

LETTER FROM THE PUBLIC AUDIT COMMITTEE TO THE SCOTTISH GOVERNMENT DATED 9 APRIL 2015

Dear Sir Peter

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. In particular, we would propose to hold an annual evidence session with you on the Scottish Government's consolidated accounts and we would welcome your views on this proposal. The AGS has indicated that she would consider how Section 22 reports could be used to support this work.

The Committee has also agreed to pilot scrutiny of the Scottish Government's consolidated accounts this year with an evidence session at the first available Public Audit Committee meeting immediately following the laying of the Scottish Government's consolidated accounts. I would therefore like to invite you to give evidence at this Committee meeting, most likely in either September or October 2015. The Committee has also agreed to explore with the Finance Committee how evidence on the Scottish Government's consolidated accounts can better inform the budget scrutiny process.

The Committee also proposes to undertake annual scrutiny of the effectiveness and efficiency with which the Scottish civil service uses its resources (most likely as part of any evidence session on the Scottish Government consolidated accounts). We would welcome your views on this proposal but it would be helpful if in responding to the Committee you could provide information on the key indicators by which the performance of the Scottish civil service is currently measured.

Finally in the report entitled *Update on developing financial reporting*, the AGS highlights the work currently underway by the Scottish Government to develop proposals to improve and enhance financial reporting. The Committee heard from the AGS about the benefits of Public Sector consolidated accounts in providing a picture of the whole Scottish public sector. The Committee seeks your views on whether (and if so when) the Scottish Government would propose to provide Public sector consolidated accounts.

I would welcome a response to this letter by Thursday 8 May. Should you require any further information please do not hesitate to contact the Clerk, Jane Williams on 0131 348 5390 or by email at pa.committee@scottish.parliament.uk.

Yours sincerely

**Paul Martin MSP,
Convener**