



Northern Ireland  
Assembly

## Research and Information Service Briefing Paper

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# Scrutiny and Presentation of Parliamentary Corporate Body Budgets and Estimates: A comparative perspective

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This Briefing Paper, commissioned by the Assembly's Audit Committee, provides comparative research on the scrutiny and presentation of the budgets and estimates of the Northern Ireland Assembly Commission – a parliamentary corporate body - and its counterparts within the United Kingdom.

This information is provided to MLAs in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

## Introduction

In the Northern Ireland Assembly, the Audit Committee (the Committee) is required to agree the Estimates of the Northern Ireland Audit Office (NIAO) and the Northern Ireland Public Services Ombudsman (NIPSO), and then lay them before the Assembly. Furthermore, the Committee is empowered to scrutinise the Draft Budgets of the NIAO, the NIPSO, and the Northern Ireland Assembly Commission (NIAC). The Committee commissioned the Research and Information Service (RaISe), to identify relevant budget scrutiny processes of comparable parliamentary corporate bodies in other jurisdictions.

Section 1 of this Briefing Paper summarises the Committee's role and responsibilities in relation to the individual Budgets of the NIAO, the NIPSO and the NIAC. Section 2 then provides relevant context setting information relating to the NIAC, including the NIAC Budget setting process. To provide a comparative perspective, Section 3 then identifies counterparts of the NIAC, i.e. parliamentary corporate bodies, within the United Kingdom, at the national and devolved levels and examines the current budgetary oversight arrangements, including relevant legislation and related procedure. Thereafter, some key concluding remarks are provided.

When relying on this Paper, please note that it is not intended to provide legal advice or opinion, and should not be relied on as either.

## 1 Northern Ireland Audit Committee

The Audit Committee of the Northern Ireland Assembly (the Committee) is a Standing Committee established in accordance with paragraph 10 of Strand One of the Belfast Agreement.<sup>1</sup>

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[https://assets.publishing.service.gov.uk/media/619500728fa8f5037d67b678/The\\_Belfast\\_Agreement\\_An\\_Agreement\\_Reached\\_at\\_the\\_Multi-Party\\_Talks\\_on\\_Northern\\_Ireland.pdf](https://assets.publishing.service.gov.uk/media/619500728fa8f5037d67b678/The_Belfast_Agreement_An_Agreement_Reached_at_the_Multi-Party_Talks_on_Northern_Ireland.pdf)

Under Assembly Standing Order No. 58,<sup>2</sup> the Committee has the power to exercise the functions mentioned in:

- Section 66(1) of the Northern Ireland Act 1998, which states:<sup>3</sup>

*Standing orders shall make provision for establishing a committee of members of the Assembly to exercise, in place of the Department of Finance and Personnel, the functions conferred on that Department by Article 6(2) of the Audit (Northern Ireland) Order 1987 (expenses of Northern Ireland Audit Office).*

And, Article 6(2) of the Audit (Northern Ireland) Order 1987, which states:<sup>4</sup>

*The Comptroller and Auditor General shall for each financial year prepare an estimate of the expenses of the Northern Ireland Audit Office; and that estimate with such modifications, if any, as may be agreed between the Department and the Comptroller and Auditor General shall be laid by the Department before the Assembly.*

- Section 18 of Schedule 1 of the Public Services Ombudsman Act (Northern Ireland) 2016, which states:<sup>5</sup>

*(1) The Ombudsman must, for each financial year other than the first, prepare an estimate of the use of resources (within the meaning of the Government Resources and Accounts Act (Northern Ireland) 2001) by the office of the Ombudsman.*

*(2) That estimate must be submitted to the committee established under section 66 of the Northern Ireland Act 1998.*

*(3) In considering that estimate, that committee must have regard to the advice of the Department of Finance and Personnel.*

*(4) That estimate must, subject to any modifications agreed between that committee and the Ombudsman, be laid before the Assembly by that committee.*

Essentially, the Committee is **required** to agree the estimates of the Northern Ireland Audit Office (NIAO) and the Northern Ireland Public Services Ombudsman (NIPSO), and then lay them before the Assembly. These processes are outlined in Protocols, namely: *Northern Ireland Audit Office*

<sup>2</sup> <https://www.niassembly.gov.uk/globalassets/documents/standing-orders/standing-orders-as-amended-march2022.pdf>

<sup>3</sup> <https://www.legislation.gov.uk/ukpga/1998/47/section/66>

<sup>4</sup> <https://www.legislation.gov.uk/nisi/1987/460/article/6/made>

<sup>5</sup> <https://www.legislation.gov.uk/nia/2016/4/schedule/1/enacted>

*(NIAO) Budget Setting Process – Annual Estimate; and, Northern Ireland Public Services Ombudsman (NIPSO) Budget Setting Process – Annual Estimate.*<sup>6</sup>

Memorandums of Understanding (MOUs) are in place between the Committee and [NIAO](#) and [NIPSO](#). Those specify the prevailing governance and accountability relationships between the two and the committee; supplementing what is provided for in the statute.

In addition to the above requirements, the Committee carries out a number of other roles, including scrutiny of the Draft Budgets of the NIAO, the NIPSO and the Northern Ireland Assembly Commission (NIAC). Those processes are outlined in a series of Protocols, namely: *Draft Northern Ireland Audit Office (NIAO) Budget Setting Process – Multi-year budgets; Draft Northern Ireland Public Services Ombudsman (NIPSO) Budget Setting Process – Multi-year budgets; and, Northern Ireland Assembly Commission Budget Setting Process*, however have not been formally codified.<sup>7</sup>

Paragraphs 22 and 23 of the Audit Committee Legacy Report 2017-2022 states:<sup>8</sup>

*The Audit Committee's role with regard to agreeing the NIAO's and the NIPSO's estimates, and laying them before the Assembly, is already codified. However, the [then] Committee intended to codify its role in relation to the scrutiny of the draft budgets for the NIAO, the NIPSO, and the NIAC, by way of an amendment to Assembly Standing Orders. The Committee also considered whether its role should be extended to include agreeing and laying the NIAC's estimates.*

*This work was not completed. Therefore, the next Audit Committee may wish to progress both these issues.*

## 2 Northern Ireland Assembly Commission

The Northern Ireland Assembly Commission (NIAC) is the corporate body which has the statutory responsibility for providing the Northern Ireland Assembly (the Assembly), or ensuring that the Assembly is provided with the property, staff

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<sup>6</sup> The Committee has shared these unpublished Protocols with RaISe

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<sup>8</sup> <https://www.niassembly.gov.uk/globalassets/documents/committees/2017-2022/audit/reports/session-2021-2022/legacy-report/audit-committee---legacy-report-2017-2022.pdf>

and services required for the Assembly's purposes. The NIAC is established under section 40 of the Northern Ireland Act 1998.<sup>9</sup>

It comprises the Speaker and five other Members of the Legislative Assembly (MLAs), who are responsible for representing the interests of the Assembly and its elected Members. A Clerk/Chief Executive is appointed by the NIAC in accordance with Schedule 5 of the Northern Ireland Act 1998, as amended,<sup>10</sup> and other Assembly staff. When fulfilling its statutory roles and responsibilities, the NIAC considers and makes decisions on a wide range of issues relating to the running of the Assembly, the provision of accommodation and the delivery of supporting services in Parliament Buildings.

Although funded through the Northern Ireland Block Grant, the NIAC is independent of the Northern Ireland Executive; and as such, it does not contribute to the Executive's Programme for Government. Instead, NIAC's performance targets and associated outputs are developed internally. It has a Corporate Strategy 2023-28<sup>11</sup> guiding its work, along with its Corporate and Annual Plans.

Sections 47 and 48 of the Northern Ireland Act 1998, as amended,<sup>12</sup> states that the Assembly shall pay to MLAs their salaries and allowances, and pensions, gratuities and allowances, as may from time to time be determined. The Independent Financial Review Panel, established under Part 1 of the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011, as amended,<sup>13</sup> is responsible for making such determinations.

MLAs' salaries and expenses are provided in accordance with the Assembly Members (Salary and Expenses) Determination (Northern Ireland) 2016, as amended by the Assembly Members (Salaries and Expenses) (Amendment)

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<sup>10</sup> <https://www.legislation.gov.uk/ukpga/1998/47/schedule/5>

<sup>11</sup> <https://www.niassembly.gov.uk/about-the-assembly/corporate-information/policies/the-northern-ireland-assembly-commission-corporate-strategy-2023-2028/>

<sup>12</sup> <https://www.legislation.gov.uk/ukpga/1998/47/section/47>

<sup>13</sup> <https://www.legislation.gov.uk/nia/2011/17/part/1>

Determination (Northern Ireland) 2020.<sup>14</sup> This determination is the basis on which MLAs are provided with the necessary resources to carry out their functions as an MLA. It establishes the level of travel allowances that will be paid to MLAs; and, enables MLAs to pay staff and recover the costs incurred in running a constituency office to provide services to constituents, such as purchasing equipment, rent, rates, utilities and other operating costs. The NIAC administers the payment of those salaries and expenses, which constitute a significant portion of NIAC's Budget.

## 2.1 NIAC Budget Process

In addition to the MLA related costs noted above, the NIAC Budget covers salary payments for Commission staff and the administrative costs incurred in delivering the full range of services that are needed by the Assembly.

Administrative costs cover a wide range of expenditure items, including those incurred, for example: to support Assembly Plenaries and Committees; to draft Members' Bills; to pay building rates, utility costs, as well as repairs and maintenance costs; and, to provide third-party support for broadcasting, catering and research.

*The Northern Ireland Assembly Commission Budget Setting Process*<sup>15</sup> outlines the methodology used for setting the NIAC's budget. That methodology sets out an approach that is akin to the approach adopted for the NIAO and the NIPSO, whereby the Committee provides scrutiny to the NIAC's expenditure plans and reports accordingly, as summarised in Table 1 below:

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<sup>14</sup> [https://www.niassembly.gov.uk/globalassets/documents/your\\_mlas/determinations/assembly-members-salaries-and-expenses-determination-northern-ireland-2016-as-amended.pdf](https://www.niassembly.gov.uk/globalassets/documents/your_mlas/determinations/assembly-members-salaries-and-expenses-determination-northern-ireland-2016-as-amended.pdf)

<sup>15</sup> <https://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/memoranda-of-understanding/niac-commission-budget-setting-process/>

**Table 1: Northern Ireland Assembly Commission Budget Setting Process**

Stage	Context	Key Milestones
<b>Preparation of Draft Budget</b>	NIAC prepares a Draft Budget for the specified period of the Executive Budget, as notified by the Department of Finance (DoF). This is established in advance of the DoF timetable for Executive Departments.	<ul style="list-style-type: none"> <li>a. As part of the development of the NIAC's Draft Budget, the NIAC actively obtains data and projections from the DoF regarding the Northern Ireland Block Grant for the entire Executive Budget period;</li> <li>b. The NIAC, taking account of the DoF projections, proposes its Draft Budget and presents it to the Audit Committee. At the same time, the NIAC also provides its Draft Budget figures to the DoF</li> </ul>
<b>Interaction with Audit Committee</b>	Via an agreed mechanism (for example, Standing Orders) - and in keeping with the Executive budgetary timetable - the Audit Committee lays a report on the NIAC's Draft Budget.	<ul style="list-style-type: none"> <li>a. In advance of laying that report, the NIAC attends an Audit Committee meeting(s) to give evidence on its Draft Budget;</li> <li>b. In advance of laying that report, the Audit Committee receives written evidence from: (i) the DoF (cleared in advance by the Finance Minister) about the Northern Ireland Block Grant for the entire Executive Budget period; and, (ii) the DoF view on the NIAC's Draft Budget. In considering the Draft Budget, the Committee is to have due regard to the evidence provided by the DoF.</li> <li>c. Evidence to the Audit Committee from the DoF is to be included in the Committee's report to the Assembly; and,</li> <li>d. The Audit Committee prepares and lays its report.</li> </ul>
<b>Finalisation of Budget</b>	The NIAC prepares its Final Budget, factoring in the Audit Committee recommendations and submits a motion to the Business Committee.	<ul style="list-style-type: none"> <li>a. The Assembly, as a whole, debates the NIAC Final Budget in plenary, before voting on the motion (without amendment) that it be <i>"agreed and incorporated into the Executive's Budget and the subsequent Main Estimates"</i>.</li> <li>b. The outcome of the Assembly vote on the NIAC's Budget then is reflected, without amendment, in the Budget prepared by the Executive.</li> </ul>
<b>In-Year Amendments to Budget</b>	On an in-year basis, financial controls are established that are aligned to the arrangements for setting the initial budget.	<ul style="list-style-type: none"> <li>a. The NIAC prepares and submits its contribution to Monitoring Rounds and the Spring Supplementary Estimate. The submission of NIAC's contribution to Monitoring Rounds and the Spring Supplementary Estimate will be subject to agreed thresholds between NIAC and the Committee. If these thresholds are not exceeded, the Commission will not seek the Audit Committee's view on its in-year position.</li> </ul>
<b>Review</b>	The methodology outlined in this Table is to be reviewed within one year of its first use and at the conclusion of every Executive Budget setting period.	

Source: **RaISe 2025**, relying on <https://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/memoranda-of-understanding/nia-commission-budget-setting-process/>



The NIAC 2025-26 Budget, was scrutinised by the Audit Committee in November 2024, then voted on by the Assembly on 9 December 2024.<sup>16</sup> The Assembly resolved that the Commission's Total Resource Departmental Expenditure Limits (DEL) budget for 2024-25 should be **£64.2 million**, and **£3.1 million** Capital DEL.

Although not part of the Executive, the NIAC is voted resources by the Assembly through the same Main Estimates and Supplementary Estimates processes that are used for entities funded from the Northern Ireland Block Grant.

Estimates are prepared by departments and examined by the Department of Finance (DoF) to ensure that they meet the Assembly's requirements and are consistent with the Executive's expenditure plans. After approval by DoF, the Estimates are presented and recommended (as required by Section 63 of the Northern Ireland Act 1998<sup>17</sup>) to the Assembly by the DoF Minister who moves the Supply Resolution(s) summing up the requests for Supply for each body.

In addition to Executive departments, the NIAC, the Food Standards Agency, the Northern Ireland Authority for Utility Regulation, and the Public Prosecution Service for Northern Ireland each have its own Estimate, which also is individually presented to the Assembly as part of the Estimates document.<sup>18</sup>

As previously noted, there is a separate process for agreeing and laying the Estimates for NIAO and NIPSO, which falls within the remit of the Audit Committee. NIAO and NIPSO Estimates are agreed and laid by the Audit Committee. For completeness, those Estimates are included in the single Estimate document published by the DoF. And following Assembly scrutiny and debate, the sums set out in the Estimates are approved by the resolution(s) of the Assembly. Following the decisions of the Assembly on the resolutions, the related legislation is introduced in the form of Budget Bills. Once enacted, the

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<sup>17</sup> <https://www.legislation.gov.uk/ukpga/1998/47/section/63>

<sup>18</sup> <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/Supply%20-%20Review%20of%20Financial%20Process%20-%20Estimates%20Manual%20-%20Final%20Version%20-%20November%202022.pdf>



Budget Acts provide statutory authority for the total amounts of resources, capital and cash sought in the Estimates, broken down by department.

### 3 A Comparative Perspective: Scrutiny and Presentation of Parliamentary Corporate Body Budgets

This section identifies counterparts of the NIAC, i.e. parliamentary corporate bodies within the United Kingdom, at the national and devolved levels. The NIAC counterparts are discussed below in the following order:

#### 3.1 United Kingdom – House of Commons Commission

#### 3.2 Wales – Senedd Commission

#### 3.3 Scotland – Scottish Parliamentary Corporate Body

For each, the parliamentary committee(s) responsible for budgetary oversight is identified and an overview of the arrangements in place for budgetary oversight are then presented, including legislative and procedural underpinnings. At the outset, it is important to note that management and oversight of corporate budgets varies in each jurisdiction.

### 3.1 United Kingdom

#### 3.1.1 Parliamentary Corporate Bodies – House of Commons Commission and Independent Parliamentary Standards Authority

The House of Commons Commission (HOCC) is a corporate body, established under the House of Commons (Administration) Act 1978, as amended by the House of Commons Commission Act 2015.<sup>19</sup> The HOCC is to consist of: The Speaker of the House of Commons; the Leader of the House of Commons; a member of the House of Commons nominated by the Leader of the Opposition; and four other Members of Parliament (MPs), as well as two external members and the Clerk of the House of Commons, and the Director General of the House of Commons.

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<sup>19</sup> <https://www.legislation.gov.uk/ukpga/1978/36>

The HOCC is responsible for the administration and services of the Houses of Commons, including the maintenance of the Palace of Westminster and the rest of the Parliamentary Estate. The HOCC is not responsible for the costs of salaries and allowances paid to individual MPs – these costs are met by the Independent Parliamentary Standards Authority (IPSA).

IPSA is a body corporate established under Section 3 of Parliamentary Standards Act 2009.<sup>20</sup> It states that there is to be a committee known as the “Speaker’s Committee” formed of: The Speaker of the House of Commons; the Leader of the House of Commons; and, the Chairperson of the House of Commons Committee on Standards and Privileges; as well as five MPs; and three lay persons.

IPSA has been established to be independent of Parliament and Government; and is responsible for both regulating and operating systems for the payment of MPs’ salaries, business costs and expenses.

### **3.1.2 Budget/Estimate Presentation and Scrutiny**

Estimates are generally presented to the House of Commons by the Financial Secretary to the Treasury, except for the House of Commons Administration; the National Audit Office (NAO), the Independent Parliamentary Standards Authority, the Local Government Boundary Commission, and the Electoral Commission, who all present their own. This is done through the Chairman of the Public Accounts Commission for the NAO, and the Speaker of the House of Commons for the others.

This process is enshrined in legislation, as stated at Section 3 of the House of Commons (Administration) Act 1978,<sup>21</sup> which states:

*For each financial year the Commission shall prepare and lay before the House of Commons an estimate for that year of the use of resources for the service of the House of Commons.*

Two Estimates cover the direct expenditure of the House of Commons: The Administration Estimate and the Members Estimate. The Administration Estimate covers the administrative costs of running the House of Commons as

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<sup>20</sup> <https://www.legislation.gov.uk/ukpga/2009/13/section/3>

<sup>21</sup> <https://www.legislation.gov.uk/ukpga/1978/36>

an institution; whereas the Members Estimate covers specific areas of expenditure that are outside of the direct running costs of the House Administration. The Administration Estimate, as noted above, is laid by the Speaker; whereas the Members Estimate is included within the departmental estimates and laid by the Government.

The Finance Committee was established by a Standing Order No.144 (Finance Committee)<sup>22</sup> of the House, with specified responsibility for oversight of the expenditure of those Estimates, as stated below:<sup>23</sup>

*(1) There shall be a select committee, to be called the Finance Committee, to consider expenditure on and the administration of services provided from the Estimates for the House of Commons and—*

*(a) with the assistance of the Executive Committee, to prepare the Estimates for House of Commons: Administration for submission to the House of Commons Commission;*

*(b) with the assistance of the Accounting Officer, to prepare the Estimates for House of Commons: Members for submission to the Members Estimate Committee;*

*(c) to monitor the financial performance of the House Administration; and*

*(d) to report to the House of Commons Commission and the Members Estimate Committee or the Speaker on the financial and administrative implications of recommendations made to them by other Committees of the House.*

The Finance Committee's remit is to:<sup>24</sup>

- Advise the Commission on the financial remit for each year's financial planning round, and the pay remit ahead of each year's pay negotiations.
- Develop financial plans for future years for both the Administration and Members Estimates, including both the resource and capital elements.

<sup>22</sup> [https://publications.parliament.uk/pa/cm5802/cmstords/so\\_804\\_2021/so-orders.html#\\_idTextAnchor546](https://publications.parliament.uk/pa/cm5802/cmstords/so_804_2021/so-orders.html#_idTextAnchor546)

<sup>23</sup> [https://publications.parliament.uk/pa/cm5802/cmstords/so\\_804\\_2021/so-orders.html#\\_idTextAnchor546](https://publications.parliament.uk/pa/cm5802/cmstords/so_804_2021/so-orders.html#_idTextAnchor546)

<sup>24</sup> <https://committees.parliament.uk/committee/325/finance-committee-commons/role#:~:text=The%20Finance%20Committee%20is%20established%20under%20Standing%20Order,the%20House%27s%20budgets.%20The%20Committee%E2%80%99s%20remit%20is%20to%3A>

- Prepare the draft Estimates for consideration by the Commission and the Members Estimate Committee and recommend for approval any supplementary estimates for the Administration and Members Resource Estimate, in the event of agreement that one is required.
- Monitor spending against budgets during the year, including:
  - Proposals for significant changes in spending or revenue-raising not covered by the financial plans for future years, including proposals from other Committees or from the Government.
  - Progress of major ongoing programmes and projects identified by the Committee from the financial plans for future years. [quarterly]
  - Specific areas of spending, such as estates/works, security, catering, grants, and works of art budget. [annually or termly]
- Monitor the yearly budgets and financial performance of House teams.
- Review the adequacy of financial information for determining priorities.
- Review progress towards the House's environmental targets.
- Work with the House of Lords Finance Committee on the opportunities for collaboration in the provision of services.
- Deal with any other matters referred to it by the Commission.

The HOCC set a three-year financial planning remit for its Medium-Term Financial Plan in 2022, which set the baseline funding envelope for 2022-23 to 2025-26. The Medium-Term Financial Plan is a rolling three-year plan, where proposals from teams are scrutinised through a series of reviews and challenged based on deliverability, affordability and prioritised to ensure the overall plan is affordable within the financial planning remit. A Medium-Term Investment Plan forms part of the Medium-Term Financial Plan and sets out a prioritised plan for investment. The Medium-Term Financial Plan is first approved by the Commission's Executive Board, and then presented to the Finance Committee for it to provide its advice to HOCC. The approved Medium-Term Financial Plan is used to produce the Estimate for the following year.

The House of Commons Members Estimate Committee (MEC) was established under Standing Order No. 152D (House of Commons Members Estimate Committee), which states:

- (1) There shall be a committee of this House, called the House of Commons Members Estimate Committee.*
- (2) The members of the committee shall be those Members who are at any time members of the House of Commons Commission pursuant to section 1 of the House of Commons (Administration) Act 1978; the Speaker shall be chair of the committee; and three shall be the quorum of the committee.*
- (3) The functions of the committee shall be—*
- (a) to agree the Estimates for House of Commons: Members;*
  - (b) to codify and keep under review the provisions of the resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members;*
  - (c) to modify those provisions from time to time as the committee may think necessary or desirable in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances;*
  - (d) to provide advice, when requested by the Speaker, on the application of those provisions in individual cases;*
  - (e) to carry out the responsibilities conferred on the Speaker by the resolution of the House of 5 July 2001 relating to Members' Allowances, Insurance, etc.*
- (4) Paragraph (3)(c) above does not empower the committee—*
- (a) to create a new form of charge on the Estimate for House of Commons: Members; or*
  - (b) to increase any rate of charge or payment determined by resolution of this House.*
- (5) The committee shall report to the House from time to time, and in any case not less than once a year, the provisions of the resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members, as codified and modified pursuant to paragraph (3) of this order.*
- (6) The committee shall have power to sit notwithstanding any adjournment of the House.*

The MEC is responsible for agreeing the Members Estimate each year, based on advice from the Finance Committee. Membership of the MEC comprises the the HOCC's MPs, who have responsibility for the Administration Estimate.

Standing Order No. 22C (Motions and amendments with a financial consequence for the House of Commons: Administration Estimate) provides for the use of Memorandum to accompany an Estimate when expenditure exceeds £50,000.

IPSA's Estimate is scrutinised and agreed by the Speaker's Committee for the IPSA (SCIPSA). The agreed Estimate is then laid by the Speaker. This too is enshrined in legislation, at Schedule 1 of the Parliamentary Standards Act 2009,<sup>25</sup> which states:

*...(2) For each financial year (other than its first financial year) the IPSA must prepare an estimate of the IPSA's use of resources and submit it to the Speaker's Committee for the Independent Parliamentary Standards Authority ("the Committee").*

*(3) The Committee must review the estimate and decide whether it is satisfied that the estimate is consistent with the efficient and cost-effective discharge by the IPSA of its functions.*

*(4) If it is not satisfied, the Committee must make such modifications as it considers necessary to achieve the consistency specified under subparagraph (3).*

*(5) Before deciding whether it is satisfied or making modifications, the Committee must consult the Treasury and have regard to any advice given.*

*(6) After the Committee has reviewed the estimate and made any modifications, the Speaker must lay the estimate before the House of Commons...*

The Estimate of the National Audit Office (NAO) are examined and laid before the House of Commons by the Public Accounts Commission, as defined under the National Audit Act 1983<sup>26</sup> and the Budget Responsibility and National Audit Act 2011.<sup>27</sup>

## 3.2 Wales

### 3.2.1 Parliamentary Corporate Body – Senedd Commission

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<sup>25</sup> <https://www.legislation.gov.uk/ukpga/2009/13/schedule/1>

<sup>26</sup> <https://www.legislation.gov.uk/ukpga/1983/44/contents>

<sup>27</sup> <https://www.legislation.gov.uk/ukpga/2011/4/section/23/enacted>

The corporate body for the Welsh Senedd is known as the Senedd Commission. The Senedd Commission has responsibility for the provision of property, staff and services required to enable the Senedd to function. It was established under Section 27 of the Government of Wales Act 2006;<sup>28</sup> and comprises the Presiding Officer and four other Senedd Members.

Its Budget is used to meet the running costs of the Senedd, along with costs associated with the Members of the Senedd, as determined by the Independent Remuneration Board.

### **3.2.2 Budget/Estimate Presentation and Scrutiny**

The Senedd and the Welsh Government have agreed and published a *Budget Protocol* (the Protocol).<sup>29</sup> The Protocol sets out the administrative arrangements for the scrutiny of the annual Draft Budget and other related budgetary matters. The Protocol is required under Standing Order 20.1A<sup>30</sup> and supplements the Senedd's finance procedures, as set out under Standing Orders 19 and 20. The Protocol is intended to complement the Standing Order provisions in relation to Budget scrutiny procedures.

The Senedd Commission is known in Wales as a Directly Funded Body (DFB). DFBs receive their funding from the Welsh Consolidated Fund. Other DFBs include: Auditor General for Wales and the Wales Audit Office; Public Services Ombudsman for Wales; and, the Electoral Commission. These bodies have distinct budget setting and oversight arrangements to reflect their unique role and independence from the Welsh Government.

In accordance with the Senedd's Standing Order 19,<sup>31</sup> the Senedd's Finance Committee must consider and report on any document laid before the Senedd by Welsh Ministers or the Senedd Commission containing proposals for the use of resources. The Finance Committee may also consider and report on any

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<sup>28</sup> <https://www.legislation.gov.uk/ukpga/2006/32/section/27>

<sup>29</sup> <https://senedd.wales/media/op2lu5w4/gen-ld11075-e.pdf>

<sup>30</sup> <https://senedd.wales/media/ue1dqdmg/so-eng.pdf>

<sup>31</sup> <https://senedd.wales/media/ue1dqdmg/so-eng.pdf>



other matter relating to, or affecting expenditure out of the Welsh Consolidated Fund.

The Senedd's Finance Committee is responsible for considering and reporting on the Budgets of the Welsh Government and the Senedd Commission, and the Estimates of the Auditor General for Wales and the Wales Audit Office, and the Public Services Ombudsman for Wales. The Senedd's Llywydd's Committee is responsible for scrutiny of the Electoral Commission's Estimate. When making Budget proposals, the Finance Committee expects these DFBs to have regard to the *Statement of Principles* issued by the Committee.<sup>32</sup>

The Wales Audit Office and the Auditor General for Wales must jointly lay their Estimate before the Senedd, as required by Section 20 of the Public Audit (Wales) Act 2013.<sup>33</sup> Under Standing Order 20.22,<sup>34</sup> the Finance Committee must scrutinise the Estimate, and lay a report before the Senedd which includes the Estimate, with any modifications which it considers appropriate, following consultation with the Wales Audit Office and the Auditor General for Wales.

The Public Services Ombudsman for Wales must submit their Estimate to the Senedd's Finance Committee, as required by Paragraph 15, Schedule 1 of the Public Services Ombudsman (Wales) Act 2005.<sup>35</sup> Under Standing Order 20.24,<sup>36</sup> the Finance Committee must scrutinise the Estimate, and lay it before the Senedd with any modifications which it considers appropriate, following consultation with the Public Services Ombudsman for Wales.

The Senedd Commission Budget scrutiny process is set out in the Senedd's Standing Orders 20.13 – 20.20,<sup>37</sup> which state:

*20.13 Not later than 1 October in each financial year, a member of the Commission must lay before the Senedd a draft budget for the Commission setting out the amounts of resources and cash which the Commission proposes to use for the following financial year and*

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<sup>32</sup> <https://business.senedd.wales/documents/s88393/Statement%20of%20Principles%20-%20May%202019.pdf>

<sup>33</sup> <https://www.legislation.gov.uk/anaw/2013/3/section/20/enacted>

<sup>34</sup> <https://senedd.wales/media/ue1dqdmg/so-eng.pdf>

<sup>35</sup> <https://www.legislation.gov.uk/ukpga/2005/10/schedule/1/enacted>

<sup>36</sup> <https://senedd.wales/media/ue1dqdmg/so-eng.pdf>

<sup>37</sup> <https://senedd.wales/media/ue1dqdmg/so-eng.pdf>

*provisional amounts for the subsequent two years or for such other period as the Commission has agreed with the Welsh Ministers. The responsible committee must consider and report to the Senedd on the draft budget for the Commission by 22 October.*

*20.14 The responsible committee's report may recommend variations in the amounts proposed in the draft budget provided that the net effect of those variations would not increase the aggregate amounts of resources or cash proposed in the draft budget for the Commission.*

*20.15 A member of the Commission must lay before the Senedd a budget for the Commission. The budget may not be laid until after the deadline by which the responsible committee is required to report on the draft budget for the Commission.*

*20.16 A member of the Commission must table a motion that the budget laid under Standing Order 20.15 be agreed and incorporated in the annual budget motion under Standing Order 20.26(ii). No amendment to the motion may be tabled and the motion must be debated within five working days of it being tabled (not counting working days in a non-sitting week).*

*20.17 If the final budget for the Commission is not agreed, then a member of the Commission must lay before the Senedd a revised budget for the Commission, together with a motion that it be agreed and incorporated 85 in the annual budget motion under Standing Order 20.26(ii). No amendment to the motion may be tabled and the motion must be debated within five working days of it being tabled (not counting working days in a non-sitting week).*

*20.18 Further motions under Standing Order 20.17 may be tabled until such time as agreement has been reached but no such motion may be considered by the Senedd after 27 November.*

*20.19 If the budget for the Commission has not been agreed by 27 November, then the budget for the Commission to be incorporated in the annual budget motion under Standing Order 20.26(ii) is to comprise, for each service or purpose for which resources or cash were authorised to be used by the Commission in the previous financial year, 95% of the amount so authorised.*

*20.20 When a UK Government or Welsh Government Spending Review takes place, a member of the Commission may, with the agreement of the Business Committee, specify different dates from those within Standing Order 20.13 by which he or she must lay the draft budget for the Commission and, consequently, the date referred to in Standing Order 20.18 and Standing Order 20.19. If the Business Committee agrees, it must notify the Senedd by laying a report.*

The Senedd Commission must lay its Draft Budget for the next financial year before the Senedd to allow scrutiny of its proposals by the Senedd's Finance Committee. After the Finance Committee has completed its scrutiny, the Senedd Commission publishes a Final Budget to be debated in Plenary, before

a vote for approval by the Senedd. An annual budget motion incorporates the final budget for the Welsh government; the final budget for the Senedd Commission, and the Estimates for the Wales Audit Office, the Ombudsman, and the Electoral Commission.

The Senedd Commission laid its 2025-26 Draft Budget before the Senedd in September 2024.<sup>38</sup> The Finance Committee published a report on its scrutiny of the Senedd Commission 2025-26 Draft Budget in October 2024.<sup>39</sup> The Senedd Commission responded to the Committee's report on 5 November 2024.<sup>40</sup> The Senedd Commission's 2025-26 Final Budget was laid before the Senedd on 13 November 2024.<sup>41</sup> The Budget Motion was debated in plenary and voted on 20 November 2024.

### 3.3 Scotland

#### 3.3.1 Parliamentary Corporate Body – Scottish Parliamentary Corporate Body

The corporate body for the Scottish Parliament is known as the Scottish Parliamentary Corporate Body (SPCB). The SPCB makes sure the Scottish Parliament has everything it needs to run, and provides support to Members of the Scottish Parliament (MSPs) to enable them to carry out their parliamentary duties. That provision includes property, services and staff. The SPCB is established under Section 21 of the Scotland Act 1998, as amended.<sup>42</sup> The SPCB comprises the Presiding Officer and four other Members of the Scottish Parliament (MSPs).

Headline figures of the SPCB Budget include property and running costs; MSP pay and staff cost provision, Scottish Parliamentary Service staff pay, and a number of major projects. In addition, the SPCB Budget includes the costs of a

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<sup>38</sup> <https://senedd.wales/media/g5ibrzzq/gen-ld16687-e.pdf>

<sup>39</sup> <https://senedd.wales/media/5f4h4sly/cr-ld16750-e.pdf>

<sup>40</sup> <https://business.senedd.wales/documents/s154949/Response%20from%20the%20Senedd%20Commission%20to%20the%20Committees%20report%20on%20the%20Scrutiny%20of%20the%20Senedd%20Commissi.pdf>

<sup>41</sup> <https://senedd.wales/media/5mzp5vil/gen-ld16794-e.pdf>

<sup>42</sup> <https://www.legislation.gov.uk/ukpga/1998/46/section/21>

number of Commissioners and Ombudsmen, including the Electoral Commission, and the Scottish Public Services Ombudsman.

### 3.3.2 Budget/Estimate Presentation and Scrutiny

Under Rule 6.6 of the Standing Orders of the Scottish Parliament, the remit of the Finance and Public Administration Committee (FPAC) is to consider and report on the following:<sup>43</sup>

*...(a) any report or other document containing proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution, taking into account any report or recommendations concerning such documents made by any other committee with power to consider such documents or any part of them;*

*(b) any report made by a committee setting out proposals concerning public revenue or expenditure;*

*(c) Budget Bills; and*

*(d) any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund.*

*2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.*

*3. In these Rules, "public expenditure" means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.*

The FPAC has the lead role in scrutinising the Scottish Government's Budget Bill each year. In addition to the Scottish Government's Budget, separate Budget approvals are required for: the SPCB; and Audit Scotland. The SPCB's Budget and that of Audit Scotland, is 'top-sliced' from the Scottish Consolidated Fund and so funding is allocated before the Scottish Government makes any other spending decisions.

<sup>43</sup> <https://www.parliament.scot/about/how-parliament-works/parliament-rules-and-guidance/standing-orders/chapter-6-committees#topOfNav>

The FPAC has written agreements on the budget process with the Scottish Government<sup>44</sup> and the SPCB.<sup>45</sup> These documents set out an understanding between the FPAC and the respective bodies on the administrative arrangements relating to the scrutiny of the annual Draft Budget.

In short, accurate information about the spending plans of the SPCB is made available to the FPAC and the Scottish Government at an early stage. The SPCB provides a Budget to the FPAC and to the Scottish Government - normally no later than the end of the first week in December. It also has agreed to keep both the FPAC and the Scottish Government informed of any substantive changes to the Scottish Parliament's Budget.

In order to assist the FPAC's understanding of the expenditure plans, members of the SPCB, the Clerk and parliamentary staff provide information and give evidence to the FPAC, when requested. The FPAC considers and reports on the SPCB's Budget as part of its wider budget scrutiny. Its final expenditure proposals appear in the annual Budget Bill, which is voted upon by the Scottish Parliament.

Audit Scotland is held to account by the Parliament through statutory arrangements put in place by the Scotland Act 1998 and through the Public Finance and Accountability (Scotland) Act 2000. Its spending and use of resources are examined by the Scottish Commission for Public Audit, a statutory body comprising five MSPs which meets in public and reports to the Parliament. The SCPA was set up under Section 12 of the Public Finance and Accountability (Scotland) Act 2000.<sup>46</sup> There is a written agreement between SCPA and Audit Scotland which sets out the agreed administrative arrangements and procedures. The SCPA scrutinises the budget and produces a report. The report is then considered by Parliament as part of its wider budget scrutiny.

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<sup>44</sup> <https://www.parliament.scot/-/media/files/committees/finance-and-public-administration-committee/s6-written-agreement-scottish-government.pdf>

<sup>45</sup> <https://www.parliament.scot/-/media/files/committees/finance-and-public-administration-committee/s6-written-agreement-spcb.pdf>

<sup>46</sup> <https://www.legislation.gov.uk/asp/2000/1/section/12>

## 4 Concluding Remarks

In Northern Ireland, the Audit Committee scrutinises the Draft Budgets of the Northern Ireland Audit Office, the Northern Ireland Public Services Ombudsman and the Northern Ireland Assembly Commission, however there is currently no legislative requirement to do so. The processes followed however are outlined in a number of Protocols. The Committee may wish to reflect on some of the practices in other jurisdictions regarding legislative and procedural underpinnings.

In particular, when considering the scrutiny of draft budgets: the committee may wish to note the practices in Scotland – that is, the processes regarding the scrutiny of the draft budget of its Parliamentary Corporate Body, the Scottish Parliamentary Corporate Body, is set out in a written agreement between the Parliament's Finance and Public Administration Committee and the Scottish Parliamentary Corporate Body. The Scottish Parliamentary Corporate Body's Budget is broadly similar to the Northern Ireland Assembly Commission's Budget in that it includes: property and running costs; Members pay and staff cost provision, and Parliamentary service staff pay, as well as a number of major projects. However, in addition to this, and a distinct departure from practice in Northern Ireland, the costs associated with the Public Services Ombudsman in Scotland are contained within the Scottish Parliamentary Corporate Body's Budget. Therefore, Scotland's Finance and Public Administration Committee is also responsible for scrutiny of its draft Budget.

In Wales, the Senedd's Finance Committee is required under Standing Orders to "consider and report on any document laid before the Senedd by...the Senedd Commission containing proposals for the use of resources."

Furthermore, the Senedd Commission is required under Standing Orders to lay a draft budget document before the Senedd for Committee scrutiny. In addition, the Senedd Commission Budget scrutiny process is set out very clearly in the Senedd's Standing Orders.

The Audit Committee of the Northern Ireland Assembly is required to agree the estimates of the Northern Ireland Audit Office (NIAO) and the Northern Ireland Public Services Ombudsman (NIPSO), and then lay them before the Assembly. This is codified. The previous Audit Committee considered whether its role

should be extended to include agreeing and laying the NIAC's estimates. The Committee may wish to reflect on some of the practices in other jurisdictions regarding legislative and procedural underpinnings.

In particular, when considering the agreement and laying of Estimates of Parliamentary Corporate Bodies, the Committee may wish to take note of two examples in the UK context: the IPSA's Estimate is scrutinised and agreed by the Speaker's Committee for the IPSA and then laid by the Speaker - this is enshrined in legislation. The House of Commons Members Estimate is agreed by the Members Estimate Committee, which is a requirement under standing orders.