

SOUTH OF SCOTLAND ENTERPRISE ACT 2019

EXPLANATORY NOTES

THE ACT

Accountability

Section 15 (Accounts and audit)

37. **Section 15** requires South of Scotland Enterprise to prepare accounting records for each financial year and submit them to the Auditor General for Scotland for audit. The phrase “financial year” is defined in **schedule 1 of the Interpretation and Legislative Reform (Scotland) Act 2010**.
38. Because South of Scotland Enterprise is required, by statute, to send its accounts to the Auditor General for Scotland, **sections 21 and 22 of the Public Finance and Accountability (Scotland) Act 2000** (“the 2000 Act”) apply. Amongst other things, those sections provide for the accounts, and the auditor’s report on them, to be laid before the Scottish Parliament and published (see **section 22(5) of the 2000 Act**).
39. In addition, because sections 21 and 22 of the 2000 Act apply to the accounts of South of Scotland Enterprise:
- the principal accountable officer for the Scottish Administration can designate someone to be its accountable officer (see **section 15 of the 2000 Act**), and
 - the Auditor General for Scotland can look into whether it has been using its resources appropriately (see **section 23 of the 2000 Act**).
40. The Scottish Public Finance Manual, which is guidance issued by the Scottish Ministers as to the proper handling and reporting of public funds, states that “sponsored bodies” (of which South of Scotland Enterprise will be one) should be required to keep their accounts in such form as the Scottish Ministers direct. The power for the Ministers to give directions to South of Scotland Enterprise is to be found in section 17.

Section 16 (Annual report)

41. **Section 16** requires South of Scotland Enterprise to report to the Scottish Ministers after each financial year on what it has done in that year. The section further requires that the Scottish Ministers lay the annual reports before the Scottish Parliament.
42. The phrase “financial year” is defined in **schedule 1 of the Interpretation and Legislative Reform (Scotland) Act 2010**.
43. The reporting obligation under section 16 is in addition to the following other reporting obligations:
- South of Scotland Enterprise’s duty under **section 32 of the Public Services Reform (Scotland) Act 2010** to publish a statement after each financial year about (amongst other things) what it has done in that financial year to promote and increase sustainable economic growth. South of Scotland Enterprise is subject to that duty

These notes relate to the South of Scotland Enterprise Act 2019 (asp 9) which received Royal Assent on 12 July 2019

by reason of the amendment made to the Public Services Reform Act by paragraph 6(3) of schedule 2.

- South of Scotland Enterprise's duty under [the Climate Change \(Duties of Public Bodies: Reporting Requirements\) \(Scotland\) Order 2015](#) to report annually on its compliance with its duties under [section 44 of the Climate Change \(Scotland\) Act 2009](#). South of Scotland Enterprise is subject to that duty by reason of the amendment made to the Order by paragraph 10 of schedule 2.