Grant Thornton

Scottish Information Commissioner External Audit Plan

Financial year ending 31 March 2025

Prepared for those Charged with Governance and the Auditor General for Scotland

12 March 2025

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01 Key developments impacting our audit approach

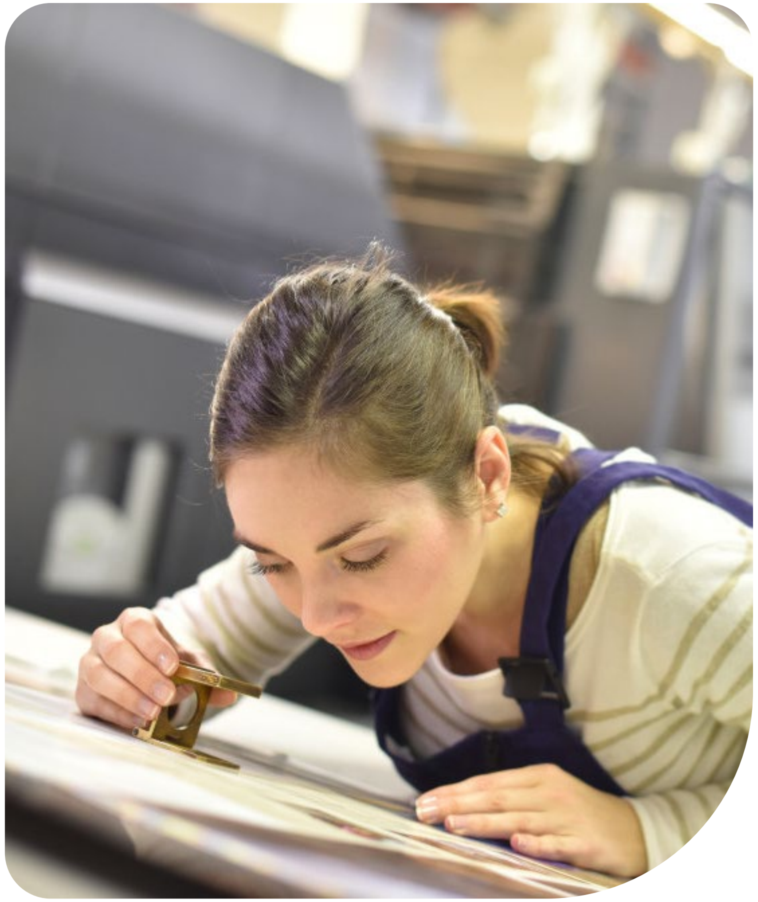
Key developments impacting our audit approach

Our commitments

- As a firm, we are absolutely committed to audit quality and financial reporting in the central government sector.
- To ensure close work with audited bodies and an efficient audit process, our preference as a firm is either for our staff to work on site with you and your staff or to develop a hybrid approach of on-site and remote working.
- We would like to offer a formal meeting with the Commissioner twice a year as part of our commitment to keep you fully informed on the progress of the audit.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our wider scope work in relation to financial sustainability.
- We will provide relevant sector updates in order to provide guidance on issues which could impact disclosures in the annual accounts.

02 Introduction and Headlines

Introduction and headlines (1)



Purpose

- This document provides an overview of the planned scope and timing of the statutory audit of the Scottish Information Commissioner for those charged with governance.
- We are appointed by the Auditor General as the external auditors of the Scottish Information Commissioner for the five-year period 2022/23 to 2026/27.

Respective responsibilities

- The Code of Audit Practice (the Code) summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities, and that of the Scottish Information Commissioner are summarised in the Appendix of this Audit Plan. We draw your attention to this and the Code.

Scope of our Audit

- The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Scottish Information Commissioner's financial statements that have been prepared by management with the oversight of those charged with governance (the Scottish Information Commissioner). The audit of the financial statements does not relieve management or the Scottish Information Commissioner of your responsibilities.

It is your responsibility to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. As part of our wider scope work, we will consider how you are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Scottish Information Commissioner and is risk based.

Other Audit Matters

We summarise other audit matters for the Scottish Information Commissioner's awareness. This includes:

- In accordance with the Code and planning guidance we also complete and submit a number of deliverables during the year, including sharing intelligence with Audit Scotland, and completing Audit Scotland data sets
- Consideration of going concern in accordance with Practice Note 10.

Introduction and headlines (2)

The audit plan sets out our risk-based audit approach for the Scottish Information Commissioner. This plan outlines our initial risk assessment and is reported to those charged with governance (the Scottish Information Commissioner) and will be shared with the Audit Advisory Board (AAB) and Audit Scotland.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control (ISA (UK) 240)
- Risk of fraud in expenditure recognition (PN 10) (completeness)

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have calculated our planning materiality to be £52,975 (PY: £37,620) for the organisation, which equates to 2.5% (PY: 2.00%) of your prior year gross expenditure as per the audited 2023/24 financial statements.

Performance materiality has been determined as £39,730 (PY: £28,215) and is based on 75% (PY: 75%) of planning materiality.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been calculated at 5% of materiality being £2,600 (PY: £1,900).

A lower materiality threshold will of £25,000 will be used on salary and pension (CETV) tables for senior management and board members.

We will revisit our materiality throughout our audit including updating to reflect the draft unaudited financial statements for 2024/25.

Wider Scope and Best Value Audit

In accordance with the Code, our planning considers the Wider Scope and Best Value areas of audit.

We have concluded that Scottish Information Commissioner is a 'less complex body' and therefore carry out more limited wider scope work as set out in this Audit Plan.

Adding value through the audit

Our overall approach to adding value through the audit is clear and upfront communication, founded on our public sector credentials. We use our LEAP audit methodology and data analytics to ensure delivery of a quality audit.

We aim to add value to Scottish Information Commissioner through our external audit work by being constructive and forward looking, by attending meetings of the Audit Advisory Board and by recommending and encouraging good practice. In so doing, we will help Scottish Information Commissioner promote improved standards of governance, better management and decision making and more effective use of resources.

Audit Fees

Audit fees were shared by Audit Scotland with the Scottish Information Commissioner in January 2025. The baseline audit fee set is £24,330. More detail on the audit fees can be found at page 29. This plan was presented to the Commissioner and the Advisory Audit Board on 12 March 2025.

03 Identified risks

Significant risks identified (1)

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Description	Key aspects of our proposed response to the risk
Management override of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities. Our risk focuses on the areas of the financial statements where there is potential for management to use their judgement to influence the financial statements alongside the potential to override the entity's internal controls, related to individual transactions. We have therefore identified management override of controls, in particular journals, management estimates and of transactions outside the course of business as a significant risk of material misstatement.	We will: • Document our understanding of and evaluate the design effectiveness of management's key controls over journals; • Analyse your full journal listing for the year and use this to determine our criteria for selecting high risk journals; • Test the high-risk journals we have identified; • Gain an understanding of the critical judgements applied by management in the preparation of the financial statements and consider their reasonableness; • Gain an understanding of the key accounting estimates made by management and carry out substantive testing on in scope estimates; • Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

"In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK)." (ISA (UK) 315).

In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK) 550).

Management should expect engagement teams to challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified (2)

Significant Risk	Description	Key aspects of our proposed response to the risk
Fraud in revenue recognition	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition. **(rebutted)**	The risk of management manipulation and fraud is deemed to be low. Scottish Information Commissioner's prior year financial statements recognised only £23,000 of income in relation to the recovery of court costs. For 2024/25, the only possible income relates to "Finance" income which will depend on investment performance in 2024/25. This amount is expected to be immaterial to the financial statements. **Therefore, we do not consider this to be a significant risk**
Fraud in expenditure recognition	As set out in practice note 10 (Revised 2020) 'The Audit of Public sector Financial Statements', issued by the Public Audit Forum, which applies to all public sector entities, we consider there to be an inherent risk of fraud in expenditure recognition. Scottish Information Commissioner's expenditure includes both payroll and non-payroll costs. We consider payroll costs to be well forecast and are able to agree these costs to underlying payroll systems. As such we believe there is less opportunity for a material misstatement as a result of fraud to occur in this area. We therefore focus our risk on the following non-payroll expenditure streams: Other administration costs. Our testing will include a specific focus on year end cut-off arrangements, including consideration of the existence of accruals and provisions, In relation to non payroll expenditure.	We will: • Evaluate your accounting policy for recognition of expenditure for appropriateness and compliance with the FReM; • Perform detail testing of expenditure transactions at and around year end to verify the accounting period transactions relate to and confirm that transactions have been recognised in the correct accounting period; • Review the judgements and estimates made by management when recognising accruals and provisions at year end within the financial statements and where appropriate challenge management accordingly.

Other matters (1)

Other work

In addition to our expected responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We audit parts of your Remuneration and Staff Report in your Annual Report and check whether these sections of your Annual Report have been properly prepared (opinion). These procedures are performed to a lower materiality.
- We read the sections of your Annual Report which are not subject to audit and check that they are consistent with the financial statements on which we give an opinion (opinion).
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set out in the FReM (opinion).
- We consider our other duties under the Code and planning guidance (2024/25) issued by Audit Scotland, as and when required, including:
  - supporting Audit Scotland in Section 22 reporting;
  - review of central government technical guidance prior to issue by Audit Scotland;
  - providing regular updates to Audit Scotland to share awareness of current issues; and
  - notifying Audit Scotland of any cases of money laundering or fraud.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report. We do not place reliance on the work undertaken by internal audit.

Interim testing

As part of our interim procedures, we will complete testing on a number of areas when efficient to do so, including:

- Payroll - starters, leavers and changes in circumstances (first nine months).
- Payroll substantive analytical procedure (first nine months).
- Operating expenditure (first nine months).

Progress against prior year audit recommendation

As part of our final account's procedures, we will follow up on the implementation of prior year audit recommendation and report on progress against the recommendation in full within our Annual Audit Report.

Other matters (2)

Going concern assessment

As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on:

- whether a material uncertainty related to going concern exists; and
- the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements.

The Public Audit Forum has been designated by the Financial Reporting Council as a "SORP-making body" for the purposes of maintaining and updating Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (PN 10). It is intended that auditors of public sector bodies read PN 10 in conjunction with (ISAs) (UK).

PN 10 was updated in 2020 to take account of revisions to ISAs (UK), including ISA (UK) 570 (Revised September 2019) on going concern.

PN 10 allows auditors to apply a 'continued provision of service approach' when auditing going concern in the public sector, where appropriate. Audit Scotland's also issued further guidance in a Going Concern publication in December 2020).

Within our wider scope work we will conclude on the Scottish Information Commissioner's arrangements to ensure financial sustainability.

Internal Audit

We read and understand the work of Internal Audit during the year, and how this work feeds into management's governance processes and inclusion within the Annual Governance Statement. We do not rely directly upon the work of Internal Audit, and our approach is fully substantive.

Internal control environment

During our initial audit planning we will develop our understanding of your control environment (design and implementation) as it relates to the preparation of your financial statements. In particular we will:

- Consider key business processes and related controls.
- Assess the design of key controls over all significant risks we have identified. This will include key controls over:
  - Journal entries and other key entity level controls.

Our focus is on design and implementation of controls only. We do not intend to assess or place any reliance on the operating effectiveness of your controls during our audit.

Accounts Preparation Process

There have been significant changes within the finance team during 2024/25 and this is expected to continue into 2025/26. Therefore, the preparation of the financial statements and the audit response will need to ensure there are adequate handover arrangements. We are available to confirm the audit expectation to any new members of the finance team as part of any handover process.

04 Our approach to materiality

Our approach to materiality (1)

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
01	**Determination** We have determined planning materiality (financial statement materiality determined at the planning stage of the audit) based on professional judgement in the context of our knowledge of the business, including consideration of factors such as shareholder expectations, industry developments, financial stability and reporting requirements for the financial statements. We have determined financial statement materiality based on a proportion of the prior year gross expenditure of Scottish Information Commissioner. Materiality at the planning stage of our audit is £52,975 (PY: £37,620), which equates to 2.5% of your prior year gross expenditure for the year. Performance materiality for the organisation has been set at £39,370 (PY: £28,215) which is based upon 75% of materiality.	• We determine planning materiality in order to: – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements – assist in establishing the scope of our audit engagement and audit tests – determine sample sizes and – assist in evaluating the effect of known and likely misstatements in the financial statements
02	**Other factors** An item does not necessarily have to be large to be considered to have a material effect on the financial statements	• An item may be considered to be material by nature when it relates to: – instances where greater precision is required (e.g. the Senior Management and Board Member Remuneration and Pension CETV Tables)
03	**Reassessment of materiality** Our assessment of materiality is kept under review throughout the audit process	• We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality

Our approach to materiality (2)

Matter	Description	Planned audit procedures
04	**Matters we will report to the Scottish information Commissioner** Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Scottish Information Commissioner any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.	• We report to the Scottish Information Commissioner any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. • In the context of Scottish Information Commissioner, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £2,600 (PY: £1,900). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Scottish Information Commissioner to assist it in fulfilling its governance responsibilities.

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Our approach to materiality (3)

	Amount (£)	Qualitative factors considered
Materiality for the organisation's financial statements	£52,975	Our materiality has been set at 2.5% of prior year gross expenditure of the organisation as per the 2023/24 financial statements. In setting this threshold, the following factors have been considered: • There were no significant findings in the 2023/24 audit report. • No significant deficiencies have been identified with the Scottish Information Commissioner control environment. • The level of public interest in Scottish Information Commissioner by the public and the Scottish Government
Materiality for specific transactions, balances or disclosures – Remuneration Report	£25,000	Due to the sensitivity of the disclosures to the users of the financial statements, a lower materiality threshold has been applied to the salary and pension (CETV) disclosures for senior management and board members. All other remuneration disclosures will be audited at headline materiality.

05 IT audit strategy

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them.

Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach, we will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
Sage	Financial reporting	• ITGC assessment (design and implementation effectiveness only)

06 Wider scope and best value arrangements

Wider scope and best value arrangements (1)

Our responsibilities under the Code extend beyond the audit of the financial statements. Under the Code and supporting guidance: "Supplementary guidance - wider scope audit, less complex bodies and Best Value" issued by Audit Scotland, there is an exemption in relation to the normal wider scope audit requirements of the Code for public bodies which are smaller and have limited financial activity (referred to as "Less Complex Bodies").

As required by the Code and this supporting guidance. we have assessed both the quantitative and qualitative risk factors related to Scottish Information Commissioner and concluded that Scottish Information Commissioner qualifies for this exemption for 2024/25.

From a quantitative perspective the gross revenue, gross assets and gross liabilities of Scottish Information Commissioner are not expected to exceed the £10.2 million limit set out in Audit Scotland's guidance, and from a qualitative perspective we have not identified any wider scope risks beyond financial sustainability that would require further consideration during the audit.

Our wider scope work at Scottish Information Commissioner will be limited to the following areas specified for Less Complex Bodies in the Code:

Financial Sustainability

Concluding on the financial sustainability of the body and the services that it delivers over the medium to longer term.

Annual Governance Statement

A review of the Annual Governance Statement

Wider scope and best value arrangements (2)

Risk assessment of the organisation's wider scope arrangements

This section of our report documents our conclusions from audit work on the wider scope areas set out in the Code. We take a risk-based audit approach to wider scope work. We will continue to review your arrangements before we issue our Annual Audit Report.

Criteria		2023/24 Auditor judgement on arrangements	2024/25 risk assessment	2024/25 planning considerations
Financial Sustainability	G	Appropriate arrangements were in place.	No significant risks has been identified.	Our initial planning work has not identified a significant risk in relation to Scottish Information Commissioner's arrangements for financial sustainability. As part of our work, we will consider whether the body is planning effectively to continue to deliver it services over the medium to longer term.

G	No significant weaknesses in arrangements identified or improvement recommendation made.
A	No significant weaknesses in arrangements identified, but improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendations made.

Wider scope and best value arrangements (3)

Financial Sustainability

The Scottish Parliament Corporate Body (SPCB) approved Scottish Information Commissioner's annual funding for 2024/25 in February 2024, setting a budget of £2.413 million for the financial year, which included £0.017 million for capital expenditure. Following the budget being approved, the Scottish Information Commissioner was granted contingency funding of £0.128 million for temporary staff during 2024/25 and expect to draw down all funding in 2024/25.

Scottish Information Commissioner submitted their budget submission for 2025/26 in October 2024, which included prospective budgets for 2026/27 and 2027/28. The budget for 2025/26 will be approved in March 2025, with Scottish Information Commissioner expecting to receive a budget of £2.522 million. We will seek to understand the agreed budget for 2025/26 alongside any future financial forecasts and plans for Scottish Information Commissioner as part of our detailed wider scope work.

We have not identified a risk in relation to financial sustainability.

07 Logistics

The Audit Timeline - Logistics (1)

We are required to submit audit plans to Audit Scotland by 31 March 2025, and it is anticipated that we will submit audited accounts and the Annual Audit Report by 31 October 2025 in line with the Audit Scotland deadline. We have set out our planned timescales for the Scottish Information Commissioner audit below:

Key Dates

- Audit Advisory Board: 12 March 2025
- Year end: 31 March 2025
- Scottish Information Commissioner & AAB (Sign-Off) (Date: By 8th October)

Audit phases:

Planning
February 2025

Key elements

- Planning meeting with management to set audit scope
- Planning requirements checklist to management
- Agree timetable and deliverables with management
- Issue the Audit Plan to management and Scottish Information Commissioner
- Review of key judgements and estimates
- Undertake payroll testing (first nine months of starters, leavers, changes in circumstances and payroll substantive analytic)
- Undertake expenditure testing for first nine months of the financial year

Final
August / September 2025

Key elements

- Audit teams to complete fieldwork and detailed testing
- Weekly update meetings with management

Completion
September 2025

Key elements

- Draft Audit Findings issued to management
- Audit Findings meeting with management
- Draft Audit Findings issued to Scottish Information Commissioner
- Audit Findings presentation to Scottish Information Commissioner
- Annual Audit Report
- Finalise and sign financial statements and audit report

The Audit Timeline - Logistics (2)

Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging our other audit engagements. Where additional resources are needed to complete the audit due to an audited body not meeting their obligations, we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits due to client issues may incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft accounts, comprising financial statements and related reports, of good quality, by the deadline you have agreed with us;
- prepare good quality working papers which support the figures included in the financial statements, in line with the working paper requirements schedule that we have shared with you, and make these available to us at the start of the year end audit visit;
- provide all agreed data reports to us at the start of the audit, which are fully cleansed and reconciled to the figures in the financial statements;
- ensure that all appropriate staff are available to us for queries over the planned period of the audit , or as otherwise agreed,
- respond promptly and appropriately to all audit queries, within the agreed two-week audit period, and;
- provide a final set of the Annual Report and Accounts and comments to our Annual Audit Report in a timely manner.

Our team and communications

Angela L Pieri
Engagement Lead
T: 0161 214 6337
E: Angela.L.Pieri@uk.gt.com

- Key contact for senior management and Scottish Information Commissioner
- Overall quality assurance

Andrew Wallace
Audit Manager
T: 0141 223 0671
E: Andrew.D.Wallace@uk.gt.com

- Audit team management
- Resource management
- Wider scope and best value reporting

Alexander Chapman
Audit In-Charge
T: 0141 223 0672
E: Alexander.S.Chapman@uk.gt.com

- Day-to-day point of contact
- Audit planning/interim
- Audit fieldwork

Pool of technical specialists (e.g. internal valuers, IT audit)

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	• Annual audit closure meeting	• The Audit Plan • The Annual Audit Report • Progress and Sector Update Reports	• Audit planning meetings • Audit clearance meetings • Communication of issues log	• Technical updates
Informal communications	• Open channel for discussion		• Communication of audit issues as they arise	• Notification of up-coming issues (where appropriate)

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

08 Fees and related matters

Audit Fees

Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as detailed in ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. This includes, for Audit Scotland contracts, meeting the expectations of the Audit Scotland Quality Team and the Scottish Quality Framework.

Audit fees were shared by Audit Scotland with the Commission in January 2025. Audit fees are paid to Audit Scotland, who in turn pay us. We reserve the right to review our fee during the audit should significant delays be encountered and/or new technical matters arise.

This plan was presented to the Commissioner and the Advisory Audit Board on 12 March 2025.

Relevant professional standards

Audit Scotland set the baseline audit fee of £24,330. We can increase the fee, from the baseline, for the inclusion of additional risks, new technical matters or specific client matters identified.

We are required to consider all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's Ethical Standard (revised 2024) which state that the Engagement Lead must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit Fees (2)

Audit fees for 2024/25

Service	Fees (£)
External Auditor Remuneration	£33,550
Pooled Costs	-£320
Contribution to Audit Scotland support costs	Nil
Contribution to Performance Audit and Best Value	Nil
Sectoral cap adjustment	-£8,900
2024/25 Fee	**£24,330**

Additional Fees (Non-Audit Services)

Service	Fees (£)
At planning stage we confirm there are no planned non-audit services	Nil

Fee Assumption

In setting the fee for 2024/25 we have assumed that you will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence for all critical and significant judgements and estimates made in preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- Provide ongoing access to officers and management experts throughout the audit and timely responses to audit queries.

Accounts Preparation Process

We are aware that Scottish Information Commissioner is expecting a significant turnover of experienced finance team members, which may add additional complexities to the audit. If more audit resource was required than originally expected, the audit may be subject to additional audit fee.

09 Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers). In this context, there are no matters that we are required to report.

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and Scottish Information Commissioner that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the entity or investments in Scottish Information Commissioner held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by Scottish Information Commissioner as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and Scottish Information Commissioner.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the organisation's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

No non-audit services provided by Grant Thornton UK LLP have been identified. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Annual Audit Report at the conclusion of the audit.

10 Communication of audit matters with those charged with governance

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Annual Audit Report
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Annual Audit Report will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

11 Delivering audit quality

Delivering audit quality (1)

Our quality strategy

We deliver the highest standards of audit quality by focusing our investment on:

Creating the right environment

Our audit practice is built around the markets it faces. Your audit team are focused on the Public Sector audit market and work with clients like you day in, day out. Their specialism brings experience, efficiency and quality.

Building our talent, technology and infrastructure

We've invested in digital tools and methodologies that bring insight and efficiency, and invested in senior talent that works directly with clients to deploy bespoke digital audit solutions.

Working with premium clients

We work with great public and private businesses that, like you, value audit, value the challenge a robust audit provides, and demonstrate the strongest levels of corporate governance. We're aligned with our clients on what right looks like.

Our objective is to be the best audit firm in the UK for the quality of our work and our client service, because we believe the two are intrinsically linked.

How our strategy differentiates our service

Our investment in a specialist team, and leading tools and methodologies to deliver their work, has set us apart from our competitors in the quality of what we do.

The FRC highlighted the following as areas of particularly good practice in its recent inspections of our work:

- use of specialists, including at planning phases, to enhance our fraud risk assessment
- effective deployment of data analytical tools, particularly in the audit of revenue
- clear oversight at group level when working with component auditors, including detailed review of working papers to flush out the critical issues early.

The right people at the right time

We are clear that a focus on quality, effectiveness and efficiency is the foundation of great client service.

By doing the right audit work, at the right time, with the right people, we maximise the value of your time and ours, while maintaining our second-to-none quality record.

Bringing you the right people means that we bring our specialists to the table early, resolving the key judgements before they impact the timeline of your financial reporting.

The engagement leader always retains the final call on the critical decisions; we use our experts when forming our opinions, but we don't hide behind them.

Delivering audit quality (2)

Digital differentiation

We're a digital-first audit practice, and our investment in data analytics solutions has given our clients better assurance by focusing our work on transactions that carry the most risk. With digital specialists working directly with your teams, we make the most of the data that powers your business when forming our audit strategy.

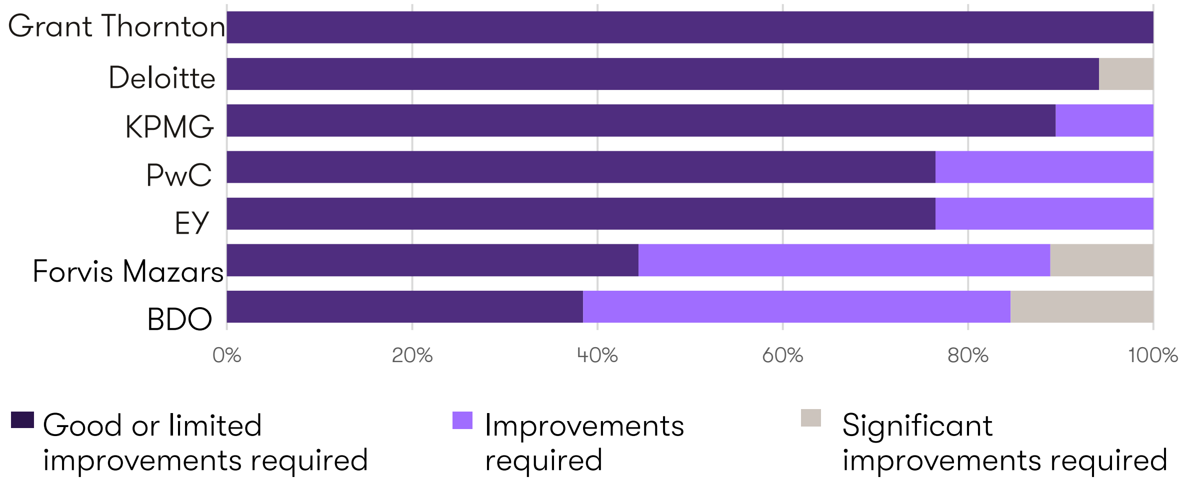
Oversight and control

Wherever your audit work is happening, we make sure that its quality meets your exacting requirements, and we emphasise communication to identify and resolve potential challenges early, wherever and however they arise. By getting matters on the table before they become "issues", we give our clients the time and Scottish Information Commissioner to deal with them effectively.

Quality underpins everything at Grant Thornton, as our FRC inspection results in the chart below attest to. We're growing our practice sustainably, and that means focusing where we know we can excel without compromising our strong track record or our ability to deliver great audits. It's why we will only commit to auditing businesses where we're certain we have the time and resource, but, most importantly, capabilities and specialist expertise to deliver. You're in safe hands with the team; they bring the right blend of experience, energy and enthusiasm to work with you and are fully supported by myself and the rest of our firm.

Wendy Russell
Partner, UK Head of Audit

FRC's Audit Quality Inspection and Supervision Inspection (% of files awarded in each grading, in the most recent report for each firm)



Delivering audit quality (3)

Audit Quality Framework

The Audit Quality Framework (AQF) published by Audit Scotland sets out it's approach to achieving high quality public audit by all auditors and providers. The AQF is the framework used to provide the Auditor General and the Accounts Commission with robust, objective, and independent quality assurance, over the work conducted on their behalf by Audit Scotland and external firms. This work includes delivering the respective performance audit and Best Value work programmes and the annual audits of public bodies across Scotland's public sector.

Audit quality is at the core of public audit in Scotland and is the foundation for building consistency and confidence across all audit work. High-quality public audit provides the public, decision-makers, and politicians, with the assurance and information they need, and it helps Scotland's Parliament hold public bodies to account. This is more important than ever when public services face rising demand and tightening budgets

Annual Audit Quality Report

Audit Scotland's Audit Quality and Appointment (AQA) team prepares an annual Audit Quality Report to provide assurance on audit quality, including compliance with the Financial Reporting Council's Ethical Standard, to the Auditor General for Scotland and the Accounts Commission.

This annual report summarises the AQA's assessment of audit quality conducted on audit work, delivered by Audit Scotland and the six appointed firms (including Grant Thornton UK LLP) on behalf of the Auditor General for Scotland and the Accounts Commission on the 2023/24 audits. The report provides evidence that auditors have designed and implemented audit quality arrangements to assure the quality of their audit work and highlights areas for further improvement.

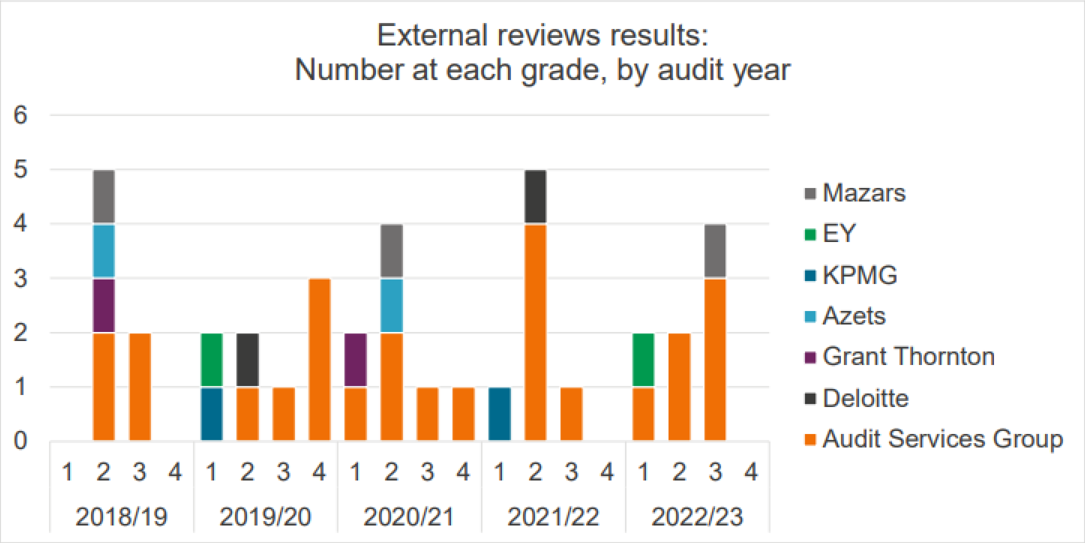
This report is available at [Quality of public audit in Scotland: Annual report 2023/24] and is published on annual basis.

Independent External Reviews

Independent external assurance offers the highest level of assurance to stakeholders. ICAEW replaced ICAS for 2021/22 independent reviews following a successful tendering exercise undertaken by Audit Scotland in 2022.

ICAEW review audit files to assess the quality of audit work and compliance with the International Standards on Auditing (UK), Financial Reporting Council's Practice Note 10 and Audit Scotland's Code of Audit Practice.

External reviews cover the firms and Audit Directors in Audit Scotland over a three-year cycle, with the external review results shown within the chart below for the last five financial years.



12 Appendices

Respective responsibilities

The Code sets out auditor responsibilities and responsibilities of the audited body. Key responsibilities are summarised below. Please refer to the Code for further detail.

Scottish Information Commissioner

Your responsibilities include:

- Maintaining adequate accounting records and working papers
- Preparing accounts for audit, comprising financial statements, which give a true and fair view, and related reports
- Establishing and maintaining a sound system of internal control
- Establishing sound arrangements for proper conduct of affairs, including the regularity of transactions
- Maintaining standards of conduct for the prevention and detection of fraud and other irregularities
- Maintaining strong corporate governance arrangements and a financial position that is soundly based
- Establishing and maintaining an effective internal audit function.

External Audit

Our responsibilities include:

- Compliance with the FRC Ethical Standard
- Compliance with the Code and UK Auditing Standards (ISA's UK) in the conduct and reporting of our financial statements audit
- Compliance with the Code and guidance issued by Audit Scotland in the conduct and reporting of our wider scope work
- Providing assurance on specified returns and other outputs (where required), as specified in guidance issued by Audit Scotland
- Liaison with and notifying Audit Scotland when circumstances indicate a statutory report may be required.
- Contributing to relevant performance studies (as set out in Audit Scotland's Planning Guidance for 2024/25).

New or revised IFRS

The following IFRS Standards and amendments have been recently issued but have not yet been adopted by the FReM. Many of the items below will have limited or nil applicability for Scottish Information Commissioner, but are included for completeness purposes.

IFRS 17 Insurance contracts

IFRS 17 replaces IFRS 4. IFRS 17 provides consistent principles for all aspects of accounting for insurance contracts. It removes existing inconsistencies and enables investors, analysts and others to meaningfully compare companies, contracts and industries. It has been effective in the UK since **1 January 2023**.

Amendments to IAS 21 – Lack of exchangeability

IAS 21 has been amended by the IASB to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are effective in the UK from **1 January 2025**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria, and includes updated disclosures for certain instruments. The amendments are effective in the UK from **1 January 2026**.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the statement of profit or loss as well as introduce specific disclosure requirements. Some of the key changes are:

- Introducing new defined categories for the presentation of income and expenses in the income statement
- Introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal.
- Disclosure of management defined performance measures
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 will be effective in the UK from **1 January 2027.**

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 provides reduced disclosure requirements for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary standard for eligible subsidiaries and is effective in the UK from **1 January 2027**.

The Grant Thornton Digital Audit – Inflo

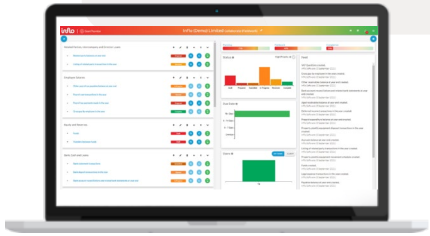
A suite of tools utilised throughout the audit process

01 Collaborate

Information requests are uploaded by the engagement team and directed to the right member of your team, giving a clear place for files and comments to be uploaded and viewed by all parties.

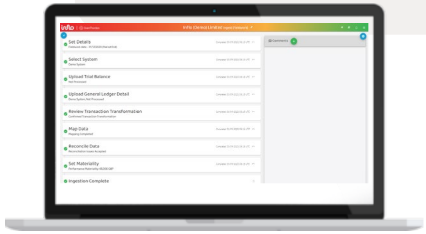
What you'll see

- Individual requests for all information required during the audit
- Details regarding who is responsible, what the deadline is, and a description of what is required
- Graphs and charts to give a clear overview of the status of requests on the engagement



02 Ingest

The general ledger and trial balance are uploaded into Inflo. This enables samples, analytical procedures, and advance data analytics techniques to be performed on the information directly from your accounting records.



03 Detect

Journals interrogation software which puts every transaction in the general ledger through a series of automated tests. From this, transactions are selected which display several potential unusual or higher risk characteristics.

What you'll see

- Journals samples selected based on the specific characteristics of your business
- A focused approach to journals testing, seeking to only test and analyse transactions where there is the potential for risk or misstatement