



## Public Accounts Committee

**Sir Bernard Jenkin MP**  
**Chair, Liaison Committee**  
**House of Commons**  
**London**

**By email**

14 May 2024

### **Scrutiny of sound financial practice across Government**

Dear Sir Bernard,

I am writing to seek the Liaison Committee's support for recommendations in the Public Accounts Committee's recent report on the *Scrutiny of sound financial practice across Government*, HC 673, which was published on Monday 15 April.

Our report identified gaps in the scrutiny of significant Government expenditure in certain sensitive areas (for example, some elements of the MoD Equipment Plan). These gaps arise because the expenditure does not fall within the mandates of existing bodies such as the statutory Intelligence and Security Committee (ISC) and because, owing to its sensitivity, such scrutiny cannot readily be carried out within the working practices of the PAC and departmental select committees.

We have recommended the creation of a new select committee which, without impinging on the remit of any existing body, would be able to provide the public and Parliament with assurance that this sensitive expenditure, in some instances relating to major and long-running Government programmes, is receiving effective and proportionate scrutiny, albeit with the appropriate safeguards. We envisage that the necessary framework of safeguards would be established through carefully designed standing order provisions – for example, relating to the appointment of committee members, defining the committee's reporting powers and powers to meet outside the Parliamentary estate – and a memorandum of understanding with the Government, covering practical matters such as the protection and handling of sensitive information. We recognise, of course, the absolute importance of trust when working in such areas.

We have also recommended that the new committee, which we proposed should have the assistance of the National Audit Office, should be established within the current Parliament. Acting now would ensure that the new committee may draw on the valuable insights of colleagues with experience of current arrangements, as it prepares for challenges which may arise early in the next Parliament.



## Public Accounts Committee

It would be very helpful to understand the Liaison Committee's views on the desirability of establishing the proposed committee, together with any wider insights or concerns from the Liaison Committee, as we look to discuss our recommendation further with Government.

Yours sincerely

A handwritten signature in black ink that reads "Meg Hillier".

Dame Meg Hillier  
Chair of the Committee of Public Accounts