



Final report to the Board and the Auditor General for Scotland on the 2016/17 audit

28th June 2017

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Director introduction

The key messages in this report

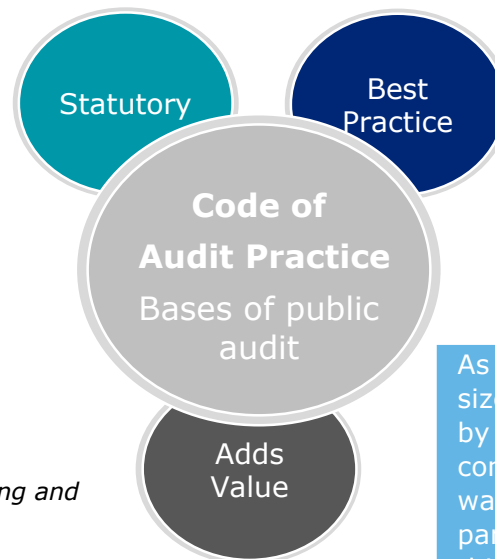
Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our final report to the Audit and Risk Committee for the 2017 audit.

As detailed in our plan presented to the Audit and Risk Committee in February 2017, the new Code of Audit Practice, which came into force for the 2016/17, audits sets out our responsibilities under core audit and wider scope requirements. A reminder of the requirements is set out below.

- *Opinion on the financial statements and regularity*
- *National performance audits and Best Value audits*



- *Opinion on management commentaries, remuneration reports and governance statements*

- *Public reporting and audit findings*
- *Wider scope reporting*

As set out in our plan, due to the relative size and scale of the functions delivered by Healthcare Improvement Scotland, we concluded that the full wider scope audit was not appropriate. In accordance with paragraph 53 of the Code, our work in this area was restricted to concluding on:

- The appropriateness of the disclosures in the governance statement; and
- The financial sustainability of the Board and the services that it delivers over the medium to longer term.

Director introduction (continued)

The key messages in this report (continued)

I would like to draw your attention to the key messages of this paper:

Statutory audit

Conclusions from our testing

- The significant risks, as identified in our audit plan, related to:
 - Achievement of expenditure resource limits;
 - Management override of controls.
- A summary of our work on the significant risks is provided in the dashboard on page 9.
- We have issued an unmodified audit opinion.

Insight

- We have utilised Spotlight, Deloitte's patented analytics tool, to perform analytics on the journal entries posted in the year and provide Insights to the Audit and Risk Committee.

Status of the audit

- The audit is complete subject to the completion of the following principal matters:
 - Finalisation of our internal quality control procedures;
 - Receipt of signed management representation letter; and
 - Our review of events since 31 March 2017.

Director introduction (continued)

The key messages in this report (continued)

Best Practice

Overall conclusion

- We have reviewed the annual report with reference to the format and content set out in the Government Financial Reporting Manual (FRM), confirming that the annual report and accounts comprise a performance report, an accountability report (which includes the remuneration and staff report, the governance statement and the parliamentary accountability report) and the financial statements.
- As a new requirement in 2016/17, we are required to provide an opinion on whether:
 - the performance report has been prepared in accordance with the accounts direction
 - the information given in the governance statement is consistent with the financial statements; and
 - the governance statement has been prepared in accordance with the accounts direction.
- Based on our audit work, we have issued an unmodified opinions on the above.
- In addition to the opinion, we have read the performance report and accountability report (including the governance statement) and confirm that the information contained within both is materially correct and consistent with our knowledge acquired during the course of performing the audit, and is not otherwise misleading.
- We have also audited the auditable parts of the remuneration and staff report and confirm that it has been prepared in accordance with the accounts direction.

Director introduction (continued)

The key messages in this report (continued)

Adds Value

Governance Statement

We have reviewed the annual governance statement for appropriateness of the disclosures in the governance statement or any other issues and best practice.

Financial Sustainability

As with other public sector bodies, Healthcare Improvement Scotland continues to face financial challenges, due to uncertainty around future funding. Healthcare Improvement Scotland had a surplus of £116,000 at the planning stage of the audit however this surplus increased to £547,000 against budget by year end.

Healthcare Improvement Scotland has been going through a period of considerable change and growth over the past two years. This has seen the engagement of many more staff and associates, and was supported by an increase in baseline funding of approximately £9.1 million (page 16). Analysis of spending supports this as we see net operating costs rise incrementally from £20 million in 2014-15 to £23 million in 2015-16, further increasing to £28 million in 2016-17 and budgeted to reach £30 million in 2017-18.

In looking at the surplus of £547,000, it is worth considering the prior year surplus of £405,000 carried forward in order to support the changes mentioned above. Many of the appointments and new initiatives generated as a result of this change and growth happened later in 2016-17 than originally forecast and this resulted in the majority of the £547,000 surplus. Healthcare Improvement Scotland are still on this change journey and alerted the Scottish Government that this was still work in progress and that they would therefore wish to carry funds forward to 2017-18 to allow them to conclude the process.

We have monitored the Board's actions in respect of its short, medium and longer term financial plans to assess whether short term financial balance can be achieved and if investment is effective. We have also considered the self-assessment of Value for Money conducted by the Board. We are satisfied that appropriate arrangements are in place, subject to the consideration of the need for financial planning beyond three years.

Pat Kenny
Audit Director

Responsibilities of the Audit and Risk Committee

Helping you fulfil your responsibilities

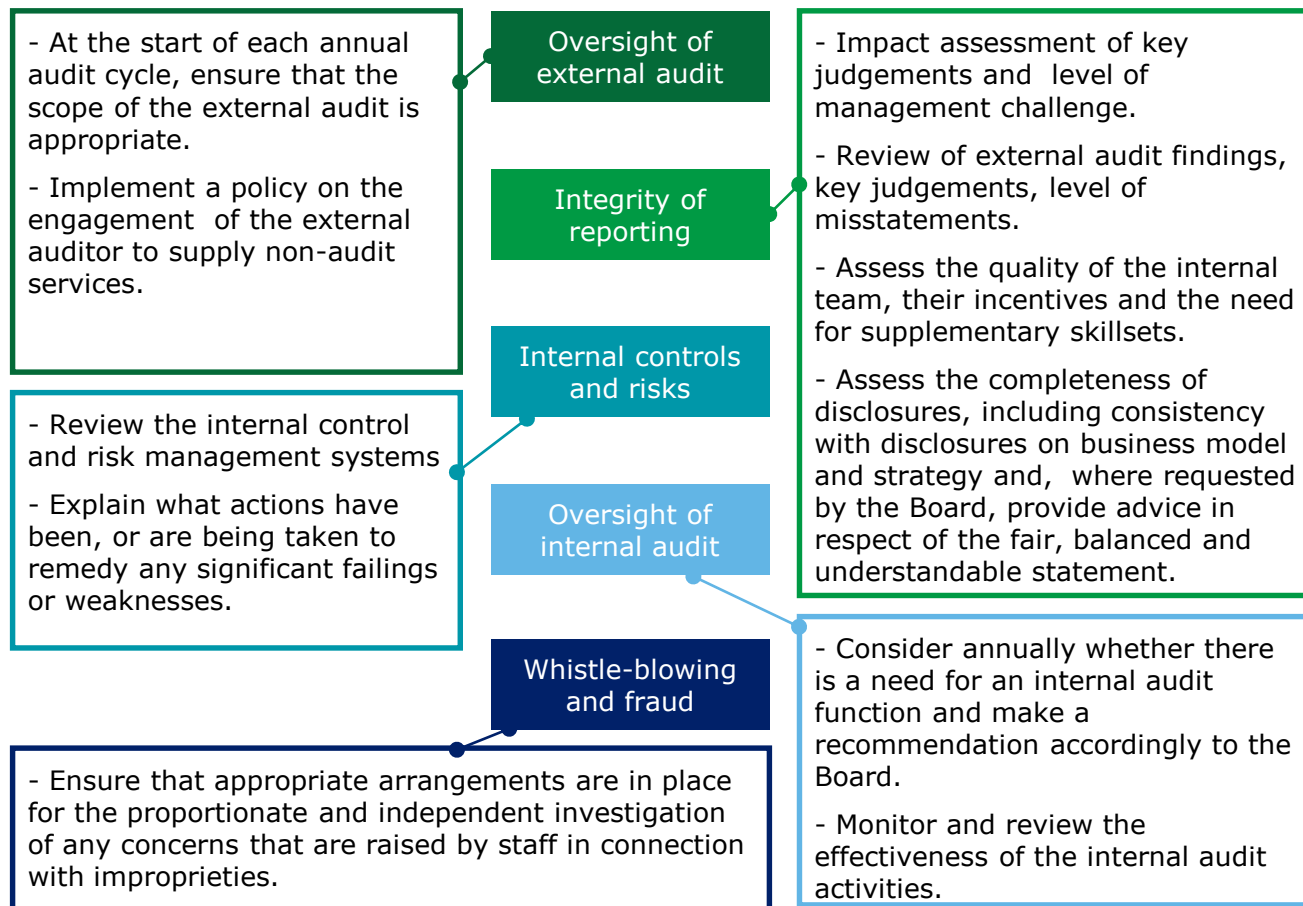
The primary purpose of the Auditor's interaction with the Audit and Risk Committee:

- Clearly communicate the planned scope of the financial statements audit
- Provide timely observations arising from the audit that are significant and relevant to the Audit and Risk Committee's responsibility to oversee the financial reporting process
- In addition, we seek to provide the Audit and Risk Committee with additional information to help them fulfil their broader responsibilities

We use this symbol throughout this document to highlight areas of our audit where the Audit and Risk Committee need to focus their attentions.



As a result of regulatory change in recent years, the role of the Audit and Risk Committee has significantly expanded. We set out here a summary of the core areas of Audit and Risk Committee responsibility to provide a reference in respect of these broader responsibilities and highlight throughout the document where there is key information which helps the Audit and Risk Committee in fulfilling its remit.



Our audit explained

Area dimensions

In accordance with the 2016 Code of Audit Practice, we have considered how you are addressing the two audit dimensions applicable to National Boards, being:

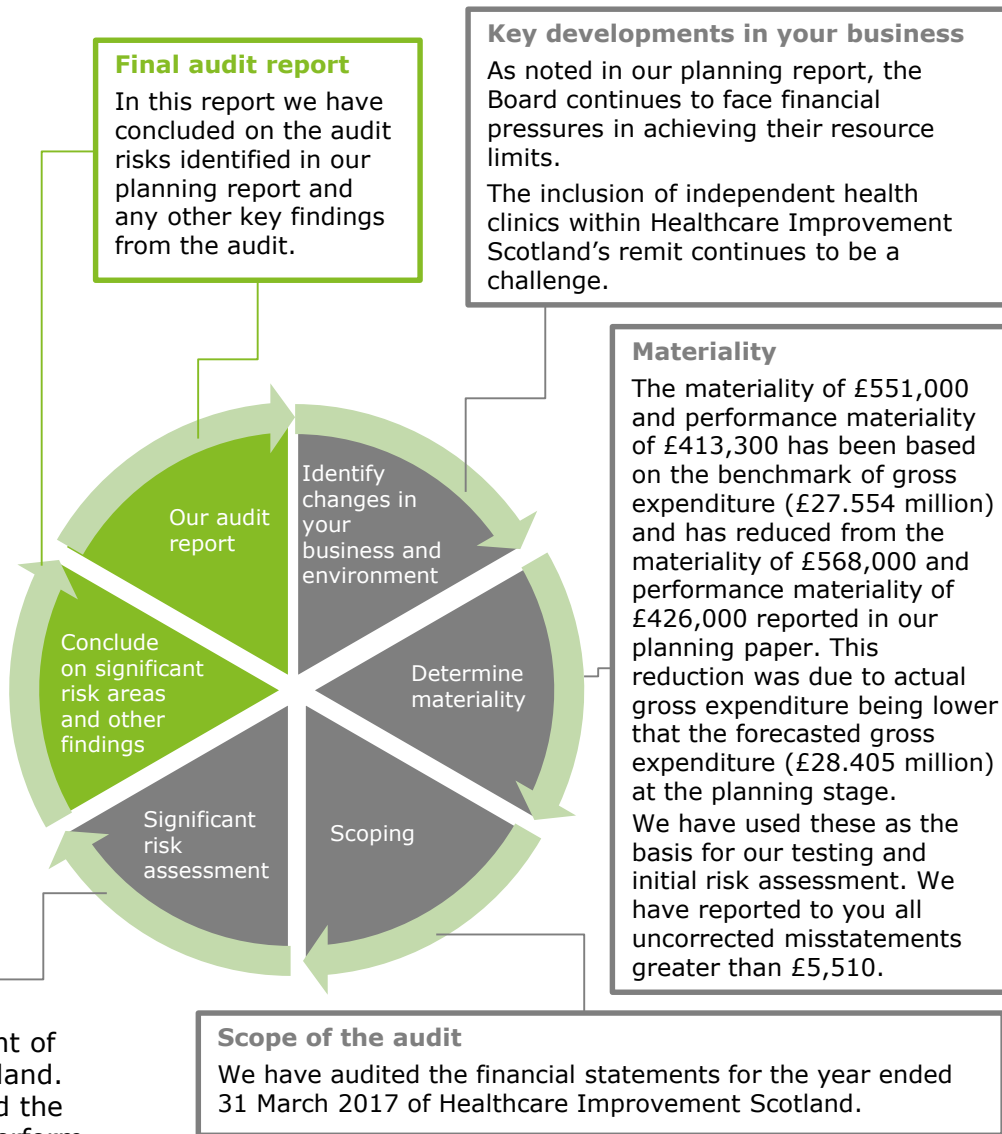
- Financial sustainability
- Governance and transparency

Significant risks

Our risk assessment process is a continuous cycle throughout the year. Page 9 provides a summary of our assessment of your significant risks.

Quality and Independence

We confirm we are independent of Healthcare Improvement Scotland. We take our independence and the quality of the audit work we perform very seriously. Audit quality is our number one priority.



Timeline 2017

November 2016 – February 2017

Meetings with management and other staff to understand the processes and controls.

May 2017

Review of draft accounts, testing of significant risk and performance of substantive testing of results.

March 2017

Year end

22 May 2017

Audit close meeting

31 May 2017

Audit and Risk Committee Workshop







22 June 2017

Audit and Risk Committee meeting

28 June 2017

Accounts sign off

Significant risks Dashboard

Risk	Material	Fraud risk	Planned approach to controls testing	Controls testing conclusion	Consistency of judgements with Deloitte's expectations	Comments	Slide no.
Achievement of expenditure resource limits			D+I	Satisfactory		Complete	10
Management override of controls			D+I	Satisfactory		Complete	11



Overly prudent, likely to lead to future credit      Overly optimistic, likely to lead to future debit.

D+I: Testing of the design and implementation of key controls

Significant risks (continued)

Achievement of expenditure resource limits

Risk identified

The key financial duty for Healthcare Improvement Scotland is to comply with the Revenue Resource Limit (RRL), Capital Resource Limit (CRL) and cash requirements set by the Scottish Government. Given the current budget position for the Board and the pressures across the whole of the public sector, there is an inherent fraud risk associated with the recording of expenditure within these limits.



Key judgements and our challenge of them

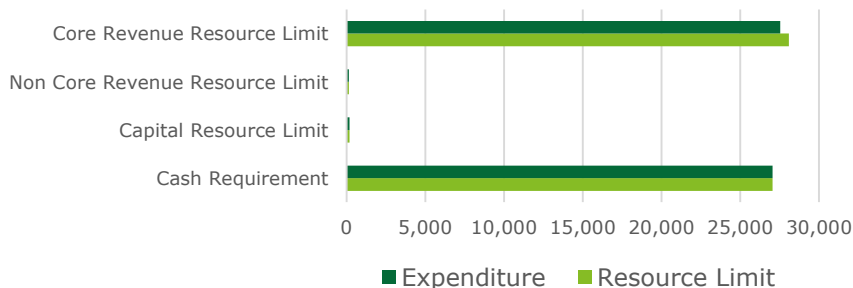
We must provide an opinion on regularity, to the effect that expenditure and receipts were incurred or applied in line with guidance. We have evaluated the results of our audit testing in the context of the achievement of the targets set by the Scottish Government, examining in which period expenditure should fall and whether it relates to the RRL, CRL or cash requirement.



Deloitte response

- We have assessed whether expenditure was correctly classified between revenue and capital and whether it had been incurred in accordance with Scottish Government's guidance;
- We performed focused cut-off testing;
- We reviewed and challenged the assumptions made in estimating the accrual to assess completeness of recorded expenditure; and
- We obtained independent confirmation of the resource limits allocated to Healthcare Improvement Scotland by the Scottish Government.

Expenditure Resource Limits £'000



Deloitte view

- We are able to conclude through the performance of our year end procedures that the expenditure and receipts were incurred or applied in accordance with the applicable enactments and guidance issued by the Scottish Ministers and the expenditure is valid and correctly classified between revenue and capital.
- We confirmed that Healthcare Improvement Scotland has performed within the limits set by the Scottish Government Health and Social Care Directorate (SGHSCD) and therefore in compliance with the financial targets in the year.

Significant risks (continued)

Management override of controls



Risk identified

International Standards on Auditing requires auditors to identify a presumed risk of management override of control. This presumed risk cannot be rebutted by the auditor. This recognises that management may be able to override controls that are in place to present inaccurate or even fraudulent financial reports.

Deloitte view

- We have not identified any significant bias in the key judgements made by management.
- The control environment is appropriate for the size and complexity of the Board.

Deloitte response

We have considered the overall sensitivity of judgements made in preparation of the financial statements, and note that:

- the Board's results throughout the year were projecting underspends against budget and this was realised in the year end expenditure outturn.
- senior management's remuneration is not tied to particular financial results.

We have considered these factors and other potential sensitivities in evaluating the judgements made in the preparation of the financial statements.

Journals

We have made enquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We have used Spotlight data analytics tools to test a sample of journals, based upon identification of items of potential audit interest. Our analysis covered the 8,511 transactions posted in the year. No issues noted for reporting to the Board.

Accounting estimates

In addition to our work on accrual estimates discussed above, our retrospective review of management's judgements and assumptions relating to significant estimates reflected in last year's financial statements have found no issues.

Significant transactions

We did not identify any significant transactions outside the normal course of business.

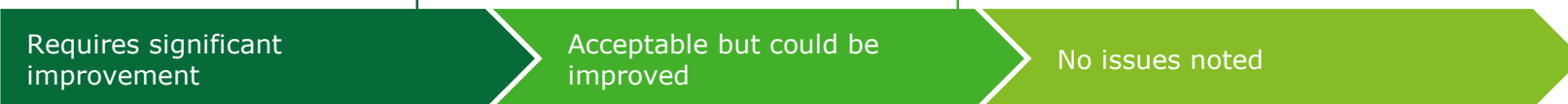
Other significant findings

Internal control and risk management

ISA 315.12 (UK and Ireland) requires we obtain an understanding of internal control relevant to the audit. It is a matter of the auditor's professional judgment whether a control, individually or in combination with others, is relevant to the audit. We do not test those controls we do not consider relevant to the audit. Below we provide a view, based on our audit procedures, on the effectiveness of your system of internal control relevant to the audit risks that we have identified.

It was noted at the planning stage of the audit that journals were retrospectively sample checked with no review prior to entry into the e-financials system and not all journals were reviewed due to the sample check method. This has since been improved by management with a new process put in place.

Overall, the quality of papers prepared by management to support key judgements were of a very good standard. Going forward, providing access for the External Auditors to client systems would improve the user friendliness of the working papers.



Submissions to HMRC for PAYE, NI and pension contributions were made late in respect of March 2017; a small interest charge was incurred. It is emphasised that this is the only time this has happened.

The recent cyber-attack had no direct impact on the Board. There was minor inconvenience to staff only as they had no access to IT systems over the weekend of the attack as systems were switched off as a precaution until the impact was known.

Deloitte view

In our view, the journal authorisation process in place at planning could be improved and this point had also been raised by Internal Audit. In response to the recent Internal Audit recommendation, Healthcare Improvement Scotland has since taken steps to improve the authorisation process by implementing a new methodology as at 31 March 2017.

The papers prepared by management in support of key judgements are sufficiently detailed and justify the choices made by management; however they were difficult to follow at times as working paper hyperlinks did not work when provided to Deloitte. Management and external audit have agreed to review the current arrangements to attempt to find an alternative solution that works for both parties.

Healthcare Improvement Scotland have agreed to submit all future contributions to HMRC prior to deadlines to avoid financial penalties.

Your annual report

We welcome this opportunity to set out for the Audit and Risk Committee and Board our observations on the annual report. We are required to provide an opinion on the remuneration report, the annual governance statement and whether the management commentaries are consistent with the disclosures in the accounts.

	Management response	Deloitte response
The Performance Report	The report outlines Healthcare Improvement Scotland's performance, both financial and non-financial. It outlines its vision, supported by a set of strategic themes, to deliver its strategy. It also sets out the key risks and uncertainty as set out in the Local Delivery Plan.	<p>We assessed whether the performance report had been prepared in accordance with the accounts direction and noted any exceptions.</p> <p>We also read the performance report and confirmed that the information contained within was materially correct and consistent with our knowledge acquired during the course of performing the audit, and was not otherwise misleading.</p>
The Accountability Report	Management have ensured that the accountability report meets the requirements of the FReM, comprising the governance statement, remuneration and staff report and the parliamentary accountability report.	<p>We assessed whether the information given in the governance statement was consistent with the financial statements and had been prepared in accordance with the accounts direction and noted any exceptions.</p> <p>We also read the accountability report and confirmed that the information contained within was materially correct and consistent with our knowledge acquired during the course of performing the audit, and was not otherwise misleading.</p> <p>We also audited the auditable parts of the remuneration and staff report and confirmed that it had been prepared in accordance with the accounts direction.</p>
Going Concern	Management has made appropriate disclosure relating to Going Concern matters.	<p>We confirmed that the 2017/18 Local Delivery Plan was approved by the Board on 29 March 2017 and included draft budgets for 2018/19 and 2019/20. We have concluded that the plan is sufficiently robust to demonstrate that Healthcare Improvement Scotland will be a Going Concern for 12 months from signing the financial statements.</p> <p>We note that whilst the Plan was approved by the Board on 29 March 2017, confirmation from the Scottish Government has still to be received.</p>

Wider scope requirements

Governance statement disclosures

Audit dimension

As part of the annual audit of the financial statements, we have considered the appropriateness of the disclosures in the governance statement.

Areas considered



- The completeness of the disclosures in meeting the requirements of the essential features, as specified in the Scottish Public Finance Manual.
- Inconsistencies between the disclosures or between the disclosures and audit knowledge.

Deloitte response



Based on our audit work and the work of internal audit , we have not identified for reporting any changes in governance arrangements or any issues of concern in the governance statement.

Deloitte view

The governance statement meets the requirements of the Scottish Public Finance Manual and no inconsistencies have been noted.

Wider scope requirements

Financial sustainability

Audit dimension

As part of the annual audit of the financial statements, we have considered the appropriateness of the use of the going concern basis of accounting. Going concern is a relatively short-term concept looking forward 12 to 18 months from the end of the financial year. Financial sustainability moves beyond these requirements and looks forward to the medium (two to five years) and longer term (longer than five years) to consider whether the body is planning effectively to continue to deliver its services and the way in which they should be delivered.

Areas considered



- The financial planning systems in place across the shorter and longer terms
- The arrangements to address any identified funding gaps
- The affordability and effectiveness of funding and investment decisions made

Deloitte response



We have monitored the Board's actions in respect of its short, medium and longer term financial plans to assess whether short term financial balance can be achieved and if investment is effective. We have also considered the self assessment of value for money conducted by the Board.

Short term planning is well managed through the production of Management Statements which reflect year to date spend amounts compared to the pro rata budget with variances identified then discussed with budget holders. Healthcare Improvement Scotland are seeking to improve these Management Statements further (via a Lean Project) to include a breakdown of the forecasted monthly spend against budget to supplement the year to date analysis.

During this review it was noted that the Local Delivery Plan (LDP) provided forecast budgets and expenditure covering up to financial year 2019/20 (medium term), in line with the LDP guidance, but there was no long-term financial planning in place. In line with best practice advocated by Audit Scotland, we recommend that the Board should introduce longer term financial planning.

With regards to assessment of the effectiveness of investment spend, it was noted that reports are produced for all major projects and presented to the Board. Going forward Healthcare Improvement Scotland intend to set defined outcomes for the work undertaken and measure how major projects have contributed to improvements in key health outcomes. We would recommend that the Board progresses this initiative of linking major project spend to outcomes as quickly as possible and we will monitor progress on this during the period of our appointment.

Healthcare Improvement Scotland look to consider value for money (VFM) in all reports that go to the Audit and Risk Committee and conducted an efficiency self assessment in 2016/17 as part of their Internal Audit programme. The outcome of this self assessment was positive with Healthcare Improvement Scotland scoring 'Better practice' or 'Advanced practice' against all VFM self assessment criteria.

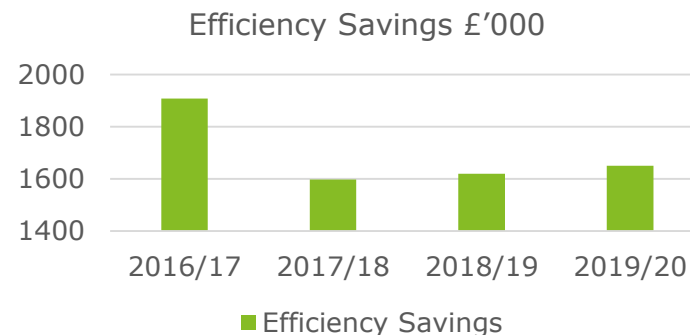
Wider scope requirements (continued)

Financial sustainability (continued)

The initial baseline recurring uplift amount of £15.5 million was increased in June 2016 by £9.1 million to £24.6 million. This additional recurring budget was provided to Healthcare Improvement Scotland to fund several areas of investment, shown in the table below;

2016/17 Targeted Investment	£'000
Quality Improvement	2,500
QUEST Funding	1,954
DCRS (Death Certificate Review Service)	1,361
JIT (Joint Improvement Team)	1,269
Access to Medicines	840
MCQIC	392
SPSP for Mental Health	238
Person centred budget	200
Scottish Patient Safety Programme	175
Volunteering in NHS Scotland	100
EQA report/SOAR	30
Total	9,059

The 2017/18 revenue budget and capital programme were agreed by the Board on 29 March 2017. The budget outlines how Healthcare Improvement Scotland will meet its key revenue targets over the next 3 years, and in doing so, it must achieve recurring cost reductions/ productivity improvements in each of these years, which the Board recognises will be challenging. The value of savings is shown below.



Healthcare Improvement Scotland identify savings in full in advance of the start of the year; this is good practice as it ensures that sufficient time is set aside to have fully developed implementation plans.

Wider scope requirements (continued)

National Fraud Initiative

In accordance with Audit Scotland planning guidance, we are required to monitor the Board's participation in the National Fraud Initiative (NFI) and progress during 2016/17 and will complete an NFI audit questionnaire by 30 June 2017. The NFI matches electronic data within and between public and private sector bodies to prevent and detect fraud. A summary of the matches reported in the NFI system is provided below:

	Procurement	Creditors	Payroll	Total
Total matches flagged	2	217	12	231
Total recommended matches to be investigated	0	35	2	37
Total processed	2	217	5	224
Frauds	Nil	Nil	Nil	Nil
Errors	Nil	Nil	Nil	Nil
Outcome	£0	£0	£0	£0

No frauds have been identified as a result of this work.

Deloitte view

Monitoring of the Board's participation in the NFI has identified no frauds. The exercise is largely concluded with 224 matches closed with no issue. The remaining 7 are subject enquires with other public bodies as they are either payroll or pension related.

The NFI audit questionnaire has been completed with no issues noted.

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Audit and Risk Committee and the Board discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA 260 (UK and Ireland) to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Report.
- Our internal control observations
- Other insights we have identified from our audit

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the board.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.

The scope of our work

Our observations are developed in the context of our audit of the financial statements.

We described the scope of our work in our audit plan.

This report has been prepared for the Audit and Risk Committee and Board, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

Deloitte LLP

Deloitte LLP

Glasgow 28/06/2017

Technical update

National performance reports



National performance reports

Summary of reports issued over the past year

NHS Scotland 2016

Published October 2016

Headline messages

A combination of increasing costs, staffing pressures and unprecedented savings targets mean that Scotland's NHS boards are finding it difficult to balance demand for hospital care with investing in community-based services to meet future need.

Impact on Healthcare Improvement Scotland

As Healthcare Improvement Scotland is a National Board, saving targets can be less of a pressure when compared with the Territorial Boards. However, the composition of the Healthcare Improvement Scotland budget (due to staff and other fixed costs making up c.85% of the overall budget) means that achieving these savings targets is challenging with lesser areas for the identification of savings.

As Healthcare Improvement Scotland are a non-patient facing Board, high demand on hospital care and investing in community-based services are not directly applicable.

Scotland's NHS workforce

Published February 2017

Headline messages

Audit Scotland has pulled together published statistics on Scotland's NHS workforce in a new data briefing. The document sets out the challenges being faced in delivering a sustainable workforce. Audit Scotland will publish its first report, focuses on staffing in acute services, in summer 2017.

Impact on Healthcare Improvement Scotland


As Healthcare Improvement Scotland is a non-patient facing Board, it does not have any acute services, therefore this review will have little impact on Healthcare Improvement Scotland.

Appendices



Action plan

Recommendations for improvement

Area	Recommendation	Management Response	Responsible person	Target Date	Priority
Financial Sustainability	<p>During this review in review of arrangements in relation to financial sustainability it was noted that the Local Delivery Plan (LDP) provided forecast budgets and expenditure covering up to financial year 2019/20 (medium term), in line with the LDP guidance, but there was no long-term financial planning in place.</p> <p>In line with best practice advocated by Audit Scotland, we recommend that the Board should introduce longer term financial planning.</p>	<p>Significant work has taken place to produce 3 year plans for finance, workforce and LDP. Scenario planning is incorporated within the finance plan to test variations in the financial assumptions and prove sustainability over this timeframe.</p> <p>Our judgement is that medium term financial planning (3 years) is appropriate considering the nature of organisation and our funding streams. Longer term financial planning is taking place in collaboration with other national boards and discussion has taken place around the potential impact of Brexit. These will all be reflected in future financial planning as soon as there is more certainty about their impact and will be overseen by the Audit & Risk Committee.</p>	Director of Finance & Corporate Services	Ongoing	

Key:



High Priority




Medium Priority



Low Priority

Action plan

Recommendations for improvement

Area	Recommendation	Management Response	Responsible person	Target Date	Priority
Financial Sustainability	With regards to assessment of the effectiveness of investment spend, it was noted that reports are produced for all major projects and presented to the Board.				
	Going forward Healthcare Improvement Scotland intend to set defined outcomes for the work undertaken and measure how major projects have contributed to improvements in key health outcomes.	During 2016-17 we developed an evaluation model using contribution analysis leading to the 9 health and wellbeing outcomes. We tested reporting of our work and its impact in contributing to these outcomes. This impact reporting is being refined as a priority during 2017-18 and is being overseen by the Quality Committee.	Director of Finance & Corporate Services	Ongoing	
	We would recommend that the Board progresses this initiative of linking major project spend to outcomes as quickly as possible and we will monitor progress on this during the period of our appointment.				

Key:



High Priority



Medium Priority



Low Priority

Fraud responsibilities and representations

Responsibilities explained



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.



Required representations:

We asked the Board to confirm in writing that it had disclosed to us the results of its own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that it was not aware of any fraud or suspected fraud that affects the entity.

We have also asked the Board to confirm in writing its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.



Audit work performed:

In our planning we identified the risk of fraud in complying with expenditure resource limits and management override of controls as a key audit risk for your organisation.

During course of our audit, we have had discussions with management and those charged with governance.

In addition, we have reviewed management's own documented procedures regarding fraud and error in the financial statements

We have reviewed the paper prepared by management for the Audit and Risk Committee on the process for identifying, evaluating and managing the system of internal financial control.

Concerns:

No concerns noted.



Independence and fees

As part of our obligations under International Standards on Auditing (UK and Ireland) and the Code of Audit Practice, we are required to report to you on the matters listed below:

Independence confirmation	We confirm that we comply with APB Ethical Standards for Auditors and that, in our professional judgement, we and, where applicable, all Deloitte network firms are independent and our objectivity is not compromised.
Fees	<p>The total audit fee for 2016/17 is £28,976 comprising the Deloitte audit fee and an additional fee charged by Audit Scotland.</p> <p>No non-audit services fees have been charged by Deloitte in the period.</p>
Non-audit services	In our opinion there are no inconsistencies between APB Ethical Standards for Auditors and the company's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.
Relationships	<p>We are required to provide written details of all relationships (including the provision of non-audit services) between us and the organisation, its board and senior management and its affiliates, including all services provided by us and the DTTL network to the audited entity, its board and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our objectivity and independence.</p> <p>We are not aware of any relationships which are required to be disclosed.</p>





Other than as stated below, this document is confidential and prepared solely for your information and that of other beneficiaries of our advice listed in our engagement letter. Therefore you should not, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. If this document contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities). In any event, no other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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