

# National Records of Scotland

Annual Audit Plan 2017/18



 AUDIT SCOTLAND

Prepared for National Records of Scotland

February 2018

## 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.

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# 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. 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 management, attendance at Audit & Risk Committee meetings and a review of supporting information we have identified the following main risk areas for National Records of Scotland (NRS). We have categorised these risks into financial statement risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

## Exhibit 1

Audit Risk	Source of 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 accounting estimates.</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 and expenditure</b></p> <p>NRS receives income from various sources, in addition to Scottish Government funding. The extent and complexity of income means that, per ISA 240, there is an inherent risk of fraud which requires an audit response. The Code of Audit Practice expands the ISA assumption to advise there is also a risk of fraud over aspects of expenditure, for public sector</p>	<p>Effective budget monitoring by management.</p> <p>Internal audit coverage.</p> <p>Fraud Response Plan and Fraud Policy Statement.</p>	<p>Analytical procedures on income and expenditure streams.</p> <p>Detailed substantive testing of income and expenditure transactions focusing on the areas of greatest risk.</p>

Audit Risk	Source of assurance	Planned audit work
bodies.		
<p><b>3 Estimation and judgements</b></p> <p>There is a degree of subjectivity in the measurement and valuation of the account areas of accruals and provisions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Effective budget monitoring by management.</p> <p>Regular financial reporting to the Management Board, Audit &amp; Risk Committee and Corporate Leadership Group.</p> <p>Review of technical guidance when preparing the NRS annual report and accounts.</p>	<p>Focused substantive testing during the financial statements audit of key judgemental areas.</p> <p>Review of accounting policies to ensure these are reasonable and comply with the Financial Reporting Manual (FReM).</p> <p>Review changes to the FReM to assess NRS' compliance with the latest guidance.</p>
<b>Wider dimension risks</b>		
<p><b>4 Governance re-structure</b></p> <p>NRS are undergoing an organisational re-structure in 2018. Management should ensure key governance policies and procedures are updated to reflect these changes, including:</p> <ul style="list-style-type: none"> <li>• Terms of reference for new committees and groups</li> <li>• Scheme of delegation</li> <li>• Financial regulations</li> </ul> <p>NRS should ensure the new governance arrangements are clearly documented and communicated to staff. There is risk of delays in decision making and action while these arrangements are being revised.</p>	<p>NRS Strategic Board (formerly Management Board and Audit &amp; Risk Committee) will continue to operate under current Terms of Reference (ToR) in an advisory and challenge capacity to the organisation.</p> <p>Executive Management Board (EMB) ToR approved 23/1/2018 with a six month review by EMB.</p> <p>Transition from Corporate Leadership Group to EMB took place in January 2018 with a transfer of responsibilities. NRS will operate with the EMB as the single organisational governance board to the end of financial year 2017/18. Decision log in place recording decisions made by EMB with regular monthly (minimum) communications to staff.</p> <p>EMB ToR to be communicated and published on NRS Connect for staff.</p> <p>Two further governance boards to be established from April 2018 with delegated responsibilities from EMB. Draft ToR for both Boards and scheme of delegation from EMB currently under review and will be in place by April 2018. Once approved by EMB, they will be communicated and published on Connect for staff.</p> <p>Communications undertaken with whole organisation on the</p>	<p>Review update of key governance documents.</p> <p>Review new organisational structure to assess whether clear reporting lines and accountability are in place.</p> <p>Ensure new governance arrangements reflect Scottish Government guidance, such as the Scottish Public Finance Manual.</p>

Audit Risk	Source of assurance	Planned audit work
	<p>step change to the new arrangements and what it means for day to day work and decisions taken within the organisation. Ongoing communications plan in place.</p>	
<p><b>5 Cyber security</b></p> <p>The Scottish Government has issued a Public Sector Action Plan ('Cyber Essentials') which requires all public sector bodies to carry out work in relation to their cyber security arrangements. This will require NRS to carry out a comprehensive assessment and accreditation with Cyber Essentials to demonstrate measures are in place to reduce the risk of cyber attacks.</p>	<p>NRS are working towards key deadlines set out in the Public Sector Action Plan, including completion of pre-assessments by the end of March 2018, and full compliance by October 2018.</p> <p>The ICT department is undergoing significant re-structure and recruitment to improve NRS' ICT infrastructure and resilience.</p>	<p>Monitor ongoing work within the ICT department to ensure the Public Sector Action Plan is being followed.</p> <p>Meet with the Director of ICT to discuss ICT risks and potential areas for external audit review during our appointment.</p>

## Reporting arrangements

4. Our annual audit plan and outputs as detailed in [Exhibit 2](#), 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). Our Annual Audit Report will be published after the NRS annual report and accounts have been laid before the Scottish Parliament.

5. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft reports will be issued to management to confirm factual accuracy.

6. We will provide an independent auditor's report to National Records of Scotland, Scottish Parliament and the Auditor General for Scotland summarising the results of our audit. We will provide the Accountable Officer and Auditor General for Scotland with an annual report on the audit containing observations and recommendations on significant matters which have arisen in the course of the audit.

7. Under the Public Finance and Accountability (Scotland) Act 2000 there is a requirement for the resource account of the Scottish Government to be presented to Parliament within nine months of the financial year-end, i.e. 31 December.

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## Exhibit 2

### 2017/18 Audit outputs

Audit Output	Target date	Audit & Risk Committee Date
Annual Audit Plan	28 February 2018	19 February 2018
Interim Report to Management (if required)	31 May 2018	22 May 2018
Annual Audit Report including ISA 260 requirements	30 September 2018	3 September 2018
Signed Independent Auditor's Report	4 September 2018 (tbc)	N/A

### Audit fee

8. The audit fee for the 2017/18 audit of NRS is £63,400 (2016/17: £62,640). In determining the audit fee we have taken account of the risk exposure of National Records of Scotland, 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 full, unaudited annual report and accounts for the year ended 31st March 2018, with a complete working papers package on 2 July 2018.

9. Where our audit cannot proceed as planned through, for example, late receipt of the 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 & Risk Committee and Accountable Officer**

**10.** 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.

**11.** The audit of the financial statements does not relieve NRS management or the Audit & Risk Committee, as those charged with governance, of their responsibilities.

### **Appointed auditor**

**12.** Our responsibilities as independent auditor are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice and guided by the auditing profession's ethical guidance.

**13.** 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

**14.** 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 NRS and the associated risks which could impact on the financial statements
- compliance checks to confirm the operation of controls within NRS' key financial systems
- identifying major transaction streams, balances and areas of estimation and understanding how NRS will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- 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.

**15.** We will give an opinion on the financial statements as to:

- whether they give a true and fair view of the financial position of NRS and its expenditure and income
- whether they have been properly prepared in accordance with relevant legislation, the applicable accounting framework and other reporting requirements for Central Government bodies
- the regularity of the expenditure and income
- the consistency between the narrative in the annual report and the results in the financial statements
- the consistency of the governance statement.



characteristics



responsibilities



principal activities



risks



governance arrangements

## Materiality

**16.** 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 NRS 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 budgeted expenditure for the year ending 31 March 2018, based on the most recent NRS finance report.	£340,000
<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 75% of planning materiality.	£255,000
<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 3% of planning materiality	£10,000



17. We review and report on other information published with the financial statements including the Performance Report and Accountability Report (which includes the Governance Statement and Remuneration and Staff Report). Any issues identified will be reported to the Audit & Risk Committee.

#### Timetable

18. 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 & Risk Committee dates.

## Exhibit 4

### Financial statements timetable

 Key stage	 Date
Latest submission date of unaudited National Records of Scotland's annual report and accounts with complete working papers package	2 July 2018
Latest date for final clearance meeting with the Chief Finance Officer	13 July 2018
Agreement of audited unsigned annual report and accounts; issue of draft Annual Audit Report including ISA 260 report to those charged with governance	10 August 2018
Presentation of Annual Audit Report to Audit & Risk Committee	3 September 2018
Independent auditor's report signed	4 September 2018

#### Internal audit

19. 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 the Scottish Government Internal Audit Directorate (IAD).

**20.** Our Scottish Government external audit team are currently performing an annual assessment of the adequacy of the IAD. We will liaise with our Scottish Government external audit team to confirm that the IAD operates in accordance with Public Sector Internal Audit Standards (PSIAS) and has sound documentation standards and reporting procedures in place. We will report any relevant findings to the Audit & Risk Committee in due course.

**21.** As part of our planning process we review internal audit reports and findings for NRS which may impact on our financial statements audit approach. In respect of our wider governance and performance audit work, we plan to consider their work on IT Security Events & GDPR arrangements, Budget Management Arrangements and the Census 2021. As we intend to focus our external audit on substantive testing we will not place formal reliance on the work of internal audit to support our audit opinion on the financial statements.

## Information security

**22.** In relation to the General Data Protection Regulation (GDPR), the new legislation takes effect for all public sector bodies in May 2018. NRS should ensure they have plans in place to comply with GDPR. Failure to comply with new data handling arrangements could potentially result in NRS incurring fines. Information security arrangements should therefore be closely examined to plan for GDPR implementation.

## Information & Communications Technology (ICT)

**23.** NRS appointed a new Director of ICT in October 2017. The new Director has assessed NRS' arrangements and at the Audit & Risk Committee meeting in November 2017 presented a summary of ICT risks. The risks outlined were under the categories of People, Process and Technology. It is clear that action is required to ensure the ICT department is effectively resourced and to drive forward improvements to ICT infrastructure and security. We have therefore arranged to meet with the Director of ICT to discuss plans to address these risks and potential ICT audit work.

**24.** Our 2016/17 Annual Audit Plan included proposed ICT audit work to carry out a 'Your Business @ Risk' staff survey. This survey aimed to review NRS' information governance and security. The survey was subsequently postponed until the 2017/18 financial year. Management have advised that the YB@R survey would not be beneficial for NRS to progress at this time, due to the ongoing restructure in the ICT department and prioritisation to improve the organisation's ICT infrastructure.

**25.** Furthermore, the Scottish Government's Public Sector Action Plan has since been published in November 2017, as noted in [Exhibit 1](#). This requires all public sector bodies to carry out work in relation to their cyber security arrangements to demonstrate accreditation with Cyber Essentials. Our audit in 2017/18 will therefore focus on NRS' plans to review its arrangements to ensure compliance with this Action Plan.

## Census 2021

**26.** NRS continues to prepare for the Census in 2021. Management have now agreed a long term funding package with the Scottish Government. NRS will receive funding of £86 million for financial years 2018/19 to 2023/24 i.e. over the remaining life cycle of the Census project. This funding agreement has enabled NRS to progress with two key procurements - the Online Collection Instrument (OCI) and Data Collection Online Management System (DCOMS). The rehearsal date for the Census has been moved until Autumn 2019 to ensure that there can be an effective end to end test of all systems and service at the same time as the rest of the UK. Census management have advised that this will still allow sufficient time to fix any issues.

**27.** The programme will see the organisation continue to expand in the lead up to the Census, and afterwards to collate and analyse the data beyond 2021. Management should ensure they plan its workforce effectively for the programme, including a focus on targeting the recruitment of staff in specialist areas, such as IT and analytics. We will continue to monitor the governance arrangements and budgeting for this programme as it progresses.

## National Fraud Initiative (NFI)

**28.** NFI is a data-matching exercise led by Audit Scotland to aid the detection of fraudulent payments. NFI allows public bodies to investigate matches and, if fraud or error has taken place, to stop payments and attempt to recover the amounts involved. It also allows auditors to assess the arrangements that the bodies have put in place to prevent and detect fraud, including how they approach the NFI exercise itself.

**29.** The current data matching exercise collected data in October 2016 and match investigation work began in January 2017. The Scottish Government (SG) finance directorate investigate relevant data matches on behalf of NRS, due to the shared SG finance and payroll systems used. We will monitor the progress and outcomes of the NFI exercise throughout the audit process and report relevant conclusions in our Annual Audit Report.

## Whole of Government Accounts

The Code of Audit Practice requires appointed external auditors to review and report on whole of government accounts (WGA) returns prepared by audited bodies. External auditors of Central Government entities are required to certify 2017/18 WGA returns, as in prior years. We do not expect NRS to be within the boundary determined by HM Treasury for WGA for the 2017/18 year. We will, however, monitor this position throughout the year and report accordingly following the financial year-end.

## Audit dimensions

**30.** 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



Source: Code of Audit Practice

### Financial sustainability

**31.** 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 NRS' financial sustainability in the longer term. We define this as short term (less than two years), 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
- whether NRS can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

**32.** NRS face challenges regarding its financial sustainability, as recognised in their Risk Register. This, in common with all Scottish public sector bodies, is as a result of uncertainty in future funding and due to the one year budget settlement received. NRS also relies on additional income to achieve its break-even financial targets each year. Therefore a priority NRS face is continuing to ensure additional income sources are managed effectively, including revenues received from the ScotlandsPeople website. NRS has a budget plan in place for 2018/19 and outline budget plans for the following two years. The Scottish Government draft budget for 2018/19 was announced in December 2017, which will allow management to revise their plans accordingly.

**33.** Looking ahead, NRS will also need to consider the impact of the end of the public sector pay cap. In addition, the annual pay award will take place from 1 April 2018 onwards, whereas in prior years it has been mid-way through the financial

year. In summary, the Scottish Government Draft Budget 2018/19<sup>1</sup> sets out the following in relation to public sector pay; the Budget will:

- lift the one per cent public sector pay cap and provide for a three per cent pay rise for NHS staff, police, teachers and others earning up to £30,000
- cap the pay bill at two per cent for all those earning more than £30,000; and
- limit the maximum pay uplift for those earning over £80,000 to £1,600.

**34.** NRS will need to consider the impact of these pay increases for its employees and factor this into future budgets and savings plans.

### Financial management

**35.** Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

**36.** The NRS finance report submitted to the Corporate Leadership Group in December 2017 projected a year-end underspend against their revenue budget of £4.2 million. NRS are required to break-even each financial year i.e. expenditure should match income and funding received. Therefore NRS are planning to return funding to the Scottish Government for the 2017/18 financial year, and then agree for these funds to be re-instated in 2018/19.

**37.** The projected underspend is primarily due to NRS continuing to carry a number of vacancies, as well as a reduction in forecast spend for the Census project in 2017/18. Management should ensure that realistic budgets are set each year, based on discussions with budget holders and expected progress of key programmes. There is a risk that Scottish Government funding may be revised if NRS does not spend the total funding they receive each financial year.

**38.** NRS also face challenges managing their 2017/18 capital budget of £3.3 million. This included planned capital expenditure on the Census and Digital Preservation Programme (DPP), as well as ICT and Estates work. As at December 2017, NRS projected a capital underspend of £1 million. The reduction in capital spend is due to slippage on Estates repair work, and also linked to resourcing challenges which has slowed the progress of key projects such as DPP. There is a risk that the full capital programme will not be completed. Furthermore, recent repair works needed at West Register House and Thomas Thomson House have highlighted NRS' ageing Estate. There is therefore a need to plan ahead for capital expenditure to maintain the Estate in future budget plans.

**39.** We will review, conclude and report on:

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

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<sup>1</sup> Scottish Budget: Draft Budget 2018-19, Scottish Government, published December 2017

## Governance and transparency

**40.** 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.

**41.** NRS are undergoing a significant governance re-structure in 2018. Key changes will include:

- the previous ‘portfolio’ structure will change to a fewer number of five NRS departments, each headed by a Director who will report to a Strategic Board (previously Management Board) and the Chief Executive.
- two new governance groups will be created – a Customer & Operations Board, and a Digital & Strategy Board.
- the structure of the ICT department is being significantly changed.

**42.** We are pleased to report that NRS now have a revised Framework Document with the Scottish Government in place. As noted in [Exhibit 1](#), we would also recommend NRS take the opportunity to revise its key governance procedures and policies as a result of the governance re-structure.

**43.** We will review, conclude and report on:

- whether NRS can demonstrate that the governance arrangements in place are appropriate and operating effectively
- 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

**44.** Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether:

- NRS can provide evidence that it is demonstrating value for money in the use of its resources
- NRS can demonstrate that there is a clear link between money spent, output and outcomes delivered
- NRS can demonstrate that outcomes are improving
- There is sufficient focus on improvement and the pace of it.

## Independence and objectivity

**45.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. 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 Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.

**46.** The engagement lead for National Records of Scotland external audit is Asif A Haseeb. 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 National Records of Scotland.

## Audit Team

47. The local audit team will be led by Jonny Steen, Senior Auditor, who will be responsible for day to day management of the audit and who will be your primary contact. Details of the experience and skills of our team are provided in [Exhibit 6](#).

## Exhibit 6

### External audit team

Name	Experience
Asif A Haseeb OBE <i>Engagement Lead</i>	Asif joined Audit Scotland in October 2001. Before this he was chief auditor in a Scottish council. Asif has over 23 years of public sector audit experience and substantial financial management and board level experience in the public sector gained through non-executive membership of various boards (currently member of Court at Glasgow Caledonian University). He is also a Justice of the Peace (lay magistrate).
Jonny Steen BAcc (Hons), CA <i>Senior Auditor</i>	Jonny has been with Audit Scotland for 6 years and qualified as a chartered accountant in 2015. He has experience of working on a number of Central Government audits, and has also worked on NHS and local government audits.
Wojciech Kuzma BSc Econ, MLitt <i>Professional Trainee</i>	Wojciech joined Audit Scotland in 2015 as a professional trainee. Wojciech is mid-way through studying for the Institute of Chartered Accountants of Scotland qualification. He graduated in 2010 with a BSc Econ in Business and Management from Aberystwyth University, and in 2011 with MLitt International Business from the University of St. Andrews.
Sumiya Beg BA (Hons) <i>Professional Trainee</i>	Sumiya is the newest member of the team, joining Audit Scotland in October 2017. She is an Accountancy graduate from Glasgow Caledonian University. Sumiya will begin her studies for the Institute of Chartered Accountants of Scotland qualification in 2018.

## Quality control

48. 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.

49. 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 (and relevant supporting guidance) 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.

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



# National Records of Scotland

## Annual Audit Plan 2017/18

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