



Scott-Moncrieff
business advisers and accountants

City of Glasgow College

External Audit Plan
2016/17

May 2017

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Introduction

Introduction

1. This document summarises the work plan for our 2016/17 external audit of the City of Glasgow College ("the College").
2. The core elements of our work include:
 - an audit of the 2016/17 financial statements and related matters;
 - an assessment of the College's arrangements as they relate to financial sustainability, financial management, governance and transparency and value for money; and
 - any other work requested by Audit Scotland.

Audit appointment

3. The Auditor General for Scotland is an independent Crown appointment, made on the recommendation of Scottish Parliament. The Auditor General is independent and not subject to any control of any member of the Scottish Government or the Parliament. The Auditor General is responsible for securing the audit of most public bodies in Scotland outside the local government sector, including further education bodies in Scotland, and reporting on their financial health and performance.
4. Audit Scotland is an independent statutory body that provides the Auditor General with the services required to carry out her statutory functions, including monitoring the performance of auditors through a quality control process.
5. The Auditor General has appointed Scott-Moncrieff as external auditor of the College for the five year period 2016/17 to 2020/21. This document comprises the audit plan for 2016/17 and summarises:
 - the responsibilities of Scott-Moncrieff as the external auditor;
 - our audit strategy;
 - our planned audit work and how we will approach it;
 - our proposed audit outputs and timetable; and
 - background to Scott-Moncrieff and the audit team.

Adding value through the audit

6. All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the College through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help the College promote improved standards of governance, better management and decision making and more effective use of resources.
7. We welcome any comments you may have on the quality of our work and this report via:
<https://www.surveymonkey.co.uk/r/S2SPZBX>
8. While this plan is addressed to the College, it will be published on Audit Scotland's website www.audit-scotland.gov.uk.

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Responsibilities of Scott-Moncrieff

Responsibilities of Scott-Moncrieff

Code of Audit Practice

9. The Code of Audit Practice (the Code) outlines the responsibilities of external auditors appointed by the Auditor General for Scotland and it is a condition of our appointment that we follow it.
10. A new Code of Audit Practice was published in 2016 and applies to external audits for financial years starting on or after 1 April 2016. This Code replaces the previous one issued in 2011.

Auditor responsibilities

11. The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the annual accounts, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.
12. The Code sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.

Exhibit 1: Audit dimensions of wider scope public audit

Audit area	Scope
Financial sustainability	Financial sustainability looks forward to the medium (two to five years) and the longer term (over five years) to consider whether the body is planning effectively to allow it to continue to fulfil its functions in an affordable and sustainable manner.
Financial management	Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.
Governance and transparency	Governance and transparency covers the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.
Value for money	Value for money is concerned with using resources effectively and continually improving services.

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Audit strategy

Audit strategy

Risk-based audit approach

13. We follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the College.

This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:



14. Planning is a continuous process and our audit plans are therefore updated during the course of our audit to take account of developments as they arise.

Audit Scotland

18. Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps, for example, to identify common priorities and risks, treat consistently any issues arising that impact on a number of audited bodies, and further develop an efficient and effective approach to public audit. We will share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

Communications with those charged with governance

15. Auditing standards require us to make certain communications throughout the audit to those charged with governance. These communications will be through the Audit Committee.

Internal audit

19. We are committed to avoiding duplication of audit effort and ensuring an efficient use of the College's total audit resource. The College's internal audit function is provided by Henderson Loggie. We will consider the findings of the work of internal audit within our audit process and look to minimise duplication of effort, to ensure the total audit resource to the College is used efficiently and effectively.

Professional standards and guidance

16. We perform our audit of the annual accounts in accordance with International Standards on Auditing (UK) (ISAs), the International Standard on Quality Control 1 (UK), Ethical Standards, and applicable Practice Notes and other guidance issued by the Financial Reporting Council (FRC).

Partnership working

17. We will coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.



Annual accounts

Annual accounts

Introduction

20. Audited bodies' annual accounts are an essential part of accounting for their stewardship of the resources made available to them and their financial performance in the use of those resources. This section sets out our approach to the audit of the College's annual accounts.

Approach to audit of annual accounts

21. Our opinion on the annual accounts will be based on:

Risk-based audit planning

22. We focus our work on the areas of highest risk. As part of our planning process we prepare a risk assessment highlighting the audit risk relating to each of the key systems on which the annual accounts will be based.

An audit of key systems and internal controls

23. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the annual accounts.

24. The nature of the work we perform will be based on the initial risk assessment. We will examine the systems in place for compliance with best practice and the College's own policies and procedures.

25. We update our risk assessment following our evaluation of systems and controls and this will ensure that we continue to focus attention on the areas of highest risk.

A final audit of the annual accounts

26. During our final audit we will test and review the material amounts and disclosures in the annual accounts. The extent of testing will be based on our risk assessment.

27. Our final audit will seek to provide reasonable assurance that the annual accounts are free from material misstatement and comply with:

- the Statement Of Recommended Practice: accounting for further and higher education (the SORP)
- the Government Financial Reporting Manual (FRoM) where applicable

- the Scottish Funding Council Accounts Direction.

28. In order to provide assurance on the regularity of transactions, we also review whether in all material respects, expenditure has been incurred and income applied in accordance with guidance issued by Scottish Ministers.

Independent auditor's report

29. Our opinion on the truth and fairness of the annual accounts will be set out in our independent auditor's report which will be included within the annual accounts.

Materiality

30. Materiality is an expression of the relative significance of a matter in the context of the annual accounts as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

31. Our initial assessment of materiality for the annual accounts is £1.172 million, being 1.8% of the College's 2015/16 expenditure. We will review our assessment of materiality throughout our audit.

32. We set a performance (testing) materiality for each area of work which is based on a risk assessment for the area. We will perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be of significant risk of material misstatement.

Area risk assessment	Weighting	Performance materiality
High	50%	£0.586 million
Medium	60%	£0.703 million
Low	75%	£0.879 million

33. We will report any misstatements identified through our audit that fall into one of the following categories:
- All material corrected misstatements;
 - Uncorrected misstatements with a value in excess of 5% of the overall materiality figure (i.e. over £58,000); and
 - Other misstatements below the 5% threshold that we believe warrant reporting on qualitative grounds.

Key audit risks in the annual accounts

34. Auditing standards require that we inform the Audit Committee of our assessment of the risk of material misstatement in the annual accounts. We have set out our initial assessment below, including how the scope of our audit responds to those risks. We will provide an update to the Audit Committee if our assessment changes significantly during the audit.

Exhibit 2 – Key audit risks in the annual accounts

1. Management override of control

In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the annual accounts. This is treated as a presumed risk area in accordance with ISA 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.



35. In response to this risk we will review the College's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business were valid and accounted for correctly.

2. Revenue Recognition

Under ISA 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements* there is a presumed risk of fraud in relation to revenue recognition. Practice Note 10 (revised) highlights that in the public sector most entities are net spending bodies and there is a risk of fraud over expenditure.

The presumption is that the College could adopt accounting policies or recognise income and expenditure transactions in such a way as to lead to a material misstatement in the reported financial position.



36. As part of our planning process we have considered the nature of the revenue streams at the College against the risk factors set out in ISA 240. We have identified that for SFC grant funding the risk of revenue recognition can be rebutted due to a lack of incentive and opportunity to manipulate revenue of this nature. We have concluded, however, the risk of fraud in relation to revenue recognition is present in all other income streams, including tuition fee revenue and revenue from catering and residences.
37. Where we have identified a revenue recognition risk our work will a review the controls in place over revenue accounting. We will consider the College's key revenue transactions and streams and carry out testing to confirm that the College's revenue recognition policy is appropriate and has been applied consistently throughout the year.
38. We have considered the risk of fraudulent recognition of expenditure in line with Practice Note 10 and at this stage of the audit we do not believe the recognition of expenditure represents a material risk to the financial statements due to the fact there is little incentive to manipulate expenditure. We will, of course, continue to monitor this position throughout the audit.

3. Cathedral Street Campus

The College used the Scottish Government Non-Profit Distributing model to acquire new campus facilities. The Riverside Campus opened in August 2015 and the Cathedral Street Campus opened in August 2016.

The Riverside Campus was operational in 2015/16 and was recognised as an asset on the College's balance sheet as at 31 July 2016 together with a liability for its obligations under the service concession arrangement. The Cathedral Street premises became operational on 1 August 2016 and therefore will be recognised as an asset in the 2016/17 financial statements.

The College are currently negotiating sales of the existing sites at Cathedral Street, North Hanover Street, Rogart Street, Dornoch Street and Florence Street.



39. We will work with the College to ensure the Cathedral Street Campus is appropriately reflected in the financial statements and in accordance with FRS 102 and the SORP guidance on service concession agreements.
40. We will consider the valuation for the Cathedral Street Campus at the point of recognition. This represents a significant estimate and reliance is placed on an external valuer as management's expert. We will consider the competence, expertise and objectivity of the valuer and review the information provided to the valuer to ensure it is complete and accurate.
41. We will review any sales agreements and ensure any sales proceeds are appropriately accounted for in the financial statements.

4. Completeness of the Fixed Asset Register

The College currently maintain a fixed asset register using an excel schedule. Capital expenditure is recorded by the finance team via a manual review of invoices processed through the accounts payable system to identify those which meet the capitalisation threshold. Following the move to the new campus buildings room registers were established with listings of assets for each room, a proportion of those assets will be legacy assets from the old campus buildings. The fixed asset register is designed to encompass all additions through the accounts payable system and legacy assets from the old campus buildings.

The finance team plan to move to a specialist fixed asset register system from 1 August 2017 and as part of the preparation work, have identified a risk that the current fixed asset register does not accurately reflect all the assets the College holds.



42. We will review the work undertaken by the College to ensure the fixed asset register is complete and consider whether this is adequate for the purposes of our audit. Where required we will undertake additional testing to gain assurance over the completeness of the fixed asset register.
43. We will review expenditure in year to ensure that capitalisation policies have been applied appropriately and consistently.

Other risk factors

44. Further to the identification of significant audit risks, we have also identified risk factors which could potentially result in material misstatements. We do not propose, at this stage to undertake specific audit procedures in response to these perceived risks. We will continue to monitor these areas during the year and adapt our audit approach as necessary.

Exhibit 3 – Other risk factors

1. Group accounts

Glasgow Colleges' Regional Board (GCRB) was awarded fundable body status as at 1 April 2017 and as part of this have concluded that they will be required to prepare a set of consolidated financial statements encompassing the GCRB, City of Glasgow College, Glasgow Kelvin College and Glasgow Clyde College. As part of the consolidation process GCRB are seeking to unify the accounting policies across all three colleges.



45. We do not anticipate that there will be significant changes to accounting policies and we do not expect the impact of any such changes to be material. We will monitor the proposed changes as part of our ongoing audit procedures and confirm that any required prior period adjustments are processed in line with the requirements of the SORP.
46. We will provide assurance to the auditor of GCRB on the accuracy of the figures in the accounts which will be used as a basis for the consolidated financial statements.
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Wider scope audit

Wider scope audit

Introduction

- 47. The Code frames a significant part of our wider scope responsibilities in terms of four audit dimensions. As part of our annual audit we will consider and report against these four dimensions; financial sustainability, financial management, governance and transparency and value for money. At the outset we will consider the College’s self-evaluation arrangements as they relate to these four dimensions.
- 48. At this stage of our audit planning process, we have identified one significant risk to the

wider scope of our audit in relation to financial sustainability. We have not, at this stage, identified any significant risks in relation to the other three dimensions; financial management, governance and transparency or value for money. Audit planning however is a continuous process and we will report any identified significant risks, as they relate to the four dimensions, in our annual audit report.

Exhibit 3 - Wider scope audit

Financial sustainability: Financial sustainability looks forward to the medium and longer term to consider whether the College is planning effectively to continue to fulfill its functions in an affordable and sustainable manner.

College responsibilities	Our audit approach
<p>It is the College’s responsibility to put in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with any statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • How the College’s plan to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position. 	<p>During our 2016/17 audit we will consider the College’s financial standing. This will involve a review of the arrangements in place for short, medium and long term financial planning, budgetary control and financial reporting. It is important that such arrangements are adequate in order to properly control the College’s operations and use of resources.</p> <p>Key audit risk</p> <p>The College produces a Financial Forecast Return (FFR) for the Scottish Funding Council every year. The current FFR covers the period to 31 July 2018. The College has identified a budget deficit for the year to 31 July 2018 but is actively exploring options to deliver a balanced budget.</p> <p>Ongoing pressures within the further education mean that it is vital the College plans sufficiently to ensure it is financially sustainable in the longer term. We understand that the College has an ambition to increase the proportion of non- SFC income to 50% of overall income. We will review College progress in developing a long term financial strategy to deliver this ambition.</p>

Exhibit 3 - Wider scope audit

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

College responsibilities	Our audit approach
<p>It is the College's responsibility to ensure that its financial affairs are conducted in a proper manner. Management is responsible, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance.</p> <p>The College is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at its disposal.</p> <p>It is the College's responsibility to establish arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.</p>	<p>During our 2016/17 audit we will review, conclude and report on the following:</p> <ul style="list-style-type: none"> • Whether the College has arrangements in place to ensure systems of internal control are operating effectively; • Whether the College can demonstrate the effectiveness of its budgetary control system in communicating accurate and timely performance; • How the College has assured itself that its financial capacity and skills are appropriate; and • Whether the College has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

Governance and transparency: 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.

College responsibilities	Our audit approach
<p>It is the responsibility of the College to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. The College should involve those charged with governance in monitoring these arrangements.</p> <p>The College is also responsible for establishing effective and appropriate internal audit and risk management functions.</p>	<p>We will review the effectiveness of the College's governance framework and the extent to which board and committee roles, membership and terms of reference comply with current guidance.</p> <p>We will consider the appropriateness of the disclosures in the Governance Statement.</p> <p>We will consider whether the information provided to the board and committees is sufficient for members to assess the impact of decisions on resources and performance.</p> <p>Our work will include consideration of how risk management has been addressed within the College. We will also consider the College's internal audit arrangements to determine their role in examining the control systems established by management.</p>

Exhibit 3 - Wider scope audit

Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.

College responsibilities	Our audit approach
<p>Accountable officers have a specific responsibility to ensure that arrangements have been made to secure best value. Audited bodies are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p>	<p>We will work with the College to identify and review evidence which demonstrates the achievement of value for money in the use of its resources.</p> <p>We will seek evidence from the College that outcomes are improving and there is sufficient focus on improvement and the pace of it.</p> <p>Audit Scotland carries out a national performance audit programme on behalf of the Auditor General for Scotland and the Accounts Commission. We will work with Audit Scotland during the year to understand the outputs from this work and identify any particular reports that the College may have a direct interest in.</p>

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Audit outputs, timetable and fees

Audit outputs, timetable and fees

Audit output	Format	Description	Target month
External audit plan	Report	This report sets out the scope of our audit for 2016/17.	May 2017
Independent Auditor's Report	Report	This report will contain our opinions on the truth and fairness of the annual accounts and on the regularity of transactions.	November 2017
Annual Report to the Audit Committee and the Auditor General for Scotland	Report	At the conclusion of each year's audit we will issue an annual report setting out the nature and extent of our audit work for the year and summarising our opinions, conclusions and the significant issues arising from the work. This report will pull together all of our work under the Code of Audit Practice.	November 2017

Audit outputs

49. Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.
50. The action plans within the reports will include prioritised recommendations, responsible officers and implementation dates. We will review progress against the action plans on a regular basis.

Audit fee

51. Audit Scotland has completed a review of funding and fee setting arrangements and as a result revised its fee strategy. It now sets an expected fee for each audit carried out under appointment that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee will be reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.
52. As auditors we negotiate a fee with the audited body during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.

53. For 2016/17 the expected fee for the College is £36,570. We propose setting the fee above this level at £39,837 to take cognisance of the audit work we will carry out on the priorities and risks of the College which are identified in this plan.
54. The total proposed fee for the College for 2016/17 is as follows:

	2016/17
Auditor remuneration	£35,937
Pooled costs	£2,040
Performance audit and best value	-
Audit support costs	£1,860
Total fee	£39,837

55. We will take account of the risk exposure of the College and the management assurances in place. We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are

unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be required in relation to any other significant exercises not within our planned audit activity.

Audit timetable

56. The dates for our interim and final audits have been discussed with the Audit Committee. A summary timetable, including audit outputs, is set out below:



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Appendices

Appendix 1: Your audit team

Scott-Moncrieff is one of the largest independent accountancy firms in Scotland. We have 18 partners and over 200 staff operating from Edinburgh, Glasgow and Inverness. We are also part of the global Moore Stephens network.

We have been external auditors within the public sector for at least fifty years. We provide a comprehensive range of services to clients across the public sector, including NHS bodies, local authorities, further education bodies and FE colleges. We also provide services to charities, schools, as well as private and public limited companies.

Edinburgh	Glasgow	Inverness
Exchange Place 3 Seiple Street Edinburgh EH3 8BL	25 Bothwell Street Glasgow G2 6NL	10 Ardross Street Inverness IV3 5NS
(0131) 473 3500	(0141) 567 4500	(01463) 701 940

Your audit team

Gary Devlin

Partner

gary.devlin@scott-moncrieff.com

Gary is Head of the firm's Public Sector Practice and has over 20 years' experience in undertaking audit work across a wide range of public sector organisations.

Gary will have overall responsibility for the delivery of the assignment

Claire Gardiner

Audit Manager

claire.gardiner@scott-moncrieff.com

Claire has over 12 years' public sector external audit experience. She has delivered external audit services to a range of public sector bodies, including local authorities, central government and further education bodies.

Claire will manage the onsite team and work alongside Gary to deliver the audit engagement.

Stacey Larkin

Assistant Manager

stacey.larkin@scott-moncrieff.com

Stacey has worked within public sector audit for three years and has delivered audits across a range of public bodies including central government and further education bodies.

Stacey will be responsible for the delivery of the onsite work and will be the primary fieldwork contact.

Confirmation of independence

ISA 260 requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we will comply with FRC Ethical Standard – Integrity, Objectivity and Independence. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Scott-Moncrieff and the College and senior management that may reasonably be thought to bear on our objectivity and independence.

Appendix 2: Statement of understanding

Introduction

The purpose of this Statement of understanding is to clarify the terms of our appointment and the key responsibilities of the College and Scott-Moncrieff.

Annual accounts

We will require the annual accounts and supporting working papers for audit by the agreed date specified in the audit timetable. It is assumed that the relevant the College staff will have adequate time available to deal with audit queries and will be available up to the expected time of completion of the audit. We will issue a financial statements strategy which sets out roles, responsibilities and expectations in terms of audit deliverables. This document helps to ensure we can work together effectively to deliver an efficient and effective audit.

Scope of audit

As auditors we will take reasonable steps to plan and carry out the audit so as to meet the objectives and comply with the requirements of the Code of Audit Practice. Audit work will be planned and performed on the basis of our assessment of audit risks, so as to obtain such information and explanations as are considered necessary to provide sufficient evidence to meet the requirements of the Code of Audit Practice.

As auditors we do not act as a substitute for the College's responsibility to establish proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

As part of our normal audit procedures, we will ask you to provide written confirmation of certain oral representations which we have received from the College during the course of the audit on matters having a material effect on the annual accounts. This will take place by means of a letter of representation, which will require to be signed by the Audit Committee.

Internal audit

It is the responsibility of the College to establish adequate internal audit arrangements. The audit fee is

agreed on the basis that an effective internal audit function exists.

We will liaise with internal audit to ensure an efficient audit process.

Fraud and irregularity

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

Ethics

We are bound by the ethical guidelines of our professional body, the Institute of Chartered Accountants of Scotland.

Fees

We base our agreed fee upon the assumption that all of the required information for the audit is available within the agreed timetable. If the information is not available within the timetable we reserve the right to charge a fee for the additional time spent by our staff. The fee will depend upon the level of skill and responsibility of the staff involved. The indicative financial statements strategy referred to above is a key means for us to clarify our expectations in terms of quality, quantity and extent of working papers and supporting documentation.

Service

If at any time you would like to discuss with us how our service to you could be improved or if you are dissatisfied with the service you are receiving please let us know by contacting Karen Jones. If you are not satisfied, you should contact our Ethics Partner, Bernadette Higgins. In the event of your not being satisfied by our response, you may also wish to bring the matter to the attention of the Institute of Chartered Accountants of Scotland.

We undertake to look at any complaint carefully and promptly and to do all we can to explain the position to you.

Reports

During the course of the audit we will produce reports detailing the results and conclusions from our work. Any recommendations arising from our audit work will be included in an action plan. Management are responsible for providing responses, including target dates for implementation and details of the responsible officer.

Agreement of terms

We shall be grateful if the Audit Committee would consider and note this Statement of understanding. If the contents are not in accordance with your understanding of our terms of appointment, please let us know.



Scott-Moncrieff
business advisers and accountants