

30 June 2016

Dear Consultee

Consultation on Audit Scotland fee setting arrangements

New audit appointments will commence in autumn 2016 alongside the implementation of the revised Code of Audit Practice. At the same time Audit Scotland has undertaken a review of its funding and fee setting arrangements to assess whether they are fit for purpose, fair, transparent and understandable for audited bodies and other stakeholders.

Audit Scotland is responsible for setting the fees for audits undertaken on behalf of the Auditor General and Accounts Commission. The attached consultation paper describes the changes we are proposing to make in the way in which audit fees are calculated and presented to audited bodies.

The outcome of this consultation, together with the savings from the recent audit procurement exercise and future Audit Scotland efficiency targets will be combined to inform the setting of audit fees for the 2016/17 audits in the autumn. At this stage we expect to be able to reduce overall fees in most sectors although a small number of bodies are likely to see increases as audit fees are brought into line with the cost of carrying out the audit.

Stakeholder feedback is an important part of the review process and we therefore welcome your views on the questions in the consultation paper or any other aspect of our fee setting arrangements. Please respond by 8 August 2016 to feesresponse@audit-scotland.gov.uk.

Yours sincerely



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Assistant Auditor General