

## LETTER FROM THE PUBLIC AUDIT COMMITTEE TO HM REVENUE & CUSTOMS, DATED 9 APRIL 2015

Dear Mr Troup

### Update on developing financial reporting

At its meeting on 1 April the Public Audit Committee received evidence from the Auditor General for Scotland on the above report. The Official Report of that Committee meeting can be found here: <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/29860.aspx>

The Committee then considered its approach to the report and to the range of scrutiny work it currently undertakes in relation to Scotland's finances. The Committee agreed to introduce an annual cycle of audit scrutiny, mindful of the potential for further financial powers to be devolved to Scotland in future.

A key part of that annual audit cycle will be scrutiny of the reports of the National Audit Office (NAO) and Her Majesty's Revenue and Customs (HMRC) on the administration and collection of the Scottish rate of income tax (SRIT). In its first report 2014 (Session 4) entitled *Framework for auditing the Scottish rate of income tax*, the Committee noted that HMRC is required by the Memorandum of Understanding (between HMRC and the Scottish Government) to provide the Parliament with an extract from its accounts. HMRC explained that this extract will reproduce the relevant figures from HMRC's Resource Account and Trust Statement which relate to SRIT revenues and expenditure on administering the SRIT.

The Committee notes that the NAO anticipates laying its report based on HMRC's accounts in the Scottish Parliament in summer each year at the same time as it reports on HMRC's annual accounts to the UK Parliament. I understand that HMRC would propose to lay its report in the Scottish Parliament at the same time as the NAO reports to the Scottish Parliament. Given this, the Committee agreed to invite you to give oral evidence on your report at the first available meeting of the Public Audit Committee following the Parliament's summer recess. That Committee meeting is anticipated to be held on the morning of **Wednesday 9 September 2015**.

I would be grateful if you could confirm your willingness to attend, along with the name and title of any supporting official as soon as possible but by no later than **Friday 15 May 2015**, to the Clerk to the Public Audit Committee, via email [pa.committee@scottish.parliament.uk](mailto:pa.committee@scottish.parliament.uk).

I will be able to provide you with more information on the arrangements for the meeting once you have confirmed your availability. Should you have any queries or wish to discuss this invitation further then please do not hesitate to contact me on 0131 348 5390 or by email at: [jane.williams@scottish.parliament.uk](mailto:jane.williams@scottish.parliament.uk).

Yours sincerely

**Jane Williams**

**Clerk to the Public Audit Committee**