



The Scottish Parliament
Pàrlamaid na h-Alba

Equal Opportunities Committee

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Dear Auditor General,

Audit Scotland input to EHRiC budget scrutiny

Thank you for your letter of 9 February 2018 regarding Audit Scotland's role in our budget scrutiny process. As you will be aware, on 10 December 2017 the Equalities and Human Rights Committee (EHRiC) published our budget report: *Looking Ahead to the Scottish Government's Draft Budget 2018-19: Making the Most of Equalities and Human Rights Levers*.¹

I am writing to invite you to take part in an evidence session as part of our follow-up scrutiny on the recommendations in this report. This work will take place later this year. I expect the exact timing will depend on the other work commitments of the Committee. EHRiC Committee Clerks will be contact with your office regarding a date for a meeting.

Areas of interest

The EHRiC very much welcomes your offer to support our efforts to build upon the Equality Budget Statement and work towards comprehensive equality assessment of the Scottish budget. I thought it would be helpful to set out some of the areas of interest the Committee would value exploring with you.

¹ EHRiC 7th Report, 2017 (Session 5):

<https://digitalpublications.parliament.scot/Committees/Report/EHRiC/2017/12/10/Looking-Ahead-to-the-Scottish-Government-s-Draft-Budget-2018-19--Making-the-Most-of-Equalities-and-Human-Rights-Levers#Introduction>

An important part of the new Scottish budget arrangements is the need to ensure it supports the delivery of the Scottish Government equality outcomes under the National Performance Framework. Audit Scotland would play a key role in assessing the success of these efforts and allow for future budgetary policy to be developed more effectively. We would welcome discussing this process with you in further detail.

EHRiC also recently considered correspondence from the Public Audit and Post Legislative Scrutiny Committee regarding the UK-Scotland Audit Accountability Framework.² We note the role Audit Scotland is playing in the development of audit arrangements between Scotland and key UK authorities such as the Comptroller and Auditor General and HMRC.

As you rightly point out, fiscal policy in many of the newly devolved areas, such as social security and VAT, are key drivers for tackling inequality. In this context, EHRiC believes it is important that the new UK/Scottish framework provides the level of detail needed to allow Audit Scotland, and the Scottish Parliament, to fully assess the equality impacts of Scottish Government decisions in new areas of fiscal responsibility.

We note the new framework provides you, as Auditor General, limited access to scrutinise the accounts and records UK bodies which will now have responsibility for discharging devolved function on behalf of the Scottish Parliament and Government. This, we understand, is to be facilitated through a series of Memoranda of Understandings with the UK National Audit Office and HMRC.

EHRiC would find it useful to get a fuller sense of how you envision this auditing relationship developing in future, and how it might support the scrutiny function of the Scottish Parliament in the newly devolved areas of fiscal responsibility.

For example, we would welcome consideration of how the new auditing framework would assess equalities and human rights issues in terms of the development and delivery of social security and VAT policy? Clarity on such issues could provide an important scrutiny tool in terms of delivering change across the Scottish budget. We would welcome your views on how framework might support the role of EHRiC, and other parliamentary committees, in seeking to develop the Equality Budget Statement in line with the recommendations of the final report of the Budget Process Review Group.

We look forward to considering these issues with you as part of our follow up work on the 2017/18 budget report.

In the meantime, should you have any further questions about the Committee's approach to this scrutiny work, please contact the Clerk of the Committee by phoning 0131 348 5223 or emailing equalities.humanrights@parliament.scot.

Yours sincerely,

² Letter from the PAPLS Committee 14 February 2018:
http://www.parliament.scot/S5_Equal_Opps/Letter_to_Convener_from_PAPLS_Committee_on_draft_audit_and_accountability_framework.pdf

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cc: Jenny Marra MSP, Convener, Public Audit and Post Legislative Scrutiny Committee
Bruce Crawford MSP, Convener, Finance and Constitution Committee
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