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Net Zero, Energy and Transport Committee

Net Zero, Energy and Transport Committee report on the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2024 (draft)

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Net Zero, Energy and Transport Committee

Net Zero, Energy and Transport Committee report on the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2024 (draft), 9th Report, 2024 (Session 6)

Net Zero, Energy and Transport Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Transport, the Cabinet Secretary for Wellbeing Economy, Net Zero and Energy, with the exception of matters relating to wellbeing economy, and just transition; and on matters relating to land reform, natural resources and peatland, Scottish Land Commission, Crown Estate Scotland, and Royal Botanic Garden within the responsibility of the Cabinet Secretary for Rural Affairs, Land Reform and Islands.



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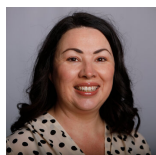
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Introduction

1. [The Companies Act 2006 \(Scottish public sector companies to be audited by the Auditor General for Scotland\) Order 2024 \(draft\)](#) was laid before the Scottish Parliament on 3 June 2024. The draft instrument was referred to the Net Zero, Energy and Transport Committee for consideration and is subject to the affirmative procedure, meaning it must be approved by the Scottish Parliament before it can come into force.
2. It is for the Net Zero, Energy and Transport Committee to recommend to the Scottish Parliament whether the draft Order should be approved. On 5 June 2024, the Cabinet Secretary for Net Zero and Energy, lodged motion [S6M-13501](#), proposing that the Committee recommends the draft Order be approved.
3. This Order sets out that the accounts of Zero Waste Scotland are to be audited by the Auditor General for Scotland, bringing Zero Waste Scotland within the scope of the Public Finance and Accountability (Scotland) Act 2000. The Order also sets out that the requirements of Part 16 of the Companies Act 2006 relating to the audit of company accounts do not apply to Zero Waste Scotland for a financial year if its accounts in that year are to be audited by the Auditor General for Scotland.
4. The policy note explains that, once Zero Waste Scotland has transitioned to an executive non-departmental public body, it will be expected to have an Accountable Officer. As Zero Waste Scotland is not currently part of the Scottish Administration in terms of the Scotland Act 1998, the Permanent Secretary of the Scottish Government as the Principal Accountable Officer is not able to appoint an Accountable Officer for Zero Waste Scotland.
5. Once the Order is in force, and Zero Waste Scotland is within the scope of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer will be able to designate a member of staff of Zero Waste Scotland as its Accountable Officer under section 15(3) of the 2000 Act. The policy note states that it is expected that the designated member of staff will be the Chief Executive.

Delegated Powers and Law Reform (DPLR) Committee consideration

6. At its meeting on 3 September 2024, the DPLR Committee considered the instrument and determined that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.

[Read the Official Report - 16 April 2024](#)

Net Zero, Energy and Transport Committee consideration

7. At its meeting on 3 June 2024, the Committee took evidence on the draft Order from:

- Gillian Martin, Acting Cabinet Secretary for Net Zero and Energy
- Andrew Mackie, Head of Environment & Forestry Sponsorship Hub
- David McPhee, Deputy Director, Circular Economy; and
- Carolyn Boyd, Lawyer, Scottish Government

8. The evidence taken at the meeting can be read in the Official Report, which is available at the following web page:

[Read the Official Report - 3 September 2024](#)

9. In her opening remarks to the Committee, the Cabinet Secretary explained that during the passage of the Circular Economy (Scotland) Bill, the Scottish Government lodged amendments to ensure that legislation applicable to other public bodies in Scotland would also apply to Zero Waste Scotland. This follows a decision by the Office for National Statistics to classify Zero Waste Scotland as a public sector organisation, as it is mainly directed and funded by Scottish ministers.

10. She stated that the transition to public sector status is "well underway", and it is expected to take effect on 1 October, subject to the committee's approval of this SSI. As part of this transition, Zero Waste Scotland will be governed by the same public finance and accountability rules as other Scottish public bodies, requiring the appointment of an accountable officer to ensure routine good governance.

11. The Committee asked the Cabinet Secretary whether the change in classification would mean that Zero Waste Scotland would be required to respond to freedom of information requests. The Cabinet Secretary confirmed that it would.

12. Following the conclusion of evidence taking, the Cabinet Secretary moved motion [S6M-13501](#) in the name of Màiri McAllan:

That the Net Zero, Energy and Transport Committee recommends that the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2024 [draft] be approved.

The motion was agreed to without debate or division.

Conclusion

The Net Zero, Energy and Transport Committee recommends that the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2024 [draft] be approved.

