

News release

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Stronger new code for auditors

Audit Scotland today publishes a new Code of Audit Practice, as well as confirming external audit appointments for the next five years.

The updated code follows extensive consultation and aims to maximise the value and impact from public audit in Scotland, providing greater assurance and assisting audited bodies make improvements in the delivery of services.

The code will ensure that auditors' responsibilities are updated to reflect the changes that have taken place in the public sector and future changes arising from further devolution.

It applies to all auditors from the start of the 2016/17 audit appointments which begin in October 2016.

Key features include requiring auditors to:

- comply with the highest professional standards, including International Standards on Auditing and ethical standards
- provide conclusions in four aspects of the wider scope of public audit: financial sustainability, financial management, governance and transparency, and value for money.

The code sets out how auditors will work in partnership with Performance Audit and Best Value teams at Audit Scotland to maximise the value and impact of public audit for service delivery. It also formalises the commitment of auditors to sharing knowledge and resources, giving them an enhanced ability to address audit risks.

Auditors must be clear when planning and reporting on significant risks that they investigate and report on the work undertaken by the audited body to mitigate these risks, the audit work done to address these risks and state their conclusions. They must make clear recommendations for improvement, adding value to reports by giving a depth of understanding about how an organisation is performing and steps for improvement. This goes beyond simply describing the arrangements in an audited body to considering their effectiveness in practice.

The code underlines a commitment to transparency, making audit work as available and accessible as possible by publishing all principal audit outputs on the Audit Scotland website.

The [code](#) is published at the same time as external audit appointments are confirmed. More details are available [here](#). This means from the outset, newly appointed auditors will be required to comply with the code.

Read senior manager Owen Smith's [blog on the new code](#) .

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Notes to editors

1. The Code of Audit Practice sets the strategic direction of all audit work carried out for the Auditor General for Scotland and the Accounts Commission. It sets out the responsibilities of audited bodies and of externally appointed auditors who carry out audits for the Auditor General and Accounts Commission.
2. The code is a non-statutory document approved by the Auditor General for Scotland and the Accounts Commission and compliance with the code is a condition of appointment for external firms appointed by them. It will be supplemented by detailed guidance, recognising that over a five year period priorities may shift.
3. The Accounts Commission is the public spending watchdog for local government. It holds councils and various joint boards and committees in Scotland to account and helps them improve. It operates impartially and independently of councils and of the Scottish Government, and meets and reports in public.
4. The Auditor General appoints auditors to Scotland's central government, the NHS and other bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
5. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.