

Funding the Future

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Some things have just got lost in the election milieu. A [report from the Public Accounts Committee](#) shortly before parliament rose was one such thing. In view of the discussions I have had on the appalling data Scotland has available to it to decide upon its future these comments, suggesting as they do that across the UK government accountability for its finances is woefully inadequate, suggest that the problem is widespread.

Real debate is needed on this issue because there is no excuse for this inadequacy, barring government having adopted the private sector accounting opinion that accountability is to be avoided whenever possible and that opacity is the preferred standard for disclosure.

This is what they had to say:

Most Government accounts have not been designed for the purpose of democratic scrutiny. So says the Public Administration and Constitutional Affairs Committee in its report, published today, "Accounting for Democracy".

The report concerns the published Departmental Annual Reports and Accounts (designed for Parliament and the public) and the Management Accounts (designed for the use of Ministers and officials in managing their Departments).

In most cases Annual Reports and Accounts appear to be currently failing in their purpose of explaining to the public and Parliament the effectiveness of Government spending.

In recent years, the Treasury has made reforms to published Annual Reports and Accounts. However, while Government accounting has improved, and the UK is a world leader in accruals accounting, accounts are still not being read or used by MPs or citizens as much as they should be. In 2015—16, the Treasury instructed Departments to adopt a new framework for their Annual Reports and Accounts: whilst we welcome this framework, we do not believe it goes far enough. It is disappointing that the Treasury have not monitored any changes in the way that accounts have been used since their reforms of 2015—16. The Treasury should monitor the use of accounts to

identify good practice

The Committee identifies that the published Annual Report and Accounts should provide information about value for money and commitments made to Parliament in a credible way.

** To ensure citizens are able to work out the value for money of policies and services, the report recommends that Departments report separately about each policy or service that they offer the public (so that we can tell how much was spent on individual services like Child and Adolescent Mental Health). PACAC also recommends that departments report the unit costs of those services (so that citizens could see the cost of a school place or a police officer visit).*

** To ensure Parliamentarians are able to hold ministers to account, accounts should include a statement which sets out ministerial promises of funding and saving and what was achieved against that.*

** To improve the credibility of the accounts, the Government should make sure that the performance information in the accounts is independently audited. Lastly the Government should ensure that its Management Accounts reforms last for more than a single Parliament by ensuring that the political and bureaucratic leadership of all Departments are focused on improving it.*

I think the issue more profound than the PAC suggest. This is an issue to return to after the election.