountable officer for Audit Scotland).
3. Audit Scotland shall ensure that all communications with the Convener which relate to the functions or work of the Commission as set out in the Public Finance and Accountability (Scotland) Act 2000, shall be copied to the Secretary to the Commission.
4. For more general administrative communication, the primary route between the two bodies shall be between the Secretary to the Commission and the Director of Corporate Services of Audit Scotland.
5. An agreed minute of any decisions taken or actions required as a result of meetings between the staff of the Commission and Audit Scotland shall be prepared and circulated as appropriate.
6. The Assistant Secretary to the Commission shall act in place of the Secretary when the Secretary so decides or is for any reason unavailable.
7. The Director of Audit Strategy shall act in place of the Director of Corporate Services when the Director of Corporate Services so decides or is for any reason unavailable.
8. In order for the Commission’s business to function most effectively, electronic communication is the preferred choice for sending correspondence and other official documents. However, there shall be occasions when it is more appropriate to provide hard copies of documents by post.

## **Communication during a parliamentary dissolution**

9. On any occasion when the Scottish Parliament is dissolved pursuant to a Scottish general election, all formal communications between the bodies shall be between the Auditor General and the Secretary to the Commission.

### **Scrutiny of the annual budget for Audit Scotland**

10. The Commission expects to receive relevant information from Audit Scotland in accordance with its annual work cycle (set out in Annexe A) and its agreement with the Finance Committee on the budgeting process<sup>1</sup>. This includes receiving:

- Outline annual expenditure plans no later than 1 March each year, or the first day thereafter on which the Parliament sits;
- A detailed annual budget submission no later than 30 September each year, or the first day thereafter on which the Parliament sits.
- Details of any substantive changes to Audit Scotland's budget throughout the period between March and January.
- Details of any in-year budget revisions.

11. As outlined in the work cycle, the Commission normally expects to consider and, when it considers necessary, take oral evidence from Audit Scotland on the outline annual budget proposals in mid-March and the final annual budget proposals in October/November.

12. The Secretary will give the Auditor General as much notice as possible regarding dates for evidence taking sessions.

13. Audit Scotland shall notify the Commission as soon as possible if, due to any unforeseen circumstances, it is unable to meet the requirements of the Commission's work cycle.

### **Audit Scotland's annual accounts**

14. The Commission is required to arrange for Audit Scotland's annual accounts to be audited and laid before the Parliament each year. To facilitate this, Audit Scotland shall arrange for a meeting to be held between Audit Scotland, the appointed external auditor for Audit Scotland and the Secretary to the Commission. The purpose of this meeting shall be to sign off formally the annual accounts. This meeting shall take place annually, normally in mid-September. Once formally signed, the Secretary of the Commission shall arrange for the accounts and the auditor's report on these accounts to be laid before the Parliament and to be published.

### **Other statutory functions of the Commission**

15. The Commission shall notify Audit Scotland should it be necessary, or should it so decide, to exercise any of its functions as set out in the Finance and Public Accountability (Scotland) Act 2000 which are not covered by the work cycle, or regarding any other matters which might arise requiring action by Audit Scotland.

### **Review of the protocol and annual work cycle**

16. The Commission shall keep this protocol and work cycle under review and shall amend it as appropriate. In particular, it shall monitor any changes to

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<sup>1</sup> Currently SP Paper 157 but in revision with the Finance Committee

the established annual budgeting process and the implications this may have for the arrangements set out in the work cycle.

17. The Commission shall, in timely fashion, seek and consider the opinion of Audit Scotland on any proposed amendments. The Auditor General may propose amendments to the protocol or work cycle whenever he considers necessary. However, any amendments must first be discussed and then authorised by the Commission.

**ANNEXE A: SCOTTISH COMMISSION FOR PUBLIC AUDIT  
ANNUAL WORK CYCLE**

<b>Date</b>	<b>Commission Business</b>
<b>February</b>	<p>Audit Scotland to provide by 1 March each year provisional expenditure plan for the financial year after next. For example, in February 2004, submit expenditure plans for financial year 2005/06.</p> <p>The Commission to write to the Finance Committee and the Scottish Executive with details of Audit Scotland's provisional expenditure plans as soon as they are received (no requirement for report at Stage 1).</p>
<b>April/May</b>	<p><b>SCPA meeting</b></p> <p>a) To discuss Audit Scotland's provisional expenditure plans [in the context of the Corporate Plan].</p> <p>b) To take evidence from Audit Scotland (if the Commission so decides) on the provisional expenditure plans.</p> <p>c) To discuss any other business eg 3Es.</p>
<b>End September</b>	<p>Audit Scotland to submit to the Commission by end September its draft budget for the following financial year e.g. in September 2005, submit budget for 2006/07.</p> <p>The Commission to write to the Finance Committee and the Scottish Executive with details of Audit Scotland's expenditure plans.</p> <p>Meeting of officials to sign off accounts and auditor's report no later than end September.</p> <p>Accounts and auditor's report to be laid and published.</p>

Late October/November	<p><b>SCPA meeting(s)</b></p> <ul style="list-style-type: none"> <li>a) To consider Audit Scotland's laid accounts (if the Commission so decides).</li> <li>b) To take evidence from auditors to Audit Scotland (if the Commission so decides) on Audit Scotland's accounts.</li> <li>c) To take evidence from Audit Scotland (if the Commission so decides) on the accounts.</li> <li>d) To consider Audit Scotland's draft budget proposals and any autumn budget revisions, and (if the Commission so decides) take evidence on the draft budget and budget revisions from Audit Scotland.</li> </ul> <p>The Commission to report formally to the Parliament on Audit Scotland's expenditure proposals by the second week of November, to fit with Stage 2 budget timescales.</p>