

House of Commons
Treasury Committee

**PARLIAMENTARY
ACCOUNTABILITY OF
DEPARTMENTS**

Seventh Report of Session 2001–02
Volume I

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Treasury Committee

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Seventh Report of Session 2001–02

*Report, together with
Proceedings of the Committee*

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TREASURY COMMITTEE

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the HM Treasury and its associated public bodies.

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The Committee is one of the departmental select committees, the powers of which are set out in the House of Commons Standing Orders, principally in SO No. 152. These are available on the Internet via www.parliament.uk The Committee has power to appoint a Sub-Committee, which has similar powers to the main Committee, except that it reports to the main Committee, which then reports to the House. All members of the Committee are members of the Sub-Committee, and its Chairman is Mr Michael Fallon.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) from Session 1997-98 onwards are available on the Internet at www.parliament.uk/commons/selcom/treashome.htm. A list of Reports of the Committee published in the present Parliament is at the back of this volume.

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SEVENTH REPORT

The Treasury Committee has agreed to the following Report:

PARLIAMENTARY ACCOUNTABILITY OF DEPARTMENTS

1. The annual Departmental Reports, published by each major department in the spring shortly after the Budget, play an important part in keeping Parliament informed of the detail of future spending plans, performance against spending plans, and performance against targets. As Mr Adam Sharples, Director, Public Spending, at the Treasury, pointed out to us,¹ Departmental reports have a specific contribution to make to the process of reporting to the public and Parliament.

2. In parallel with the introduction of resource accounting and budgeting, on which our predecessors took evidence on several occasions, the Government has given consideration to the nature and timing of the provision of financial information to Parliament. It was originally envisaged that the Departmental Report, a forward looking document, would be complemented by the publication in the Autumn of an annual outturn report, consisting of an Output and Performance Analysis and a copy of the accounts for the previous financial year.² This new structure would come into effect with the last 'old style' departmental report being published in the spring of 2001 and the first 'backward looking' outturn report in the Autumn of that year. In considering the detailed contents of each of these documents, the Treasury confirmed in December 1998 that the Government wanted to carry out a fundamental review of existing 'core requirements' during the run up to full Resource Accounting and Budgeting implementation in 2001, including the balance of information to be contained in the forward looking plans and the backward-looking reports.³

3. In October 2000, the Chief Secretary to the Treasury decided that it would make more sense to move to split reporting from the spring of 2002, as 2001-02 would be the first full year of resource accounting and budgeting. He also decided that, before the new reporting arrangements were introduced, he would review with some users and producers of the reports how to ensure that the new structure best met their needs. Accordingly, he informed our predecessors on 17 October 2000 that he was setting up a working group, with representation from departments, the NAO and some external users, to report by May 2001, and sought the nomination of a Committee clerk to that group.⁴

4. In the event, the working group met for the first time on 18 May 2001. On 16 October 2001, the Chief Secretary wrote to the Chairman proposing a number of changes to the reporting pattern from spring 2002.⁵ The spring report would give "a full picture of each department's organisation, aims and objectives, performance and use of resources. Within a framework of core requirements, departments will be given greater freedom to produce streamlined, clearly presented reports accessible to a wider audience...In the autumn departments would publish resource accounts including further contextual information. In addition departments would be asked to publish supplementary performance information updating that in the spring report." Departments would also have greater freedom over the publication arrangements for their departmental reports. One consequence of this would be that responsibility for publication of the main Estimates, which for the first time in 2001 had been incorporated in departmental reports, would revert to the Treasury.

¹ Q35

² See Sixth Report from the Procedure Committee, Session 1998-99 (HC 295), Appendix 14, p.69, and HC 308-i (1999-2000), paras. 106-117.

³ HC 308-i (1999-2000), para 108

⁴ The then Clerk of the Treasury Committee was a member of the working group.

⁵ Ev p.1. For a summary of the conclusions of the Review, see Ev.p.2. See also Q2

5. The Chief Secretary recognised that his new approach was “a shift in emphasis” from the previous approach to reporting. In view of the timescale for preparing the spring 2002 reports, he proposed to advise Departments to work on the basis of this model as an interim measure for the 2002 reports, having regard to any comments from Committees, and then take stock with Parliament in the light of experience with these reports on the best way forward for the longer term.

6. In view of the fact that the timing of the review meant that there had been no opportunity for departmental committees to make a direct input, we decided to take evidence from Treasury officials and from the Chief Secretary. We also sought the views of other Committees.

7. A number of Committees responded to our invitation to comment on the Government’s proposals.⁶ The Chairman of the Northern Ireland Affairs Committee wished to be kept informed of developments on the new outturn publication. The Chairman of the Works and Pensions Committee commented on the complexity of that department’s report and associated accounts. He favoured “any improvement in the presentation and content of the report which made the document clearer” and believed that the proposals of the Chief Secretary “will assist in this regard”. The Chairman of the Defence Committee felt that it was “probably too soon to judge whether the Treasury’s revised proposals will be an improvement” but considered that they might make it easier to judge when to report on the accountability cycle. The Chairman of the Education and Skills Committee pointed out that getting a comprehensive view of education spending by local authorities would remain complicated by the fact that most of the income for such spending is derived from the Revenue Support Grant, a responsibility now of the Office of the Deputy Prime Minister. He was also concerned that comparable series of statistics remained available, even when there are reforms to expenditure reporting. The Chairman of the Foreign Affairs Committee was critical of the proposals, principally because of the inconvenience that might arise from fragmentation of information, the possibility that simplification might lead to a reduction in the amount of readily available information, and a reduced relevance to Parliament.

8. We are grateful to all who have made an input to this inquiry. As all of the 2002 departmental reports have now been published, we thought that this would be an appropriate time to make an interim report. We shall seek the views of Committees on the new reports, and on the information provided, in the autumn, and expect to make a further report in time to inform the production of the 2003 departmental reports.

9. In assessing the changes to the financial process put forward by the Government, we have adopted three criteria:

- the practicability of the proposed revised structure of spring and autumn reporting;
- whether the new reporting pattern is likely to enhance the House’s scrutiny of the Executive; and
- whether the new style departmental reports are likely to improve public accessibility to information about the work of departments, and improve public understanding of it.

⁶ Copies of the letter sent to Committee Chairmen by the Chairman of the Treasury Committee, and the responses received are set out at Appendix 1 to the Minutes of Evidence.

10. A central element in the proposed system has always been the autumn package of information, although its proposed scope has now changed. This is intended to consist of the audited resource accounts and further contextual material. In particular, the material presented in the autumn should enable a complete picture to be given of the previous financial year. Mr Sharples told us⁷ that the length of potential delay from the end of the financial year to the publication of audited accounts was one factor which influenced thinking on the idea of having two part reporting (spring and autumn reports). He envisaged⁸ that if the accounts were delayed into the following calendar year “it will be extremely unfortunate if the performance information is delayed so long, and it may be that one wanted to get performance information out in the autumn in any event”.

11. Mr Sharples⁹ was “a bit concerned” about the present length of the delay from the end of the financial year to the publication of audited accounts and was trying to speed up the process, as was the Chief Secretary.¹⁰ The Treasury subsequently told us¹¹ that in respect of 2000-01, of the 52 resource accounts, 13 were ready to publish¹² by 1 November 2001. A recent Parliamentary Answer¹³ shows that only nine had been published by 30 November 2001. It also revealed that five departments had failed to meet the statutory deadline of 31 January for laying their resource accounts for 2000-01 before Parliament, and that seven departments had failed to publish their accounts by 24 April 2002.

12. An updated and corrected version of the table given in the Answer referred to in the previous paragraph is given in the Annex. This data gives us little confidence that the publication of audited resource accounts for 2001-02 this autumn is likely to be achieved by the majority of departments. We have also sought the opinion of the Comptroller and Auditor General on this point, in view of his responsibility for auditing these accounts. In response, the National Audit Office comments that although some improvement is expected over last year, “it is highly unlikely that all the 2001-02 accounts will be published by this autumn.”¹⁴

13. On the evidence we have received, it is unlikely that departments will generally be able for some time to lay audited resource accounts before Parliament in the autumn after the end of the financial year. This knocks a major hole in the Government’s revised strategy for financial reporting to Parliament. We look to the Government to ensure that full outturn information is made available in the autumn, and look forward to hearing how it proposes to do this in the period until its original objective of laying audited resource accounts in the autumn can be achieved.

14. We are also concerned at the excessive delays that occurred in publishing some of the 2000-01 resource accounts, given that the documents must be complete before they are laid before Parliament. We do not regard the formal act of laying¹⁵ as an adequate way of informing the House of the content of these documents. The public has a right to prompt publication after laying. We expect to see a marked reduction in publication delays with the 2001-02 resource accounts and look to the Treasury to take steps to achieve this.

⁷ QQ80-1

⁸ Q82

⁹ Q80, 83. See also Q36

¹⁰ QQ175-6

¹¹ Ev. 20

¹² ‘Ready to publish’ means signed by the Accounting Officer and certified by the Comptroller and Auditor General

¹³ Official Report, 30 April 2002, Vol. 384, col. 722-6w.

¹⁴ Appendix 4 to the Minutes of Evidence.

¹⁵ This involves Departments delivering two copies of the document concerned, which must be complete but need not be in the final form in which it will be published, to the Journal Office. These copies are subsequently sent to the Library. Such delivery, which is formally recorded in the Votes and Proceedings, discharges any statutory obligation to lay the document before the House.

15. A key question of importance to us is whether the new style departmental reports will continue to meet the House's requirements. Mr Sharples told us that the Government "see Parliament as being one of the prime audiences, if you like the joint equal audience [of departmental reports] along with the public".¹⁶ He also told us¹⁷ that the aim of the proposals was that "when departments put a lot of time and effort into publishing a report about their activities they should do so in a way that gives useful, clear information about their performance, about their use of public money, about their organisation, to Parliament and the public", and pointed out how different departments might have different approaches, based on their activities and the needs of their readers.¹⁸ He expected the new style departmental reports to be "shorter and better focussed."¹⁹

16. One of the features of the new arrangements is that the Main Estimates will no longer be included in the Departmental Reports, an arrangement introduced in 2001. They will now be published separately, within 21 days of the Budget, together with supplementary budgetary and financial information to allow a full reconciliation from one to the other.²⁰ Mr Sharples gave a number of reasons for this. First, he maintained that there was limited interest in Estimates outside Parliament.²¹ Second, they are in many cases overtaken by Supplementary Estimates in the course of the year. Third, the arrangements that operated in 2001 had led to significant extra coordination work and there had still been a number of material errors. The Treasury also pointed out subsequently that inclusion of the Estimates represented about 14 per cent of the aggregate size of the 2001 departmental reports, and this would have contributed to the 31 per cent rise in aggregate cost.²²

17. We believe that there are good practical arguments for responsibility for publication of Estimates to return to the Treasury and that reverting to this earlier practice may act to strengthen Parliamentary control. We note from the comments of Chairmen of other departmental committees that the previous practice of providing them with drafts in advance appears, in respect of the 2001-02 Estimates, to have been honoured more in breach than observance. We recommend that this practice is restored, and that as much advance notice as possible is given to Committees, particularly of Supplementary and Revised Estimates, in order that those can be scrutinised properly before they are voted on by the House.

18. Mr Sharples commented that publishing a departmental report in the spring meant that it could provide contextual information to inform discussion of the Estimates prior to their approval by the House, typically in July²³. We agree with this, but note that the more relaxed timetable introduced this year for publishing departmental reports militates against this.²⁴ **We recognise the contribution made to consideration of the Main Estimates in particular by material in the Departmental Report. We therefore recommend that all departmental reports are published well before the House is asked to vote on the Main Estimates.**

19. We note the suggestion that Estimates might in future be published electronically, with Committees being given printed versions of those relevant to them. We are not convinced that the House as a whole is ready to accept this development.

¹⁶ Q5

¹⁷ Q9

¹⁸ Q61

¹⁹ Q53. See also Q143

²⁰ Q17. See also Qq39-40, 48 and 90.

²¹ For sales figures for Estimates volumes, see Appendix 5 of the Appendices to the Minutes of Evidence.

²² Ev p18. The complete set is available at a discounted price.

²³ Q23. The main Estimates for 2002-03 were agreed by the House on 27 June.

²⁴ In 2002, Departmental Reports were published over the period from 24 April to 18 July.

20. A vital part of the work of departmental committees is monitoring departments' performance against their PSA targets. Mr Sharples told us that, under the new arrangements, the spring departmental reports will include a report on performance against each of the PSA targets and the supplementary information published in the autumn will provide an update on that, to include financial data to 31 March and performance data to the latest available date. He added "the PSAs remain central to reporting and accountability."²⁵ He described this as "the bedrock of performance reporting in the departmental report".²⁶ The new arrangements would, he considered, provide more information than at present.²⁷ **One of the factors on which we will base our judgement of the success of the new arrangement is whether it improves Committees' monitoring of departments' levels of success in meeting PSA targets. In this context we note the work that is in hand to improve the transparency of performance reporting, and its validity.**²⁸

21. Besides their use by Parliament, we were interested to find out who else made use of departmental reports. Figures provided by the Treasury²⁹ show a number of interesting features. First, Parliament is very much a minority consumer of departmental reports. Second, print runs vary markedly and are primarily determined by the number of copies taken by departments for their own purposes. We have therefore sought information from departments as to the uses they put these copies to. This reveals a wide range of practices by departments.³⁰ **While we welcome the fact that Departmental Reports have a wide readership, and provide useful reference points for departments, we look to departments not to lose sight of their primary function, which is to report to Parliament.**

22. One of the issues which concerned us in relation to public access to departmental report was their cost, some of which had risen very markedly between 2000 and 2001.³¹ There is also a marked lack of correlation between the length of the publications and their cover prices.³² We are therefore pleased to note that cover prices are now standardised according to a scale of charges and a standard specification, and will no longer reflect additional costs arising from special requirements which departments may have.³³ These costs will now fall on departments.³⁴

23. Only a relatively small number of copies are sold outside the sponsoring departments and Parliament. However, the Chief Secretary supported improvements in making the reports available on the Internet. Evidence from DTI³⁵ was that Internet usage was around 1000 hits a month, compared with total sales of 976 hard copies, 693 of them to the Department or Parliament.

24. We support the idea of greater accessibility of departmental reports through the Internet, but not at the expense of producing a non-electronic version. We agree with the Chief Secretary³⁶ that it is important to retain the paper version.

²⁵ Q31

²⁶ Q62

²⁷ QQ23, 29, 98 See also Q33

²⁸ QQ57-8. See also QQ63-72

²⁹ Ev p19

³⁰ See Appendix 2 to the Minutes of Evidence

³¹ Ev p.19. See also QQ120-2

³² Q120-2

³³ Appendix 5 to the Minutes of Evidence

³⁴ Appendix 5 to the Minutes of Evidence

³⁵ Q133-4

³⁶ Q130, 132

25. We explored with the Chief Secretary whether the changes might lead to departmental reports becoming less factual in their content, and that departments might seek to portray their performance each year in the most favourable light. The Chief Secretary commented³⁷:

“I understand the reason for the suspicion...I would seek to dispel it, first of all, by stressing we do take seriously ...the importance of these documents and records and accountability to Parliament. We have made clear that the alteration in the format and the presentation is not to deny Parliament information, indeed all of the information that was available in last year’s report will be available in the new style reports...it is the explanation of what is in the reports about which departments want greater flexibility and not the content”.

26. We welcome the Chief Secretary’s assurances about the content of the new style reports, and that there will be no overall loss of comparative information.³⁸ The latter point is of considerable importance to departmental committees seeking to form a view of trends. We reiterate the point made by the Chairman of the Education and Skills Committee that, besides information being given on a comparable basis in year, it needs to be capable of reconciliation with previous years’ data.

Conclusion

27. With the decision of the House of 14 May to invite the Liaison Committee to establish common objectives for select committees,³⁹ and the subsequent issue by the Liaison Committee of guidance to departmental select committees on objectives and core tasks, the departmental report is likely to assume greater prominence in committees’ work. We shall therefore be seeking the views of departmental committees on the 2002 departmental reports and on whether any improvements are needed in future years. We shall look closely at the new autumn material, and invite committees to give a view on this also in due course.

³⁷ Q130. See also QQ13–8

³⁸ QQ145-6

³⁹ The text of this Resolution is set out in the Appendix.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

- (a) We are grateful to all who have made an input to this inquiry. As all of the 2002 departmental reports have now been published, we thought that this would be an appropriate time to make an interim report. We shall seek the views of Committees on the new reports, and on the information provided, in the autumn, and expect to make a further report in time to inform the production of the 2003 departmental reports (paragraph 8).
- (b) On the evidence we have received, it is unlikely that departments will generally be able for some time to lay audited resource accounts before Parliament in the autumn after the end of the financial year. This knocks a major hole in the Government's revised strategy for financial reporting to Parliament. We look to the Government to ensure that full outturn information is made available in the autumn, and look forward to hearing how it proposes to do this in the period until its original objective of laying audited resource accounts in the autumn can be achieved (paragraph 13).
- (c) We are also concerned at the excessive delays that occurred in publishing some of the 2000-01 resource accounts, given that the documents must be complete before they are laid before Parliament. We do not regard the formal act of laying⁴⁰ as an adequate way of informing the House of the content of these documents. The public has a right to prompt publication after laying. We expect to see a marked reduction in publication delays with the 2001-02 resource accounts and look to the Treasury to take steps to achieve this (paragraph 14).
- (d) We believe that there are good practical arguments for responsibility for publication of Estimates to return to the Treasury and that reverting to this earlier practice may act to strengthen Parliamentary control. We note from the comments of Chairmen of other departmental committees that the previous practice of providing them with drafts in advance appears, in respect of the 2001-02 Estimates, to have been honoured more in breach than observance. We recommend that this practice is restored, and that as much advance notice as possible is given to Committees, particularly of Supplementary and Revised Estimates, in order that those can be scrutinised properly before they are voted on by the House (paragraph 17).
- (e) We note the suggestion that Estimates might in future be published electronically, with Committees being given printed versions of those relevant to them. We are not convinced that the House as a whole is ready to accept this development (paragraph 19).
- (f) We recognise the contribution made to consideration of the Main Estimates in particular by material in the Departmental Report. We therefore recommend that all departmental reports are published well before the House is asked to vote on the Main Estimates (paragraph 18).
- (g) One of the factors on which we will base our judgement of the success of the new arrangement is whether it improves Committees' monitoring of departments' levels of success in meeting PSA targets. In this context we note

⁴⁰ This involves Departments delivering two copies of the document concerned, which must be complete but need not be in the final form in which it will be published, to the Journal Office. These copies are subsequently sent to the Library. Such delivery, which is formally recorded in the Votes and Proceedings, discharges any statutory obligation to lay the document before the House.

the work that is in hand to improve the transparency of performance reporting, and its validity (paragraph 20).

- (h) While we welcome the fact that Departmental Reports have a wide readership, and provide useful reference points for departments, we look to departments not to lose sight of their primary function, which is to report to Parliament (paragraph 21).**
- (i) We support the idea of greater accessibility of departmental reports through the Internet, but not at the expense of producing a non-electronic version. We agree with the Chief Secretary that it is important to retain the paper version (paragraph 24).**
- (j) We welcome the Chief Secretary's assurances about the content of the new style reports, and that there will be no overall loss of comparative information.⁴¹ The latter point is of considerable importance to departmental committees seeking to form a view of trends. We reiterate the point made by the Chairman of the Education and Skills Committee that, besides information being given on a comparable basis in year, it needs to be capable of reconciliation with previous years' data (paragraph 26).**
- (k) With the decision of the House of 14 May to invite the Liaison Committee to establish common objectives for select committees, and the subsequent issue by the Liaison Committee of guidance to departmental select committees on objectives and core tasks, the departmental report is likely to assume greater prominence in committees' work. We shall therefore be seeking the views of departmental committees on the 2002 departmental reports and on whether any improvements are needed in future years. We shall look closely at the new autumn material, and invite committees to give a view on this also in due course (paragraph 27).**

⁴¹ QQ145-6

ANNEX

2000-01 Resource Accounts: Publication Statistics

Departments	HC No.	Cmd No.	Laid	Published	Working days between laying and publication
OFGEM	170		19/07/2001	19/07/2001	0
Department of National Savings	121		24/10/2001	24/10/2001	0
Intervention Board Executive Agency	123		31/10/2001	31/10/2001	0
GAD	284		31/10/2001	31/10/2001	0
National Investment & Loans Office	321		31/10/2001	31/10/2001	0
OFWAT	313		21/11/2001	21/11/2001	0
Public Records Office	362		21/11/2001	21/11/2001	0
Armed Forces Pension Scheme - MOD	245		21/11/2001	21/11/2001	0
Wales Office	288		28/11/2001	28/11/2001	0
OFSTED	403		05/12/2001	05/12/2001	0
OFTEL	416		12/12/2001	12/12/2001	0
Inland Revenue	425		12/12/2001	12/12/2001	0
Defence - MOD Consolidated	443		17/12/2001	18/12/2002	1
DCMS	469		09/01/2002	09/01/2002	0
ECGD	441		10/01/2002	10/01/2002	0
DTI - Main	503		23/01/2002	23/01/2002	0
UK Atomic Energy Authority - DTI	504		23/01/2002	23/01/2002	0
OFT	538		30/01/2002	30/01/2002	0
Crown Estate	544		30/01/2002	30/01/2002	0
Postal Services Commission	495		30/01/2002	30/01/2002	0
British Trade International	526		30/01/2002	13/02/2002	10
ORR	490		30/01/2002	14/02/2002	11
DfID	512		30/01/2002	26/02/2002	19
DfID - Superannuation Pensions	514		30/01/2002	26/02/2002	19
Serious Fraud Office	572		30/01/2002	18/03/2002	33
Customs & Excise	530		30/01/2002	26/03/2002	39
Crown Prosecution Service	540		31/01/2002	31/01/2002	0
DSS	491		31/01/2002	31/01/2002	0
Central Office for Information	566		31/01/2002	31/01/2002	0
Department of Environment, Transport and the Regions	536		31/01/2002	04/02/2002	2
Scotland Office	531		31/01/2002	06/02/2002	4
Food Standards Agency	513		31/01/2002	07/02/2002	5
Teachers Pension Scheme	552		31/01/2002	08/02/2002	6
Privy Council Office	571		31/01/2002	11/02/2002	7
DFEE	551		31/01/2002	18/02/2002	12
Charity Commission	565		31/01/2002	27/02/2002	19
NHS Pension Scheme (England & Wales)	569		31/01/2002	01/03/2002	21
FCO	553		31/01/2002	07/03/2002	25
HM Treasury	573		31/01/2002	14/03/2002	30
Cabinet Office: Civil Superannuation	554		31/01/2002	18/03/2002	32
Northern Ireland Court Service	570		31/01/2002	03/04/2002	42
Department of Health	567		31/01/2002	15/04/2002	50
Treasury Solicitors	574		31/01/2002	24/04/2002	57
Security & Intelligence Agencies <i>note 1</i>		5446	28/02/2002	14/03/2002	10

Northern Ireland Office <i>note 1</i>		5445	28/02/2002	11/04/2002	28
Lord Chancellor's Dept <i>note 3</i>	568		31/01/2002	37562	27
Office for National Statistics	122		31/01/2002	<i>See note 2</i>	
Food Standards Agency Consolidated	594		05/02/2002	<i>See note 2</i>	
Home Office <i>notes 1 and 3</i>		5444	28/02/2002	37260	42
MAFF <i>notes 1 and 3</i>		5447	28/02/2002	16/04/2002	33
Cabinet Office <i>note 1</i>		5443	28/02/2002	*	
Forestry Commission	527		31/01/2002	*	
Forestry Commission Pension Scheme	535		31/01/2002	*	

Note 1: All these departments received a dispensation to present their accounts after the statutory deadline.

Note 2: Formal resource accounts were not separately published but included in the ONS Annual Report and Accounts and in the Food Standards Agency's Annual Report and Accounts.

Note 3: Date shown for publication is date published copies were delivered to the Vote Office of the House of Commons.

* Not yet published.

Sources: HM Treasury; Vote Office.

APPENDIX

Extract from the Votes and Proceedings: 14th May 2002

Resolved, That this House approves the First Report of the Select Committee on Modernisation of the House of Commons relating to Select Committees, House of Commons Paper No. 224-I, and in particular welcomes its commitment to more specialist and support staff for select committees; is of the view that the package as a whole will strengthen the scrutiny role of the House; and invites the Liaison Committee to establish common objectives for select committees, taking into account the illustrative model set out in paragraph 34 of that report, namely:

- to consider major policy initiatives
- to consider the Government's response to major emerging issues
- to propose changes where evidence persuades the Committee that present policy requires amendment
- to conduct pre-legislative scrutiny of draft bills
- to examine and report on main Estimates, annual expenditure plans and annual resource accounts
- to monitor performance against targets in the public service agreements
- to take evidence from each Minister at least annually
- to take evidence from independent regulators and inspectorates
- to consider the reports of Executive Agencies
- to consider, and if appropriate report on, major appointments by a Secretary of State or other senior ministers
- to examine treaties within their subject areas.

PROCEEDINGS OF THE COMMITTEE RELATING TO THE REPORT

TUESDAY 23 JULY 2002

Members present:

Mr John McFall, in the Chair

Mr Jim Cousins
Mr Michael Fallon

Dr Nick Palmer
Mr James Plaskitt

The Committee deliberated.

Draft Report (Departmental Reporting to Parliament) proposed by the Chairman, brought and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 3 read, amended and agreed to.

Paragraphs 4 to 11 read and agreed to.

Paragraphs 12 and 13 read, amended and agreed to.

Paragraphs 14 to 19 read and agreed to.

Paragraphs 20 and 21 read, amended and agreed to.

Paragraphs 22 to 26 read and agreed to.

Paragraph 27 read, amended and agreed to.

Annex agreed to.

Resolved, That the title of the Report be changed to 'Parliamentary Accountability of Departments'— *(The Chairman.)*

Resolved, That the Report, as amended, be the Seventh Report of the Committee to the House.

A Paper was ordered to be appended to the Report.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the Appendix to the Report be reported to the House. — *(The Chairman.)*

Several Papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the Appendices to the Minutes of Evidence taken before the Committee be reported to the House. — *(The Chairman.)*

[Adjourned to Tuesday 15 October at Four o'clock.]

LIST OF WITNESSES

TUESDAY 6 NOVEMBER 2001

HM Treasury

Mr Adam Sharples, Director, Expenditure Policy, and Mr Allen Ritchie,
Team Leader, General Expenditure Statistics Ev 3

TUESDAY 15 JANUARY 2002

HM Treasury

Rt Hon Andrew Smith MP, Chief Secretary to the Treasury, and Mr Adam
Sharples, Director, Expenditure Policy Ev 21

LIST OF DOCUMENTS INCLUDED IN THE MINUTES OF EVIDENCE

Letter from Rt Hon Andrew Smith MP, Chief Secretary to HM Treasury Ev 1

Memorandum submitted by HM Treasury Ev 18

APPENDICES TO THE MINUTES OF EVIDENCE

Appendix 1

Letter from Chairmen of Select Committees

Rt Hon Bruce George MP, Defence Committee

Rt Hon Donald Anderson MP, Foreign Affairs Committee

Michael Mates MP, Northern Ireland Affairs Committee

Mr Barry Sheerman MP, Education and Skills Committee

Mr Archy Kirkwood, Work and Pensions Committee

Appendix 2

Memoranda submitted by:

British Trade International
Cabinet Office
Department for Culture Media and Sport
Ministry of Defence
Department for Education and Skills
Department for the Environment, Food and Rural Affairs
Food Standards Agency
Foreign and Commonwealth Office
Department of Health
Home Office
Inland Revenue
The Law Officers' Department
The Lord Chancellor's Department
Northern Ireland Office
Scotland Office
Department of Trade and Industry
Department of Transport, Local Government and the Regions
HM Treasury
Wales Office
Department for Work and Pensions

Appendix 3

Memorandum submitted by HM Treasury

Appendix 4

Letter from the National Audit Office to the Clerk of the Committee

Appendix 5

Further Memorandum submitted by HM Treasury

**LIST OF REPORTS PUBLISHED BY THE TREASURY COMMITTEE,
SESSION 2001-02**

First Report: The 2001 Census in England and Wales (HC 310)

Second Report: Budget 2002 (HC 780)

Third Report: The Office of Government Commerce (HC 851)

Fourth Report: Appointment to the Monetary Policy Committee of the Bank of England of Mr Paul Tucker and Ms Marian Bell (HC 880-I)

Fifth Report: Banking, the Consumer and Small Businesses (HC 818)

Sixth Report: The Financial Regulation of Public Limited Companies (HC 758)

Special Reports:

First Special Report: Government Response to the Committee's Fifth Report, Session 2000-01: Banking and the Consumer (HC 198)

Second Special Report: Responses by the Government and the Bank of England to the Committee's Ninth Report, Session 2000-01: The Monetary Policy Committee – An End of Term Report (HC 199)

Third Special Report: Government Response to the Committee's Eighth Report, Session 2000-01: The Royal Mint (HC 266)

Fourth Special Report: Government Response to the Committee's Seventh Report, Session 2000-01: The Government Actuary's Department (HC 267)

Fifth Special Report: Government Response to the Committee's Sixth Report, Session 2000-01: HM Customs and Excise (HC 315)

Sixth Special Report: Government Response to the Committee's Tenth Report, Session 2000-01: Equitable Life and the Life Assurance Industry: An Interim Report (316)

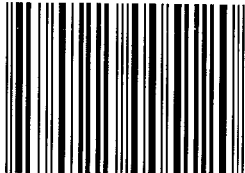
Seventh Special Report: Government Response to the Committee's Fourth Report, Session 2000-01: International Monetary Fund: A Blueprint for Parliamentary Accountability (HC 379)

Eighth Special Report: Government Response to the Committee's Third Report, Session 2000-01: HM Treasury (HC 429)

Ninth Special Report: Government Response to the Committee's First Report,
Session 2001-02: The 2001 Census in England and Wales (HC 852)

Tenth Special Report: Government Response to the Committee's Second Report,
Session 2001-02: Budget 2002

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