

# **PUBLIC FINANCE AND ACCOUNTABILITY (SCOTLAND) ACT 2000**

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## **EXPLANATORY NOTES**

### **THE ACT**

#### ***Section 19: Duty to Prepare Accounts***

##### **General Purpose**

91. This section makes, amongst other provision, the provision required by section 70(1) (a) and (b) of the Scotland Act. It explains which bodies and office-holders have a duty to produce accounts under the terms of the Act and makes arrangements for the audit of these accounts.

##### **Subsection (1)**

92. This subsection requires that the Scottish Ministers, the Lord Advocate and every other person who receives payments direct from the Scottish Consolidated Fund (including in particular the direct funded bodies) in any financial year must prepare accounts of their expenditure and receipts for that year.

##### **Subsection (2)**

93. This requires that Scottish Ministers must prepare an account of payments into and out of the Scottish Consolidated Fund for each financial year.

##### **Subsection (3)**

94. This subsection requires that, at the request of the Scottish Ministers, holders of non-ministerial offices in the Scottish Executive must prepare accounts of their expenditure and receipts for each financial year. These office-holders are those mentioned at paragraph 79 above in relation to section 14(5).

##### **Subsection (4)**

95. This ensures that accounts prepared under subsections (1) to (3) above are done so in accordance with the directions of the Scottish Ministers. By virtue of section 27(4), such directions must be given in writing and may be varied or revoked.

##### **Subsection (5)**

96. This provides that subsection (1) does not apply any cross border public authorities to which section 70(6) of the Scotland Act 1998 applies. Section 70(6) expressly precludes provision being made in the Act requiring such an authority to prepare accounts if other legislation requires it to prepare accounts and have them audited by the Auditor General, the Comptroller and Auditor General or a person appointed by either of them. This means that subsection (1) does not apply to any direct funded cross border

*These notes relate to the Public Finance and Accountability (Scotland)  
Act 2000 (asp 1) which received Royal Assent on 17 January 2000*

public authority (eg the Forestry Commission) that has its accounting and/or audit arrangements specified in other legislation.

**Subsection (6)**

97. This subsection provides that subsection (3) does not apply to office-holders covered by subsection (1). This avoids double accounting requirements in the case of any non-ministerial office-holder in the Scottish Administration who is direct funded.

**Subsection (7)**

98. This ensures that all accounts prepared under subsections (1) and (3), other than the accounts of Audit Scotland, must be sent to the Auditor General for auditing. This attracts the provisions in sections 21 and 22.

**Subsection (8)**

99. The accounts of Audit Scotland must be sent to the Scottish Commission for Public Audit for Auditing. The Commission will appoint auditors under section 25. This avoids, in effect, Audit Scotland being involved in the audit of their own accounts.