



Finance Act 1998

1998 CHAPTER 36

PART VI

MISCELLANEOUS AND SUPPLEMENTAL

Fiscal stability

155 Code for fiscal stability

- (1) It shall be the duty of the Treasury to prepare and lay before Parliament a code for the application of the key principles to the formulation and implementation of—
 - (a) fiscal policy, and
 - (b) policy for the management of the National Debt.
- (2) The key principles are transparency, stability, responsibility, fairness and efficiency.
- (3) The code prepared under this section must set out, in particular—
 - (a) the Treasury's understanding of what each of the key principles involves in relation to fiscal policy and policy for the management of the National Debt;
 - (b) the provision appearing to the Treasury to be necessary for the purposes of so much of section 156 below as refers to the code; and
 - (c) the methods and principles of accounting to be applied in the preparation of accounts, forecasts and other documents used for the purposes of the formulation and implementation of the policies mentioned in subsection (1) above.
- (4) Where any code has been laid before Parliament under subsection (1) above, the Treasury may from time to time modify that code; but, if they do so, they shall lay the modified code before Parliament.
- (5) A code (including a modified code) that has been laid before Parliament under this section shall not come into force until it has been approved by a resolution of the House of Commons.

Status: This is the original version (as it was originally enacted).

- (6) It shall be the duty of the Treasury to publish, in such manner as they think fit, any code which has been laid before Parliament and approved by the House of Commons under this section.
- (7) The first code to be laid before Parliament under this section shall be so laid before 31st December 1998.

156 Annual Budget documents

- (1) It shall be the duty of the Treasury, for each financial year, to prepare and lay before Parliament the following documents, that is to say—
 - (a) a Financial Statement and Budget Report;
 - (b) an Economic and Fiscal Strategy Report; and
 - (c) a Debt Management Report.
- (2) The preparation and laying before Parliament of the Financial Statement and Budget Report for any financial year shall be preceded, in such cases and by such period as may be set out in the code for fiscal stability, by the preparation by the Treasury of a document to be known as the Pre-Budget Report.
- (3) The Treasury shall lay before Parliament any Pre-Budget Report prepared by them under subsection (2) above.
- (4) The contents of the documents which the Treasury are required to prepare and lay before Parliament under this section, and the occasions on which those documents are to be so laid, must conform to any provision about those matters made by the code for fiscal stability.
- (5) It shall be the duty of the Comptroller and Auditor General to examine and report to the House of Commons on such of the conventions and assumptions underlying the preparation by the Treasury of the documents prepared by them under this section as, in accordance with the code for fiscal stability, are submitted to him by the Treasury for his examination.
- (6) A report by the Comptroller and Auditor General under subsection (5) above must be made at the same time as, or as soon as reasonably practicable after, the laying before Parliament of the documents to which it is referable.
- (7) It shall be the duty of the Treasury to secure the publication in the manner required by the code for fiscal stability of any document which they have laid before Parliament under this section.
- (8) In this section “the code for fiscal stability” means the code for the time being in force under section 155 above.
- (9) The first financial year for which the documents mentioned in subsection (1) above are required to be prepared and laid before Parliament is the year beginning with 1st April 1999.

157 Supplementary powers of the Comptroller and Auditor General

- (1) The Comptroller and Auditor General—

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- (a) shall have a right of access, at all reasonable times, to all such relevant Government documents as he may reasonably require for the purpose of carrying out any examination under section 156(5) above; and
 - (b) shall be entitled to require from any person holding or accountable for any relevant Government documents any assistance, information or explanation which he reasonably thinks necessary for that purpose.
- (2) In this section “relevant Government documents” means documents in the custody or under the control of the Government department primarily responsible for the adoption or formulation of the convention or assumption in question.