

# Highlands and Islands Enterprise

Annual Audit Plan 2018/19



 AUDIT SCOTLAND

Prepared for Highlands and Islands Enterprise

February 2019

## 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

---

Risks and planned work	4
Audit scope and timing	10

# 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 sets out the work necessary to allow us to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit.
2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.


## Adding value

3. We aim to add value to Highlands and Islands Enterprise (HIE) through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help HIE promote improved standards of governance, better management and decision-making and more effective use of resources.


## Audit risks


4. 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 our audit of HIE. We have categorised these audit risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).


## Exhibit 1 2018/19 key audit risks

 Audit Risk	Source of assurance	Planned audit work
<b>Financial statements 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 to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</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>Substantive cut-off testing of income and expenditure to ensure that these have been recognised in the correct financial year.</p>

 <b>Audit Risk</b>	<b>Source of assurance</b>	<b>Planned audit work</b>
<p><b>2 Risk of fraud over income and expenditure</b></p> <p>HIE receives a significant amount of income (£8.3 million) in addition to Scottish Government funding. The extent and complexity of income means that, in accordance with ISA 240, there is an inherent risk of fraud.</p> <p>In public sector audit there is also a risk of fraud over aspects of expenditure for public sector bodies which have an overall net expenditure. HIE and its group recorded gross expenditure of £94 million in 2017/18.</p> <p>The Code of Audit Practice requires auditors to consider the risk of fraud over certain types of public sector expenditure. This includes grants and other claims made by individuals and organisations. HIE provided grants of £27.3 million to third parties in 2017/18.</p>	<p>Effective budget monitoring by management and members.</p> <p>Effective fraud and whistleblowing arrangements.</p> <p>Internal Audit's work on significant transactions testing which includes large grant payments.</p> <p>Information Security and Fraud Governance Group in place to consider any suspected fraud and security issues.</p> <p>Business Improvement and Internal Audit (BIIA) undertake a review of attempted frauds as and when appropriate.</p> <p>Awareness raising activity around fraud and cyber security across HIE including all staff communication and webinars.</p> <p>HIE participates in the National Fraud Initiative and actively follows up relevant matches with reports presented to the Risk and Assurance Committee.</p> <p>The Risk and Assurance Committee receive regular updates on any suspected fraud issues.</p> <p>NHS Counter Fraud Services provide counter fraud services for the Board.</p>	<p>Review HIE's anti-fraud arrangements.</p> <p>Walk-through of controls over receivables and payables.</p> <p>Detailed testing of revenue transactions focusing on the areas of greatest risk.</p> <p>Review of property income which is managed by a third party.</p> <p>Substantive testing of expenditure transactions with reliance on internal audit's work on significant transactions.</p> <p>Assessment of the results from HIE's participation in the National Fraud Initiative (NFI). This will be considered for Audit Scotland's national report in due course.</p>
<p><b>3 Estimation and judgements</b></p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of land and buildings (£37 million), pensions (£39 million) and investments (£3 million). Valuation and disclosure of investments may also be affected by the adoption of IFRS 9 (Financial Instruments) in 2018/19.</p> <p>The subjectivity in these areas and management's judgements represent an increased risk of misstatement in the financial statements.</p>	<p>Pension liability and non-current asset valuations are supported by external professional advisers who are qualified in their field.</p> <p>Work is ongoing to establish the impact of IFRS 9 on the valuation and disclosure of HIE's financial investments. The methods of valuation available under IFRS 9 are the same as the valuation methods currently used. A consistent valuation method will be established and used by the investment team.</p>	<p>Review the work of an expert for the professional valuers (pensions liabilities and non-current assets)</p> <p>Focused substantive testing of year end balances.</p> <p>Review of management's assessment of the appropriateness of the assumptions used in the valuation of these assets and liabilities.</p> <p>Liaise with management to determine the impact of IFRS 9 and test as appropriate.</p>

 <b>Audit Risk</b>	<b>Source of assurance</b>	<b>Planned audit work</b>
<p><b>4 Financial management capacity</b></p> <p>The nature of its business means that HIE needs to account for complex transactions including loans made at preferential interest rates, VAT, corporation tax and the consolidation of subsidiaries and associated companies.</p> <p>Last year we recommended that a review be undertaken to ensure that there is sufficient financial skills and capacity within the finance team.</p> <p>The ongoing HMRC VAT investigation continues to put pressure on the finance team during 2018/19.</p> <p>HIE has established a new subsidiary (Cairngorm Mountain (Scotland) Ltd) to acquire the assets and business of the previous operator from its administrators until a longer-term solution can be found.</p> <p>There is a risk that the finance team will not have the capacity or financial skills required to deliver the annual accounts to the agreed timetable and that complex transactions will not be accounted for correctly.</p>	<p>Accounts preparation processes have been revised to address the areas identified in last year's audit.</p> <p>HIE supplements its capacity at year-end in a planned way through the use of an external accountancy firm and views this as good management of resources.</p> <p>A full review of the skills and capacity of the Financial Services team was carried out following the retiral of a member of the team. This particular role was redesigned and expanded to include systems accounting as well as the existing cash management role.</p> <p>Following the review it was established that the skill mix could be enhanced by further training of the remaining team, recruitment of a graduate trainee and replacement of vacant posts. The recruitment process is not complete at present and we are currently looking to recruit an experienced qualified accountant to ensure the 2018/19 accounts show the expected improvements.</p> <p>We have also established a cross directorate group to review and improve the look and integration of the performance report.</p>	<p>Regular meetings with the Director of Finance &amp; Corporate Services to identify any issues in respect of the finance team's capacity and the impact on the preparation of the financial statements.</p> <p>Review of HIE's spend on consultants during 2018/19.</p> <p>Review the progress of the ongoing VAT investigation and the implications for HIE's accounts, including HIE's correspondence with HMRC and related advice from HIE's advisors. Review the accounting treatment for VAT related liabilities and test the impact on the accounts.</p> <p>Review of Board papers relating to the establishment and operation of the new subsidiary.</p> <p>Review the accounting treatment for the new subsidiary and test the impact on the group accounts.</p>
<p><b>5 Cairngorm funicular railway</b></p> <p>HIE owns the assets comprising Cairngorm estate including the funicular railway which was closed in October 2018 due to safety concerns. A more detailed structural review has recently been completed. HIE is currently considering this review and a further peer review is being undertaken.</p> <p>There is a risk that funicular's asset valuation is materially misstated in the accounts.</p>	<p>HIE are currently reviewing and updating the lease with Cairngorm Mountain (Scotland) Ltd. This will be informed by independent professional advice which will also consider the implication for asset valuation.</p>	<p>Review Board papers including the structural review.</p> <p>Substantive testing of asset valuation included within the accounts, including impairment reviews.</p>

	Audit Risk	Source of assurance	Planned audit work
<b>Wider dimension issues and risks</b>			
6	<b>Financial management and sustainability</b>  HIE faces financial pressures including in areas where there is uncertainty about the timing and amount of potential costs (see 4 and 5 above).  There is a risk that HIE may face additional, unplanned costs that will affect its overall financial position.	<p>Established budget monitoring systems are in place.</p> <p>Scenario and financial planning models are being developed and tested.</p> <p>Various scenarios have been discussed at Senior Managers and Leadership Team meetings and in reports to the December and February Board meetings.</p> <p>The Board agreed with the recommendation to pursue a 'target scenario'. This is dependent on the successful management of three key risks, all of which are likely to require assistance from the Scottish Government.</p> <p>An update report will be provided to the Risk and Assurance Committee in March with formal budget approval sought from the Board in April.</p>	<p>Review financial monitoring reports and the financial position at the year-end including performance against resource limits set by the Scottish Government.</p> <p>Review progress made with the development of medium- and long-term financial planning including reporting to the Board.</p>
7	<b>European Union (EU) withdrawal</b>  There are considerable uncertainties surrounding the implications of EU withdrawal. Public bodies should assess the potential impact on their operations and identify specific issues and planned responses.  There is a risk that HIE is not prepared for the impact of EU withdrawal on the delivery of services.	A detailed update on the implications of Brexit was presented to the HIE Board in February 2019.	<p>Review of Risk and Assurance Committee/Board papers.</p> <p>Assess HIE's preparations for EU withdrawal through discussions with its EU co-ordinator.</p> <p>Consider how HIE responds to any emerging issues after March 2019.</p>
8	<b>Enterprise and Skills Review</b>  In October 2018, the enterprise and skills strategic board published its first strategic plan. The plan should clarify the strategic direction to HIE and other enterprise and skills agencies. It aims to increase productivity and drive inclusive and sustainable economic growth in Scotland. Actions set out in the strategic plan require HIE to increase collaboration and alignment with the other enterprise and skills bodies.	<p>On-going engagement with the strategic board and the Scottish Government.</p> <p>The Board is kept apprised of progress through regular updates.</p> <p>Effective financial management and workforce planning arrangements.</p>	<p>Review how HIE is responding to the strategic plan and what impact the new enterprise and skills arrangements are having on its:</p> <ul style="list-style-type: none"> <li>• <b>governance arrangements:</b> clarity around new roles, responsibilities and accountabilities</li> <li>• <b>strategic direction and its operations:</b> capacity to deliver on the existing and new duties and responsibilities and its income and expenditure</li> </ul>

 Audit Risk	Source of assurance	Planned audit work
<p>There is a risk that transitioning to the new enterprise and skills arrangements has an adverse short-term impact on HIE's business and performance.</p>		<ul style="list-style-type: none"> <li>• <b>performance management:</b> whether appropriate measures are in place to determine and report on the impact of the new arrangements.</li> </ul>
<p><b>9 Cyber security and business continuity arrangements</b></p> <p>HIE and Enterprise Information Systems (EIS), which delivers ICT services to the enterprise and skills bodies, have not yet achieved Cyber Essentials accreditation. This is mainly due to legacy systems including HIE's management system (its key IT system).</p> <p>HIE does not have a business continuity plan in place setting out, for example, how it would respond if it could not access its key locations or if its IT systems were unavailable.</p> <p>These matters may represent a risk to HIE's business continuity.</p>	<p>EIS has undertaken a gap analysis of relevant information security standards which has identified that some remedial work is required before Cyber Essentials accreditation can be achieved. The Legacy Project is progressing well and is expected to be completed by March 2019.</p> <p>The management system is due to be moved to a cloud-hosted environment in June after which EIS will apply for Cyber Essentials accreditation on HIE's behalf.</p> <p>HIE has also procured additional external cyber security expertise. Investment has been made in staff awareness training and tips on cyber security are published on the Intranet, including how to deal with cyber attacks and the risks of social engineers. Regular reports are made to the Risk and Assurance Committee.</p> <p>Work is ongoing to develop a business continuity plan.</p>	<p>Review of EIS's internal audit's work on disaster recovery and cyber security arrangements.</p> <p>Review of cyber security and business continuity reports to the Risk and Assurance Committee and/or Board.</p> <p>Review of progress made in developing a business continuity plan for HIE.</p>

Source: Audit Scotland

## Reporting arrangements

**5.** Audit reporting is the visible output for the annual audit. All annual audit plans and the 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).

**6.** 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.

**7.** We will provide an independent auditor's report to HIE, the Scottish Parliament and the Auditor General for Scotland setting out our opinions on the annual accounts. 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 during the audit.



## Exhibit 2

### 2018/19 audit outputs

Audit Output	Target date	Committee Date
Management Report	28 May 2019	4 June 2019
Annual Audit Report	6 August 2019	13 August 2019
Independent Auditor's Report	13 August 2019	N/A

Source: Audit Scotland

### Audit fee

**8.** The agreed audit fee for the 2018/19 audit of HIE is £136,160 (2017/18: £133,490). In determining the audit fee, we have taken account of the risk exposure of HIE, 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 14 June 2019.

**9.** 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

#### Risk and Assurance 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 management or the Risk and Assurance Committee, as those charged with governance, of their responsibilities.

#### Appointed auditor

**12.** Our responsibilities as independent auditors are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

**13.** Auditors in the public sector give an independent opinion on the financial statements and other information within 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

## Annual report and accounts

**14.** The annual report and accounts, which include the financial statements, will be the foundation and source for most 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 HIE and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how HIE 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:

- whether the financial statements give a true and fair view of the financial position of Highland and Islands Enterprise and its group as at 31 March 2019 and of their income and expenditure for the year then ended
- whether the financial statements have been properly prepared in accordance with relevant legislation, the applicable accounting framework and other reporting requirements
- whether the information included in the performance and accountability reports meets requirements for their preparation and is consistent with the financial statements
- the regularity of the expenditure and income.

## Other information in the annual report and accounts

**16.** We also review and report on other information published within the annual report and accounts including the performance report, the governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

**17.** We also read and consider any information in the annual accounts other than the financial statements and audited part of the remuneration report and report any uncorrected material misstatements.



characteristics



responsibilities



principal activities



risks



governance arrangements

## Materiality

18. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

19. We calculate materiality at different levels as described below. The calculated materiality values for HIE including its group are set out in [Exhibit 3](#).

### Exhibit 3 Materiality values



Materiality	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 the group's gross expenditure for the year ended 31 March 18 based on the audited accounts for 2017/18.	£940,000
<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 40% of planning materiality.	£380,000
<b>Reporting threshold (i.e., clearly trivial)</b> – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 5% of planning materiality.	£50,000

Source: Audit Scotland

## Timetable

20. To support the efficient use of resources it is critical that a timetable is agreed with us for the audit of the annual report and accounts. [Exhibit 4](#) sets out the agreed timetable which takes account of submission requirements, planned Risk and Assurance Committee dates, and the decision to accelerate the timetable last year. The timetable remains challenging and any delays in accounts preparation processes or responses to queries will impact on the audit process.

### Exhibit 4 Financial statements timetable

 Key stage	 Date
Latest submission date of unaudited annual accounts with complete working papers package	14 June 2019
Latest date for final clearance meeting with Director of Finance and Corporate Services	31 July 2019
Agreement of unsigned audited accounts and issue of Annual Audit Report to those charged with governance	6 August 2019
Independent auditor's report signed	13 August 2019
Latest date for signing of WGA assurance statement	27 September 2019

## Internal audit

**21.** Internal audit is provided by HIE's in-house internal audit team supported by a contract with Scott-Moncrieff to provide specialist and additional resources as required. In addition, HIE has developed a joint plan with the internal auditors of Scottish Enterprise (SE) and Skills Development Scotland (SDS) to obtain assurances over the operation of Enterprise Information Systems which deliver ICT services to all three bodies.

**22.** We reviewed HIE's in-house internal audit function and concluded that, overall, the service operates in accordance with Public Sector Internal Audit Standards (PSIAS) and has sound documentation and reporting procedures in place. The requirement to comply with PSIAS is built in to all outsourced internal audit services including those jointly tendered with SDS and SE.

**23.** As we have previously reported, PSIAS requires that an independent external review of the internal audit service be undertaken at least every five years. HIE's internal audit service has not been independently assessed against the full PSIAS since 2010 although a high-level review was completed during 2018 which concluded that internal audit's methodology was consistent with the overall expectations of the PSIAS. We have been advised that a full review against the PSIAS will be undertaken during 2019.

### Using the work of internal audit

**24.** 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 to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively. From our initial review of internal audit plans we plan to place formal reliance on internal audit's work on significant transactions.

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

- information governance and systems
- financial controls
- governance arrangements
- best value.

**26.** To ensure a joined-up approach, we are also planning to liaise with the Scottish Enterprise (SE) and Skills Development Scotland (SDS) auditors on internal audit arrangements for Enterprise Information Systems (EIS) which deliver ICT services to HIE, SDS and SE. We will consider the internal audit reports on disaster recovery and cyber security as part of our wider dimension audit responsibilities.

## Audit dimensions

**27.** 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

**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 HIE'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
- whether HIE can demonstrate the affordability and effectiveness of the funding and investment decisions it has made.

**29.** HIE receives a significant level of EU funding. As part of our 2018/19 audit work, we will consider HIE's response to EU withdrawal, including any impact on financial sustainability and the extent to which HIE commits expenditure funded by EU income.

### Financial management

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

**31.** As part of our 2018/19 audit we shall consider whether HIE has any dependency on key suppliers. The collapse of private sector companies has brought into focus the risk of key supplier failure and the risk of under-performance in suppliers that are experiencing difficult trading conditions. We will complete an audit questionnaire to assess the risk to HIE.

### **Governance and transparency**

**32.** 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 HIE 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**

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

- HIE can provide evidence that it is demonstrating value for money in the use of its resources
- HIE can demonstrate that there is a clear link between money spent, output and outcomes delivered
- HIE can demonstrate that outcomes are improving
- there is sufficient focus on improvement and the pace of it
- HIE has arrangements in place to support the Accountable Officer in her duty to secure best value, in line with the Scottish Public Finance Manual.

### **Independence and objectivity**

**34.** 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 robust arrangements in place 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.

**35.** The engagement lead (i.e. appointed auditor) for HIE is Gordon Smail, Audit 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 HIE.

### **Quality control**

**36.** 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.

**37.** 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 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 and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) has been commissioned to carry out external quality reviews.

**38.** 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.

# Highlands and Islands Enterprise

## Annual Audit Plan 2018/19

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)