

POLICY NOTE

THE COMPANIES ACT 2006 (SCOTTISH PUBLIC SECTOR COMPANIES TO BE AUDITED BY THE AUDITOR GENERAL FOR SCOTLAND) (NO. 2) ORDER 2022

SSI 2022/308

The above instrument was made in exercise of the powers conferred by section 483 of the Companies Act 2006. The instrument is subject to *affirmative procedure*.

Purpose of the instrument: To enable the Scottish Futures Trust Ltd (SFT) to have their accounts audited by the Auditor General for Scotland, and to have an Accountable officer appointed.

Policy Objectives

Scottish Futures Trust Limited is a private limited company (company number SC348382) established under the Companies Act 2006 in 2008. Since 2011 it has been classified as an executive non-departmental public body.

As a matter of policy, Scottish Futures Trust, as an executive non-departmental public body would be expected to have an Accountable Officer. Scottish Futures Trust is not part of the Scottish Administration in terms of the Scotland Act 1998. This means that for the purposes of the Public Finance and Accountability (Scotland) Act 2000 (“the 2000 Act”), the Permanent Secretary as Principal Accountable Officer is not automatically able to appoint an Accountable Officer to Scottish Futures Trust. To appoint an Accountable Officer an Order is required under section 483 of the Companies Act 2006, requiring Scottish Futures Trust accounts to be audited by the Auditor General for Scotland (AGS), which engages the relevant provisions of Part 2 of the 2000 Act, including power to designate an Accountable Officer for Scottish Futures Trust under section 15 of that Act.

Consultation

Audit Scotland and Scottish Futures Trust were consulted during the preparation of the instrument. Responses have confirmed that the AGS is willing to assume the auditing role and both bodies have helped assist with best timings for introduction.

Impact Assessments

No impact assessments were undertaken given the administrative nature of this instrument.

Financial Effects

The *Minister for Business, Trade, Tourism and Enterprise* confirms that no Business and Regulatory Impact Assessment (BRIA) is necessary as the instrument has no financial effects on the Scottish Government, local government or on business. The current auditor contract was due to end in 2022-23 so no financial or legal penalties would arise.

Infrastructure Investment Division
Budget and Public Spending Directorate
Scottish Government

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