

# THE CYCLE OF ACCOUNTABILITY

## INTRODUCTION

**1.1** This section provides an overview of the cycle of Parliamentary accountability for public expenditure. Detailed guidance is included in the following Chapters.

**1.2** Departments consume resources that are financed from amounts voted by Parliament through Supply Estimates. The Treasury sets the financial framework within which departments spend that money. Departments account for the resources they consume by presenting their annual resource accounts to Parliament. The Comptroller and Auditor General (C&AG) audits the accounts and reports his findings to Parliament. Departments have a duty to spend public money wisely, achieving value for money, and with regard to regularity and propriety. The C&AG investigates whether departments are obtaining value for money and reports to Parliament.

**1.3** Each year around 40 to 50 NAO reports – both value for money reports and reports on accounts of public bodies – are investigated by the Committee of Public Accounts (the Committee). The Committee takes evidence from Accounting Officers, senior government officials who have been specially designated by the Treasury and who have personal responsibility to ensure the prudent stewardship of public funds. The C&AG, or his deputy, and a senior official from the Treasury attend all the Committee’s hearings.

**1.4** The Committee will then issue its own report. By convention, the Government must reply to recommendations within two months. The C&AG and/or the Committee may decide to conduct a follow up investigation into the issues raised.

**1.5** In this way, a **cycle of accountability** operates. The C&AG is free to report to Parliament on the regularity, propriety and value for money of departments’ and other public bodies’ spending. The Committee can take evidence on this report from the most senior official, and then make recommendations to which the Government must respond. The NAO then follow up with the relevant department implementation of the recommendations.

## The Cycle of Accountability

