

A REPORT BY THE AUDITOR GENERAL FOR SCOTLAND UNDER SECTION 22(3)  
OF THE PUBLIC FINANCE AND ACCOUNTABILITY (SCOTLAND) ACT 2000

**THE 2006/2007 AUDIT OF THE QUEEN'S AND LORD TREASURER'S  
REMEMBRANCER**

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1. I have received the audited accounts of the Queen's and Lord Treasurer's Remembrancer (QLTR) for the year ended 31 March 2007. The auditors' report on the accounts is not qualified but I have prepared this report as a result of the non-compliance with statutory deadlines for the laying and publishing of the accounts.
2. I submit these accounts and the auditor's report in terms of sub-section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report which I have prepared under section 22(3) of the Act.
3. Section 21(1) of the Public Finance and Accountability (Scotland) Act 2000 requires that any account sent to the Auditor General for auditing should be sent not later than six months after the end of the financial year to which the account relates. Section 22 of the Act requires that:
  - Under subsection 22(4) the Auditor General must send to the Scottish Ministers the account, the auditor's report on the account and any report prepared by the Auditor General in sufficient time to enable the Scottish Ministers to comply with subsection (5).
  - Under subsection 22(5) the Scottish Ministers must lay before Parliament a copy of every account and report sent to them under subsection (4) no later than nine months after the end of the financial year to which the account relates.
4. I did not receive the audited accounts until 9 February 2009. The Scottish Ministers were therefore unable to lay the accounts in Parliament by the statutory deadline of 31 December 2007.
5. Until 2006/07, QLTR was not required to produce a statutory set of accounts. However, a review of QLTR in 2006 recommended that:
  - The organisation should operate under the regulations, rules and guidance set out in the Public Finance and Accountability (Scotland) Act 2000 and the Scottish Public Finance Manual and accepted good practice.
  - As no member of QLTR had been given responsibility for financial management, it should be clearly allocated to the most appropriate officer.
6. In March 2007, Scottish Ministers issued a Direction under the Public Finance and Accountability (Scotland) Act 2000 requiring QLTR to prepare accounts for 2006/07 and subsequent years.

7. The office of QLTR is held *ex officio* by the Crown Agent for Scotland who is also the Chief Executive of the Crown Office and Procurator Fiscal Service (COPFS). The staff of QLTR are on secondment either from COPFS or the Scottish Government. Although QLTR and COPFS share the same Audit Committee, QLTR is a separate organisation with its own Accountable Officer.
8. The initial set of draft accounts for 2006/07 were prepared by the QLTR accountable officer in August 2007 but following his departure shortly after, no-one within QLTR was given the responsibility for preparing the accounts. The first set of 2006/07 accounts was incomplete and a number of further drafts were required before the accounts could be audited by KPMG, the appointed auditors for QLTR. KPMG did not conclude their audit of the 2006/07 accounts until 4 February 2009.
9. The considerable delay in the preparation of the 2006/07 accounts and the subsequent audit was due to the combination of factors outlined above.



**ROBERT W BLACK**  
Auditor General for Scotland  
27 February 2009