

MEETING: 7 DECEMBER 2017

REPORT BY: SECRETARY TO THE COMMISSION

AUDIT QUALITY FRAMEWORK

Purpose

1. This report presents to the Commission the agreed Audit Quality Framework.

Background

2. At its meeting on 12 October 2017, the Commission considered a report by the Assistant Auditor General providing a progress update and areas for discussion and comment on the review of audit quality arrangements across all audit work. The Commission agreed to:
 - Endorse the draft Audit Quality Framework, subject to changes agreed in the discussion, to be addressed by the Assistant Auditor General in consultation with the Secretary to the Commission.
 - Note the changes to the management arrangements for quality, procurement and technical support.
 - Note progress on procurement of external assurance.
 - Endorse the initial key performance indicators to be provided through the biannual reports on quality to the Commission.
 - Note in this regard that further development of the key performance indicators would take place, with the Commission being apprised of progress as appropriate.
 - Note that further discussion between the Secretary and Assistant Auditor General would take place with regard to the role of ethics partner, including ethical advice in relation to, for example, non audit services, to be reported further to the Commission.
3. This final action is the subject of a separate report on today's agenda.

Content and publication of framework

4. The attached audit quality framework incorporates changes agreed by the Commission at its October meeting and discussed between the Assistant Auditor General and Secretary to the Commission.
5. The framework was subsequently approved by Audit Scotland Board on 25 October. It is to be published on Audit Scotland's website next week.

Conclusion

6. The Commission is asked to note the Audit Quality Framework.

Paul Reilly
Secretary to the Commission
1 December 2017