

# East Lothian Council

Annual Audit Plan 2016/17



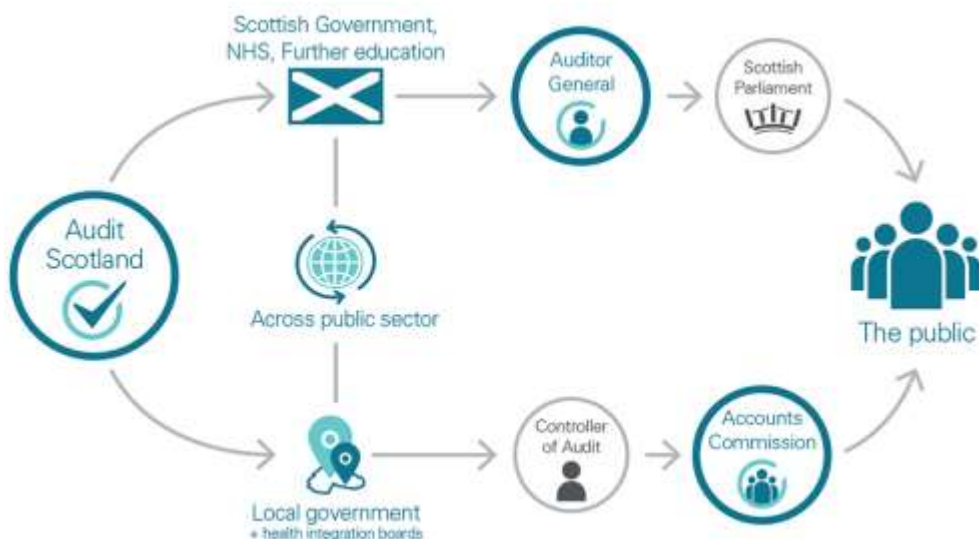
 AUDIT SCOTLAND

Prepared for East Lothian Council  
February 2017

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

---

# Contents

---

<b>Risks and planned work</b>	<b>4</b>
Audit risks	4
Reporting arrangements	8
Audit fee	8
Responsibilities	9
<b>Audit scope and timing</b>	<b>10</b>
Financial statements	10
Internal audit	12
Audit dimensions	13
Best Value	14
Independence and objectivity	15
Quality control	15

# Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan identifies our audit work to provide an opinion on the financial statements and related matters and meet the wider scope requirements of public sector audit including the new approach to Best Value. The wider scope of public audit contributes to conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

## Audit risks

2. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following main risk areas for East Lothian Council. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

## Exhibit 1:

### Key audit risks

Audit Risk	Management assurance	Planned audit work
<b>Financial statement issues and risks</b>		
<p><b>1 Risk of management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable.</p>	<p>Detailed testing of journal entries.</p> <p>Review of significant management estimates and evaluation of the impact of any variability in key assumptions.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p>
<p><b>2 Risk of fraud over income</b></p> <p>East Lothian Council receives a significant amount of income in addition to Scottish Government funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud.</p>	<p>All income is reviewed monthly.</p> <p>Monthly monitoring and performance reporting for council tax and rental income.</p> <p>Specific grant/account codes used for other income and verified via monthly monitoring and bank reconciliations.</p>	<p>Analytical procedures on income streams.</p> <p>Detailed testing of revenue transactions focusing on the areas of greatest risk.</p>

Audit Risk	Management assurance	Planned audit work
<p><b>3 Risk of fraud over expenditure</b></p> <p>The Financial Reporting Council's <a href="#">Practice Note 10 (revised)</a> requires consideration of the risk of fraud over expenditure. The extent and nature of expenditure, for example, welfare benefits, social care payments and grants means that there is an inherent risk of fraud.</p>	<p>Clear procedures in place for staff.</p> <p>Financial authorisation limits in place for authorising and approving expenditure.</p> <p>Budget monitoring and review with significant variances investigated and discussed with budget holders.</p>	<p>Audit work on the National Fraud Initiative matches.</p> <p>Assessing the high level key controls in areas of significant expenditure.</p> <p>Focused substantive testing of expenditure and housing benefit transactions.</p>
<p><b>4 Estimation and judgements</b></p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non current assets and provisions.</p> <p>This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Valuations carried out every 5 years for all assets (as part of rolling revaluation programme).</p> <p>Procurement and contract criteria ensure valuations are carried out by reputable valuers.</p> <p>Detailed discussions between valuers and ELC estates team.</p> <p>Detailed working papers retained to support asset reviews and impairments.</p>	<p>Review and comment on the appropriateness of the Council's policy with regard to useful lives.</p> <p>Completion of 'review of the work of an expert' in accordance with ISA500 for the professional valuer.</p> <p>Focused substantive testing of asset valuations and asset useful lives.</p> <p>Focused substantive testing of provisions</p>
<p><b>5 Group accounts</b></p> <p>East Lothian Council has a range of interests in other entities which require consolidation in the group accounts. For 2016/17 this includes the East Lothian Integrated Joint Board. The complexity of the group arrangements leads to a risk over the accuracy and completeness of the group accounts.</p>	<p>Bodies reflected in Group are assessed and updated annually as part of detailed review.</p> <p>All parties are made aware of ELC timescales for accounts preparation.</p> <p>For the East Lothian Integrated Joint Board (IJB), continuous dialogue held with the IJB CFO on accounts preparation.</p>	<p>Review of the group boundary assessment undertaken by the council.</p> <p>Component audit questionnaires and, where appropriate, meetings with the auditors of material components in accordance with ISA 600.</p> <p>Review and testing of the consolidation process.</p>
<p><b>6 Universal credit</b></p> <p>The Council has reported a significant increase in the level of rent arrears since the introduction of Universal Credit in East Lothian from March 2016 (£157k or 12% increase).</p> <p>There is a risk that assets could be overstated if the provision for doubtful debts is not revised in light of rising rent arrears. There is also an increased risk to the overall delivery of services in line with the Council's strategic objectives.</p>	<p>Impact of universal credit subject to monthly monitoring.</p> <p>High level scrutiny group established to monitor the impact of rent arrears and rent collection.</p> <p>Bad debt provision level monitored to ensure it remains at reasonable and prudent level.</p>	<p>Monitor rent arrears levels and provision for doubtful debts.</p>
<p><b>7 Developer contributions</b></p> <p>Internal Audit carried out a review of developer contributions</p>	<p>Developer Contributions Framework in place.</p> <p>New Planning Obligations</p>	<p>Review of Developer Contributions framework.</p> <p>Focussed substantive testing of</p>

Audit Risk	Management assurance	Planned audit work
<p>during 2016/17 and identified a number of risks which were fundamental to the system and required immediate action. Due to the significant level of development taking place in East Lothian, there is an increased risk of misstatement or incorrect accounting treatment in the financial statements due to the infrequency of these transactions.</p>	<p>Officer has recently been established with post-holder due to start shortly.</p>	<p>income and associated accounting treatment from developer contributions.</p>
<p><b>Wider dimension risks</b></p>		
<p><b>8 Financial sustainability</b> ELC's Council Plan recognises that it faces a challenge to achieve financial sustainability, due to factors including reducing income levels and increased demand for services. In the past, funding gaps have been filled by the use of reserves however the council recognises the need to develop a more sustainable budget in the medium term.</p>	<p>Financial strategy for 2017-20 recently approved setting out strategic direction for reserves policy. Transformational Programme Board established to drive forward transformational change. On-going engagement with Corporate Management Team (CMT) around delivery of enhanced programme of efficiencies.</p>	<p>Undertake specific audit work on financial planning. This will include assessing the robustness of the council's financial plans.</p>
<p><b>9 Financial management</b> The Quarter 2 financial report for 2016/17 identifies two services (Adult Wellbeing and Children's Wellbeing) as high risk of not operating within approved budgets. Members were asked to approve a £1million non-recurring budget virement from Corporate Management budgets to support Adult Wellbeing pressures and delivery of efficiencies. There is a risk that the council will not achieve a balanced year end position and also of future budget overspends if a sustainable budget is not developed timeously.</p>	<p>2016/17 financial position reported to management monthly. Quarterly financial review provided for Members/Cabinet with year end reporting to full Council. Main variances are identified with actions to address where required. Two main service areas within the Health and Social Care Partnership (Adult Wellbeing and Children's Wellbeing) are both operating enhanced financial controls including review over vacancy management and expenditure commitments. Working with CMT / SMT and budget holders to ensure expenditure commitments across all service areas can be contained within overall 2016/17 Council resources.</p>	<p>Review of financial monitoring reports and the council's financial position. Undertake specific audit work on financial governance and resource management.</p>
<p><b>10 Timeliness of financial reporting</b> The previous external auditor raised a recommendation in the 2015/16 annual audit report that</p>	<p>The timing of the Quarter 1 report previously reported to Council in August is being reviewed to bring forward in line with accounts submission.</p>	<p>Monitor the council's progress towards implementing timelier financial reporting.</p>

Audit Risk	Management assurance	Planned audit work
<p>there was scope for improvement in the timeliness of financial reporting (specifically the quarter 4 report and subsequent timing of the following quarter 1 report to Cabinet.)</p> <p>There is a risk that the budget monitoring process may not be operating due to information not being made available in a timely manner to make decisions.</p>	<p>Subsequent quarterly reports will be reported to Cabinet taking into consideration period close down and committee schedules.</p>	
<p><b>11 Capital slippage</b></p> <p>The 2016/17 quarter 1 and 2 financial reports highlight significant capital underspends of £13.8m (HRA) and £17.3m (general services) however there is a lack of actions noted to address this.</p> <p>There is a risk that available capital funding may not be utilised efficiently and that plans may not reflect actual practice (e.g. borrowing is based on unrealistic or unachievable capital plans).</p>	<p>Quarterly reports demonstrate actual position of capital spends with supporting narratives setting out expected outturn across programmes.</p> <p>Capital programme for both GS and HRA is subject to on-going review and is updated accordingly.</p> <p>Reporting is on in-year position, the majority of this is slippage in-year and not an underspend in expenditure commitments.</p>	<p>Monitor capital slippage and assess any actions taken to reduce slippage.</p> <p>Focussed substantive testing of capital expenditure.</p>
<p><b>12 IT Strategy</b></p> <p>The Council's current IT strategy covers the period 2011- 2014. It is due to be replaced by a new Digital Strategy which is to be considered at the Cabinet meeting in March 2017.</p> <p>The Council's IT strategy is outdated and there is a risk that this could impact on the delivery of services or on corporate initiatives, such as savings plans, which depend on ICT improvements.</p>	<p>New digital strategy has been developed and is to be considered by Cabinet on 14 March 2017.</p> <p>IT strategy will be reviewed following the approval of the wider digital strategy.</p>	<p>Monitor progress in preparation and approval of the new IT strategy.</p> <p>Review the new strategy when available and comment on it's appropriateness.</p>
<p><b>13 Business Continuity</b></p> <p>The council recognises a Medium level risk in respect of Business Continuity in its risk register. During Audit &amp; Governance committee discussions, members were informed that the disaster recovery testing plan is not up and running yet nor has it been tested.</p> <p>There is a significant risk that business continuity arrangements may not be sufficiently robust if they have</p>	<p>All service users to prepare an updated business continuity plan.</p> <p>Updated software training currently being rolled out across all service areas which requires training plans to be undertaken and reflected within the business continuity plans.</p>	<p>Monitor progress in preparation and approval of the business continuity testing arrangements.</p> <p>Check results of disaster recovery testing/BCP testing to ensure it is fit for purpose.</p> <p>Review the testing arrangements when available.</p>

Audit Risk	Management assurance	Planned audit work
not been properly tested.		
<p><b>14 Highways network asset (HNA)</b></p> <p>HNA are to be recognised for the first time in councils' 2017/18 financial statements. While this is not a risk to the 2016/17 financial statements, it is a new and complex area and if sound arrangements are not put in place there is a risk of misstatement in the 2017/18 financial statements.</p>	<p>Arrangements are in place. Working with the Roads / SCOTS service around preparedness for Highways Network Assets to be reflected in 2017/18 accounts.</p>	<p>Assess the arrangements in place to implement the new requirements.</p> <p>Review and assess the valuation methodology for HNA.</p>

## Reporting arrangements

**3.** Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed, and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

**4.** Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

**5.** We will provide an independent auditor's report to East Lothian Council and the Accounts Commission summarising the results of the audit of the annual accounts. We will provide the Section 95 Officer and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen in the course of the audit.

## Exhibit 2

### 2016/17 Audit outputs

Audit Output	Target date	Audit and Governance Committee Date
Interim Audit Report	30 June 2017	20 June 2017
Annual Audit Report including ISA 260 requirements	By 29 September 2017	By 29 September 2017
Signed Independent Auditor's Report	By 29 September 2017	By 29 September 2017

## Audit fee

**6.** The agreed audit fee for the 2016/17 audit of East Lothian Council (including the audit of the charitable trust, Dr Bruce Fund) is £236,070. In determining the audit fee we have taken account of the risk exposure of East Lothian Council, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited financial statements, with a complete working papers package on 30 June 2017.

**7.** Where our audit cannot proceed as planned through, for example, late receipt of unaudited financial statements or being unable to take planned reliance from the



work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises outwith our planned audit activity.

## Responsibilities

### Audit and Governance Committee and Chief Executive

**8.** Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

**9.** The audit of the financial statements does not relieve management or the Audit and Governance Committee, as those charged with governance, of their responsibilities.

### Appointed auditor

**10.** Our responsibilities as independent auditor are established by the Local Government (Scotland) Act 1973 Act and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.

**11.** Auditors in the public sector give an independent opinion on the financial statements. We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

# Audit scope and timing

## Financial statements

**12.** The statutory financial statements audit will be the foundation and source for the majority of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of East Lothian Council and the associated risks which could impact on the financial statements
- obtaining assurances from the outgoing auditors for the opening balances in the financial statements
- Completing initial system evaluations and assessing the operation of key internal controls
- identifying major transaction streams, balances and areas of estimation and understanding how these will be included in the financial statements
- assessing the risks of material misstatement in the financial statements and the impact of consolidation of the Integration Joint Board into the group accounts
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement including exploring the use of data analytics.

**13.** We will give an opinion on the financial statements as to whether they:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2017 and of the income and expenditure for the year then ended
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Code
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, and the Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

## Materiality

**14.** Materiality defines the maximum error that we are prepared to accept and still conclude that that our audit objective has been achieved. It helps assist our planning of the audit and allows us to assess the impact of any audit adjustments on the financial statements. We calculate materiality at different levels as described below. The calculated materiality values for East Lothian Council are set out in [Exhibit 3](#).



## Exhibit 3

### Materiality values

Materiality level	Amount
<b>Planning materiality</b> - This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 17 based on the latest audited accounts and the 2016/17 budget.	£3.4 million
<b>Performance materiality</b> - This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 50% of planning materiality.	£1.7 million
<b>Reporting threshold</b> - We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been calculated at 1% of planning materiality.	£0.034 million

15. We also set separate materiality levels for the council's charitable trust, the Dr Bruce Fund, and this has been set to 1% of gross expenditure (£11).

16. It should also be noted that we continue to exercise our professional judgement in certain areas of the financial statements such as the management commentary, annual governance statement and the remuneration report. Any issues identified will be reported to the Audit and Governance Committee.

### Timetable

17. The Local Authority Accounts (Scotland) Regulations 2014 require that the unaudited annual accounts are submitted to the appointed external auditor no later than 30 June each year. The authority (or a committee whose remit includes audit or governance) is required to consider the unaudited annual accounts at a meeting by 31 August.

18. Local authorities must publish the unaudited accounts on their websites and give public notice of the inspection period.



19. The 2014 regulations require the local authority (or a committee whose remit includes audit or governance) to meet by 30 September to consider whether to approve the audited annual accounts for signature. Immediately after approval, the annual accounts require to be signed and dated by specified members and officers and then provided to the auditor. The Controller of Audit requires audit completion and issue of an independent auditor's report (opinion) by 30 September each year.

20. East Lothian Council is required to publish on its website its signed audited annual accounts, and the audit certificate, by 31 October. The council is also required to publish a copy of the accounts of its subsidiaries. The annual audit report is required to be published on the website by 31 December.

21. To support the efficient use of resources it is critical that a financial statements timetable is agreed with us for the production of the unaudited accounts. An agreed timetable is included at [Exhibit 4](#) which takes account of submission requirements and planned Audit and Governance Committee dates :

## Exhibit 4

### Financial statements timetable

 Key stage	 Date
Consideration of unaudited financial statements by those charged with governance	20 June 2017
Latest submission date of unaudited financial statements with complete working papers package	30 June 2017
Latest date for final clearance meeting with Head of Council Resources	15 September 2017
Agreement of audited unsigned financial statements; Issue of Annual Audit Report including ISA 260 report to those charged with governance	By 29 September 2017
Independent auditor's report signed	By 29 September 2017
Latest date for signing of WGA return	2 October 2017

### Internal audit

**22.** Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an assessment of the internal audit function. Internal audit is provided by an East Lothian Council Internal Audit section overseen by an Internal Audit Manager.

#### Adequacy of Internal Audit

**23.** We seek to rely on the work of internal audit wherever possible and as part of our planning process we carried out an early assessment of the internal audit function and concluded that it has sound reporting procedures in place and complies with the main requirements of the Public Sector Internal Audit Standards (PSIAS). Further review of the internal audit working papers will be undertaken for the planned areas of reliance.

#### Areas of reliance

**24.** To support our audit opinion on the financial statements we plan to place formal reliance on the following planned internal audit reviews:

- Housing Rents
- Housing Benefit and Council Tax Reduction

**25.** In respect of our wider dimension audit responsibilities we also plan to consider other areas of internal audit work including:

- Contracts audit
- Review of performance indicators
- Information Security

## Audit dimensions

26. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

### Exhibit 5

#### Audit dimensions



27. In the local government sector, the appointed auditor's annual conclusions on these four dimensions will contribute to an overall assessment and assurance on best value.

#### Financial sustainability

28. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the body's financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps

#### Financial management

29. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on whether East Lothian Council:

- has arrangements in place to ensure systems of internal control are operating effectively
- can demonstrate the effectiveness of its budgetary control system in communicating accurate and timely financial performance
- has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

We will also review, conclude and report on how East Lothian Council has assured itself that its financial capacity and skills are appropriate

### **Governance and transparency**

**30.** Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether the council can demonstrate that the governance arrangements in place are appropriate and operating effectively (including services delivered by, or in partnership with, others such as ALEOs).
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

### **Value for money**

**31.** Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether East Lothian Council can:

- provide evidence that it is demonstrating value for money in the use of its resources.
- demonstrate that there is a clear link between money spent, output and outcomes delivered.
- demonstrate that outcomes are improving.

We will also review, conclude and report on whether there is sufficient focus on improvement and the pace of it.

### **Best Value**

**32.** The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. The introduction of the new approach coincides with the new five year audit appointments. As such, auditors will use the framework for their audit work from October 2016.

**33.** A key feature of the new approach is that it integrates Best Value into the wider scope annual audit, which will influence audit planning and reporting. Best Value will be assessed comprehensively over the five year audit appointment, both through the on-going annual audit work, and also through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:

- the Annual Audit Report for each council, that will provide a rounded picture of the council overall
- an Annual Assurance and Risks report that the Controller of Audit will provide to the Commission that will highlight issues from across all 32 council annual audit reports
- a Best Value Assurance Report (BVAR) for each council that will be considered by the Accounts Commission at least once in a five year period.

**34.** The first six councils on which a BVAR will be published during the first year of the new approach are listed in [Exhibit](#) below. Reports will be considered by the Accounts Commission in the period between May 2017 and March 2018.

## Exhibit 6

### 2016/17 Best Value Assurance Reports

Clackmannanshire Council	Orkney Islands Council
East Renfrewshire Council	Renfrewshire Council
Inverclyde Council	West Lothian Council

**35.** The work planned in East Lothian Council this year will focus on the Council's arrangements for demonstrating Best Value in financial and service planning, financial governance and resource management. The work will be integrated into the audit approach and will be reported in the Annual Audit Report.

### Independence and objectivity

**36.** Auditors appointed by Audit Scotland must comply with the Code of Audit Practice. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has in place robust arrangements to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Assistant Auditor General, who serves as Audit Scotland's Ethics Partner.

**37.** The engagement lead for East Lothian Council, including the charitable trusts, is Gillian Woolman, Assistant Director. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of East Lothian Council or the trusts.

### Quality control

**38.** International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

**39.** The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews, internal quality reviews and is currently reviewing the arrangements for external quality reviews.

**40.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

# East Lothian Council

## Annual Audit Plan 2016/17

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)