

Scottish Government

Annual Audit Plan 2018/19



 AUDIT SCOTLAND

Prepared for the Scottish Government
March 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	13

Risks and planned work

1. Auditors in the public sector give an independent opinion on the financial statements and other specified information accompanying the 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.
2. The Scottish Government's consolidated accounts report the financial outcome compared to spending plans of Scottish Ministers as set out in the annual budget approved by the Scottish Parliament in the Budget (Scotland) Act.
3. 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 for the Auditor General for Scotland to provide an independent auditor's report on the consolidated accounts and to allow us to meet the wider scope requirements of public sector audit.

Adding value

4. We aim to add value to the Scottish Government 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 support the Scottish Government promote high standards of governance, better management and decision making and more effective use of resources.

Audit dimensions

5. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money. The four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 1](#)

Exhibit 1 Audit dimensions



Financial sustainability

6. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will comment on the Scottish Government's ability to demonstrate its 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 Scottish Government's progress in developing its approach to strategic public financial management in the context of new financial powers
- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- whether the Scottish Government can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

Financial management

7. 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 the Scottish Government has arrangements in place to ensure systems of internal control are operating effectively
- whether the Scottish Government can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how the Scottish Government has assured itself that its financial capacity and skills are appropriate
- whether the Scottish Government has appropriate and effective arrangements for the prevention and detection of fraud and corruption
- how the Scottish Government is progressing the requirements of the National Fraud Initiative (NFI).

Governance and transparency

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

- whether the Scottish Government can demonstrate that its governance arrangements are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency in decision making and finance and performance reports
- the quality and timeliness of financial and performance reporting.

Value for money

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

- the Scottish Government can provide evidence that it is demonstrating value for money in the use of its resources

- the Scottish Government can demonstrate that there is a clear link between money spent, output and outcomes delivered
- the Scottish Government can demonstrate that outcomes are improving
- there is sufficient focus on improvement and the pace of it.

10. Our approach to the Scottish Government integrates the annual audit work and our wider programme of national performance audits. Together, these provide a strong basis for us to assess the Scottish Government's position in relation to each of the four audit dimensions and to maximise the value of our audit reports.

Audit risks

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

Exhibit 2 2018/19 Key audit risks

Audit Risk	Source of assurance	Planned audit work
Financial statements issues and risks		
<p>1 Support to private companies – valuation of investments</p> <p>In 2017/18, the Scottish Government made commercial loans to two private companies, Burntisland Fabrications (BiFab) and Ferguson Marine Engineering Limited (FMEL). In the case of BiFab, the loans were converted to an equity stake in the company.</p> <p>The loans were provided to support cash flows and business growth. The nature of the investment means the valuation is uncertain and may be subject to impairment. In addition, the introduction of IFRS 9 in 2018/19 introduces new accounting requirements (see also Audit Risk 2).</p> <p>These complexities mean there is a risk the value of investments may be misstated in the consolidated accounts.</p>	<ul style="list-style-type: none"> • Impairment reviews carried out by the Scottish Government. • External advisers appointed in relation to the investments in BiFab and FMEL. 	<ul style="list-style-type: none"> • Early engagement with officers to discuss proposed treatment of investments for 2018/19. • Review of reports from the Scottish Government's advisers (PwC/ Grant Thornton). • Consideration of impairment reviews completed by the Scottish Government.
<p>2 Introduction of IFRS 9</p> <p>A significant change to the 2018/19 Government Financial Reporting Manual (FReM) is the introduction of International Financial Reporting Standard 9 (IFRS 9).</p> <p>This new standard requires a more principles-based approach to the accounting for financial instruments,</p>	<ul style="list-style-type: none"> • Ongoing workstream considering the impact of IFRS 9. 	<ul style="list-style-type: none"> • Early engagement with officers to discuss proposed approach. • Review of draft disclosures against IFRS 9 and associated guidance.

Audit Risk	Source of assurance	Planned audit work
<p>including their classification and measurement. It also introduces a new model for the recognition of expected impairment losses.</p> <p>The 2017/18 Scottish Government Consolidated accounts included financial instruments totalling £17.5 billion (financial liabilities £6.7billion and financial assets £10.8 billion). Given the relatively significant changes required by IFRS 9, the value of financial instruments, and the complex nature of some financial instruments including student loans, there is a risk they could be accounted for incorrectly in the 2018/19 accounts.</p>		
<p>3 Group audit considerations</p> <p>The Scottish Government consolidated accounts are group accounts which include the financial results of a number of bodies within the Scottish Government accounting boundary, including the core Scottish Government. This means we have to ensure there are appropriate arrangements in place to confirm the information is audited appropriately and consolidated correctly. There are a number of risks associated with this for 2018/19 including:</p> <ul style="list-style-type: none"> • The inclusion of the results of the new Social Security Scotland agency for the first time and the implications for the group reporting of potential fraud and error rates for certain benefits delivered by the agency. • Ensuring financial guarantees are appropriately disclosed. • Ensuring the information consolidated in the Consolidated Accounts agrees to the signed financial statements of the other bodies. 	<ul style="list-style-type: none"> • Established consolidation process in place. • Non-statutory guarantees or indemnities in excess of £1 million require approval of the Scottish Parliament. • A record of all contingent liabilities, guarantees, indemnities and letters of comfort is maintained, updated and reviewed by management. 	<ul style="list-style-type: none"> • Ongoing engagement with component auditors. • Guidance and information requests issued to component auditors to support group audit procedures. • Review of consolidation packs received. • Review of financial guarantee disclosures.
<p>4 Business continuity risks for the SEAS accounting system</p> <p>The SEAS accounting system is used by the Scottish Government and many other public bodies as the main financial ledger. Our audit planning work highlighted some potential issues around the</p>	<ul style="list-style-type: none"> • Long-term system replacement plans to be prepared. 	<ul style="list-style-type: none"> • Review SEAS patching and upgrade levels. • Key controls testing of the SEAS system. • Ongoing engagement with corporate reporting and financial services teams.

Audit Risk	Source of assurance	Planned audit work
<p>functionality and continuity of the system.</p> <p>There is an audit risk that the system does not function as required, the controls are compromised, and preparation of the annual accounts is adversely affected.</p>		
<p>5 Estimation and judgements</p> <p>There are significant degrees of management estimation in the measurement, valuation and disclosures of a number of material account areas including student loans, investments, contingent liabilities, financial guarantees and provisions. Estimations and judgements create a higher risk that material areas in the accounts are misstated.</p>	<ul style="list-style-type: none"> • Management exercise judgements in line with accounting standards. • Non-statutory guarantees or indemnities in excess of £1 million require approval of the Scottish Parliament. • A record of all contingent liabilities, guarantees, indemnities and letters of comfort is maintained, updated and reviewed by management. • Evaluation of guarantees involves financial modelling to simulate sources of uncertainty. 	<ul style="list-style-type: none"> • Further review of the student loans model (assumptions and application). • Focused substantive testing. • Review the identification of and record of contingent liabilities, guarantees, indemnities and letters of comfort. • Test assumptions in contingent liability financial modelling. • Review the disclosure of student loans, investments, contingent liabilities, guarantees etc.
<p>6 Risk of management override of controls</p> <p>Notwithstanding the existence of a control environment, 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>	<ul style="list-style-type: none"> • Owing to the nature of this risk, assurances from management are not applicable in this instance. 	<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business. • Consider internal audit reports. • Consideration of the results of controls testing.
<p>7 Risk of fraud over income and expenditure</p> <p>ISA 240 presumes a risk of fraud in regard to revenue recognition in the financial statements in any audit. Practice Note 10 extends this to include expenditure recognition in some public sector bodies. Given the nature of income and expenditure in relation to the Scottish Government</p>	<ul style="list-style-type: none"> • The nature of arrangements means that the majority of Scottish Government expenditure is providing funding to other public bodies. • Sound budgetary control and monitoring arrangements. 	<ul style="list-style-type: none"> • Perform detailed testing of significant transactions, particularly around the financial year-end. • Carry out analytical procedures. • Monitor budgetary process and reporting. • Consider any internal audit reports.

Audit Risk	Source of assurance	Planned audit work
<p>there is a risk of fraud over income and expenditure.</p>	<ul style="list-style-type: none"> Internal audit reports. Oversight by the Corporate Board. 	
Wider dimension issues and risks		
Financial sustainability		
<p>8 UK decision to leave the European Union (EU exit)</p> <p>The UK's decision to leave the European Union is expected to have a fundamental impact on the Scottish Government in a number of areas including:</p> <ul style="list-style-type: none"> resilience planning to ensure smooth running of public services workforce planning to ensure short and medium term resources are in place to respond to EU exit. funding for schemes such as European Structural Funds and Common Agricultural Policy, and financial planning to respond to changes the powers devolved to the Scottish Parliament. <p>EU exit presents a number of significant risks to the capacity and capability of the Scottish Government's activities. It is important that the Scottish Government is appropriately prepared for EU exit as failure to do so will increase the risk to ongoing operations and public services.</p>	<ul style="list-style-type: none"> Constitution and Europe programme board leading the organisation's planning and response to EU exit. Financial implications considered by the Executive/ Corporate Board. Ongoing engagement between the UK and Scottish Government. 	<ul style="list-style-type: none"> Assessment of how the Scottish Government has prepared for EU withdrawal and how it continues to respond to any emerging risks after March 2019. Results to be reported in our Annual Audit Report. Consideration of actions taken by the Scottish Government to help the wider public sector assess and mitigate risks.
Financial management		
<p>9 Workforce capacity and capability</p> <p>Financial devolution under the 2012 and 2016 Scotland Acts brought more responsibility for financial management at a time of increasing pressures on resources. In addition, the decision of the UK to leave the European Union has increased pressures on capacity as resources have been diverted from day to day business to respond to preparations for EU exit.</p> <p>The Scottish Government has identified its workforce capacity at this time of change as a key business risk. There is a risk of staff</p>	<ul style="list-style-type: none"> People plan is in place. Planning processes are focused around capacity and capability. Succession planning, scenario planning and improvements to management information. 	<ul style="list-style-type: none"> Consideration of how the Scottish Government plan and prioritise resources and whether this ensures core functions are still delivered effectively. Further consideration of impact of social security agency/EU exit on core finance functions. Consideration of Audit Scotland performance audit report on social security. Consideration of Audit Scotland performance

Audit Risk	Source of assurance	Planned audit work
<p>being diverted into high risk areas such as EU exit and social security implementation, leaving unfulfilled gaps in other areas, affecting its ability to deliver business as usual activities.</p> <p>There is a risk that significant changes to workforce capacity and deployment impacts adversely on the effective operation of key controls and systems such as IT, payroll and finance.</p>		<p>audit report on digital skills.</p> <ul style="list-style-type: none"> Review the National Performance Framework to assess Scotland's performance during this period of change.
<p>10 Key supplier dependency</p> <p>The collapse of Carillion in January 2018 had a significant impact across the public sector, bringing into focus the risk of key supplier failure and the risk of underperformance where suppliers are experiencing difficult trading conditions.</p> <p>The Scottish Government depends on a large number of suppliers as part of its day to day operations and needs to have in place suitable arrangements to both manage the contracts and mitigate any problems with key supply companies that occur.</p> <p>If this risk is not managed appropriately it could have a significant impact on service delivery.</p>	<ul style="list-style-type: none"> Established Procurement team. Engagement with the State Aid Unit and Procurement by policy teams. Scottish Government Procurement Strategy 2017-19. 	<ul style="list-style-type: none"> Review of how the Scottish Government identifies key suppliers for the Scottish Government and the wider public sector. Review of arrangements in place to identify risk of supplier failure and plans in place to mitigate this.

Governance and Transparency

<p>11 Governance</p> <p>Our 2017/18 audit concluded that scrutiny was not as effective as it needed to be. We continue to review a number of aspects of governance including:</p> <ul style="list-style-type: none"> The role and capacity of Non-Executive Directors (NXDs) in providing effective support, scrutiny and challenge The quality and timeliness of meeting papers The effectiveness of the risk escalation process <p>Good governance is important for longer term decision-making, efficient use of resources and accountability for stewardship of those resources.</p> <p>We will review the effectiveness of governance arrangements and</p>	<ul style="list-style-type: none"> Corporate governance manual. Ongoing NXD recruitment. Risk management framework. 	<ul style="list-style-type: none"> Review of effectiveness of governance arrangements. Engagement with Internal Audit. Engagement with NXDs including chair of SGAAC. Attendance at SGAAC and DG assurance meetings. Review of corporate and DG risk registers Review of Governance Statement.
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Audit Risk	Source of assurance	Planned audit work
<p>assess whether they provide effective oversight, scrutiny and management of resources to achieve intended outcomes and support the Principal Accountable Officer in discharging her responsibilities.</p>		
<p>Source: Audit Scotland</p>		

Prior year follow-up

12. In addition to the risks identified above there are a number of issues and recommendations we have raised in prior years which have not yet been resolved or implemented. We will follow these up during our 2018/19 audit and report our findings.

National Fraud Initiative (NFI)

13. The Scottish Government participates in the biennial NFI. The Scottish Government was required to submit data in October 2018 and has received matches in some areas for investigation, with the remaining matches to follow. Audit Scotland expects bodies to investigate all recommended matches plus further matches based on findings and the risk of error or fraud. Match investigation work should be largely completed by 30 September 2019 and the results recorded on the NFI system. Some investigations may continue beyond this date. As part of our 2018/19 audit, we will monitor the Scottish Government's participation and progress, and report any findings in our Annual Audit Report.

Reporting arrangements

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

15. 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.

16. The Auditor General for Scotland will provide an independent auditor's report to the Scottish Government and the Scottish Parliament setting out her opinions on the consolidated accounts. We will provide the Principal 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 3 2018/19 Audit outputs

Audit Output	Target date	Committee Date
Overview of Internal Audit	1 June 2019	24 June 2019
Management Report	1 June 2019	24 June 2019
Annual Audit Report	23 September 2019	23 September 2019

Audit Output	Target date	Committee Date
Independent Auditor's Report	24 September 2019	N/A
Public (Section 22) report on the 2018/19 audit of the Scottish Government Consolidated Accounts	26 September 2019	N/A
Assurance statement on the Whole of Government Accounts	30 September 2019	N/A

Source: Audit Scotland

Audit fee

17. The proposed audit fee for the 2018/19 audit of the Scottish Government is £1,107,750 (2017/18 £1,076,590). In determining the audit fee, we have taken account of the risk exposure of the Scottish Government, 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 core schedules and working papers on 7 June 2019 and consolidated accounts and working papers on 26 July 2019.

18. Where our audit cannot proceed as planned through, for example, late receipt of unaudited core schedules or consolidated accounts 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 out with our planned audit activity.

Responsibilities

Audit and Assurance Committee and Principal Accountable Officer

19. 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.

20. The audit of the consolidated accounts does not relieve management or the Scottish Government Audit and Assurance Committee as those charged with governance, of their responsibilities.

Appointed auditor

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

Audit scope and timing

Consolidated accounts

22. The consolidated 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 the Scottish Government 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 the Scottish Government 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.

23. We will give an opinion on whether the financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of affairs of the Scottish Government and the consolidation of the entities within the departmental accounting boundary as at 31 March 2019 and of the net resource outturn and resources applied to objectives for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Financial Reporting Manual (FReM); and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information in the consolidated accounts

24. We also review and report on other information published within the consolidated accounts including the performance report, governance statement and the remuneration and staff 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.

25. 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

26. 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.

27. We calculate materiality at different levels as described below. The calculated materiality values for the Scottish Government are set out in [Exhibit 4](#).

Exhibit 4 Materiality values



Materiality	Amount
<p>Planning materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at one per cent of gross expenditure for the year ended 31 March 2018 based on the latest audited accounts.</p>	£360 million
<p>Performance materiality – 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 15 per cent of planning materiality.</p> <p>However, given the specific nature of the Scottish Government audit and the lower materiality levels in respect of individual errors identified, we apply judgement and consider the nature and circumstances of each error identified. Therefore, in practice, we are working to much lower materiality levels and any individual error in the range £10 million to £20 million and above may be material depending on its nature and impact.</p>	£54 million
<p>Reporting threshold – 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 one per cent of planning materiality and capped at £0.25 million.</p>	£0.25 million

Source: Audit Scotland

Timetable

28. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 5](#)

Exhibit 5 Consolidated accounts timetable

 Key stage	 Date
Latest submission of core schedules with complete working papers package	7 June 2019
Latest submission of unaudited consolidated financial statements with complete working papers package	26 July 2019
Latest date for final clearance meeting with Chief Financial Officer	6 September 2019
Agreement of audited unsigned financial statements; issue of Annual Audit Report including ISA 260 report to those charged with governance	16 September 2019



Key stage



Date

Independent auditor's report signed

24 September 2019

Using the work of internal audit

29. International Standards on Auditing (ISAs) 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 in line with ISA 610. Internal audit is provided by the Scottish Government Internal Audit Directorate (IAD) overseen by the Director of Internal Audit.

30. In July 2018 we reported that the Scottish Government's Internal Audit Directorate met some of the Public Sector Internal Audit Standards, but also did not comply with significant aspects of the standards. We also reported that improvements were required to meet both PSIAS and the Scottish Government's own Internal Audit Manual. We did not identify any internal audit reports where the underlying evidence would suggest an incorrect audit opinion or conclusion.

31. We will follow-up our prior year findings as part of our review. PSIAS require IAD to undertake an External Quality Assessment (EQA) at least every 5 years. An EQA is due to be completed in 2018/19 and we will consider the results of this as part of our review. We will report any significant findings to the June 2019 meeting of SGAAC and will outline any areas of work where we plan to place reliance once this review is complete.

Independence and objectivity

32. 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.

33. The engagement lead for the Scottish Government is Stephen Boyle, 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 the Scottish Government.

Quality control

34. 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.

35. 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) have been commissioned to carry out external quality reviews.

36. 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.

The Scottish Government

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

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