



Scott-Moncrieff
business advisers and accountants

Scottish Road Works Commissioner

External Audit Plan
2017/18

February 2018

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Introduction

Introduction

1. This document summarises the work plan for our 2017/18 external audit of the Scottish Road Works Commissioner ("SRWC").
2. The core elements of our work include:
 - an audit of the 2017/18 financial statements and related matters;
 - an assessment of SRWC'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 central government 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 SRWC for the five year period 2016/17 to 2020/21. This document comprises the audit plan for 2017/18 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 SRWC 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 SRWC promote improved standards of governance, better management and decision making and more effective use of resources.
7. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to the audit team or through our online survey: www.surveymonkey.co.uk/r/S2SPZBX
8. While this plan is addressed to SRWC, it will be published on Audit Scotland's website www.audit-scotland.gov.uk.

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Respective responsibilities of the auditor and the SRWC

Respective responsibilities of the auditor and the SRWC

Auditor responsibilities

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.

Our responsibilities

10. Auditor responsibilities are derived from statute, the Code, International Standards on Auditing (UK), professional requirements and best practice and cover their responsibilities when auditing financial statements and when discharging their wider scope responsibilities (paragraph 12). These are to:

- undertake statutory duties, and comply with professional engagement and ethical standards
- provide an opinion on audited bodies' financial statements and the regularity of transactions
- review and report on, as appropriate, other information such as annual governance statements, management commentaries and remuneration reports
- notify the Auditor General when circumstances indicate that a statutory report may be required
- demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies':
 - effectiveness of performance management arrangements in driving economy, efficiency and effectiveness in the use of public money and assets
 - suitability and effectiveness of corporate governance arrangements
 - financial position and arrangements for securing financial sustainability

11. Weaknesses or risks identified by auditors are only those which have come to their attention

during their normal audit work in accordance with the Code, and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Wider scope audit work

12. 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.
13. The Code sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.
14. Where the application of the full wider scope is judged by us not to be appropriate then our annual audit work on the wider scope is restricted to:
- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.
15. Our assessment takes into account the size, nature and risks of the organisation. Taking these factors into consideration, we have concluded that application of the full wider scope is not appropriate for SRWC and we will restrict our work accordingly.

SRWC responsibilities

16. The SRWC has 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. The SRWC's responsibilities are summarised in Exhibit 2.

Exhibit 1: Audit dimensions of wider scope public audit

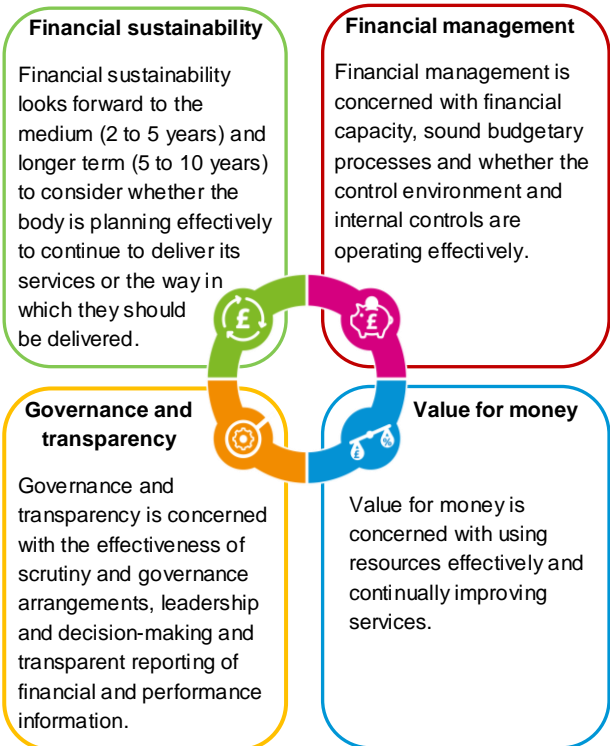


Exhibit 2 – SRWC’s responsibilities

Area	SRWC’s responsibilities
<p>Financial statements: The SRWC must prepare an annual report and accounts containing financial statements and other related reports.</p>	<p>The SRWC has responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of its financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support the financial statements and related reports disclosures; • ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority; • maintaining proper accounting records; and • preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements.
<p>Financial sustainability: Financial sustainability looks forward to the medium and longer term to consider whether the entity is planning effectively to continue to fulfill its functions in an affordable and sustainable manner.</p>	<p>The SRWC is responsible for putting 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 organisation plans 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>Financial management: Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p>	<p>It is the SRWC’s responsibility to ensure that its financial affairs are conducted in a proper manner. The SRWC is responsible for communicating relevant information to users about the entity and its financial performance.</p> <p>The SRWC 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 its objectives and safeguard and secure value for money from the public funds at its disposal.</p> <p>It is the SRWC’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>

Exhibit 2 – SRWC’s responsibilities

Area	SRWC’s responsibilities
<p>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.</p>	<p>The SRWC is responsible for establishing arrangements 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.</p> <p>The SRWC is also responsible for establishing effective and appropriate internal audit and risk management functions.</p>
<p>Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.</p>	<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>

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Audit strategy

Audit strategy

Risk-based audit approach

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

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



18. 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.

Communications with those charged with governance

19. Auditing standards require us to make certain communications throughout the audit to those charged with governance. These communications will be through the Scottish Road Works Commissioner (the Commissioner).

Professional standards and guidance

20. We perform our audit of the annual accounts in accordance with International Standards on Auditing (UK) (ISAs UK), 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

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

Audit Scotland

22. 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.

Internal audit

23. We are committed to avoiding duplication of audit effort and ensuring an efficient use of SRWC's total audit resource. SRWC's internal audit function is provided by the internal audit section of the Scottish Government. 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 SRWC is used efficiently and effectively.

Shared systems and functions

24. Audit Scotland encourages auditors to seek efficiencies and avoid duplication of effort by liaising closely with other external auditors. SRWC uses the Scottish Government for payroll. We will therefore aim to place reliance on the service audit work undertaken by the Scottish Government's auditors over this system.



Annual report and accounts

Annual accounts

Introduction

25. 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 SRWC's annual report and accounts.
26. The annual report and accounts of the SRWC comprise the financial statements, the performance report and the accountability report.

Approach to audit of financial statements

27. Our opinion on the financial statements will be based on:

Risk-based audit planning

28. 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 financial statements will be based.

An audit of key systems and internal controls

29. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the financial statements.
30. The systems we review and the nature of the work we perform will be based on the initial risk assessment. We will examine and test compliance with best practice and SRWC's own policies and procedures.
31. We will take cognisance of any relevant internal audit reviews of systems and controls.
32. We will update the 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 report and accounts

33. During our final audit we will test and review the material amounts and disclosures in the annual report and accounts. The extent of testing will be based on our risk assessment.
34. Our final audit will seek to provide reasonable assurance that the financial statements are free

from material misstatement and comply with the Government Financial Reporting Manual (FRoM) and the Accounts Direction issued by Scottish Ministers.

35. 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

36. Our opinions on whether the financial statements give a true and fair view and the regularity of transactions will be set out in our independent auditor's report which will be included within the annual report and accounts.
37. We also provide an opinion on the auditable part of the remuneration report, annual governance statement and performance report.

Materiality

38. 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.
39. Our initial assessment of materiality for the annual accounts is £19,000, approximately 1.5% of SRWC's 2016/17 gross expenditure. We consider gross expenditure to be the principal consideration for the users of the accounts when assessing the performance of the SRWC. We will review and update our assessment of materiality following receipt of the unaudited annual accounts.
40. 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	45%	£8,550
Medium	55%	£10,450
Low	70%	£13,300

- Uncorrected misstatements with a value in excess of 5% of the overall materiality figure (i.e. over £950); and
- Other misstatements below the 5% threshold that we believe warrant reporting on qualitative grounds.

Key audit risks in the annual accounts

41. We will report any misstatements identified through our audit that fall into one of the following categories:

- All material corrected misstatements;

42. Auditing standards require that we inform the Commissioner 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 SRWC if our assessment changes significantly during the audit.

Exhibit 3 – Key audit risks in the financial statements

1. Management override

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 financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.



43. In response to this risk we will review SRWC's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business were valid and accounted for correctly. We will review the key accounting estimates, judgements and decisions made by management.

2. Revenue Recognition

Under ISA (UK) 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. The presumption is that SRWC 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.



44. Our work on income will include an evaluation of each type of revenue transaction and review the controls in place over revenue accounting. We will consider SRWC's key revenue transactions and streams and carry out testing to confirm that SRWC's revenue recognition policy is appropriate and has been applied consistently throughout the year.

Exhibit 3 – Key audit risks in the financial statements

3. Risk of fraud in the recognition of expenditure

In 2016, the Public Audit Forum issued Practice Note 10 “The Audit of Public Sector Financial Statements” which applies to the audit of public sector financial statements for periods commencing after June 2016. This Practice Note recognises that most public sector bodies are net spending bodies and notes that there is an increased risk of material misstatement due to improper recognition of expenditure.



45. In response to this risk we will evaluate the significant expenditure streams at SRWC (excluding payroll which is not deemed to be a significant risk area) and review the controls in place over accounting for expenditure. We will consider SRWC’s key areas of expenditure and obtain evidence that the expenditure was recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.

The performance report, accountability report and other information

46. The HM Treasury Government Financial Reporting Manual 2017-18 sets out the content required within the annual report and accounts. In addition to presenting our opinions over the financial statements our independent auditor’s report will also presents our opinion on other aspects of the annual report and accounts:

Other information

47. “Other information” in the annual report and accounts comprises any information other than the financial statements and our independent auditor’s report thereon. We do not express any form of assurance conclusion on the “other information” except as specifically stated below.
48. We read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our independent auditor’s report.

The performance report

49. The performance report provides information on the entity, its main objectives and strategies and the principal risks that it faces. It contains two sections:
- an overview of the organisation, its purpose, the key risks to the achievement

of its objectives and how it has performed during the year; and

- a detailed summary of how the entity measures its performance.

50. Our independent auditor’s report will confirm whether in our opinion the performance report has been properly prepared and is consistent with the financial statements.

The accountability report

51. The accountability report is required in order to meet key parliamentary accountability requirements. It has three sections:
- A corporate governance report (including a governance statement) explaining the composition and organisation of the entity’s governance structures and how they support the achievement of the entity’s objectives.
 - A remuneration and staff report setting out staff numbers and costs as well as the entity’s remuneration policy for directors and the remuneration awarded to directors.
 - A parliamentary accountability report disclosing the regularity of expenditure and other parliamentary accountability requirements.
52. Our independent auditor’s report will confirm whether in our opinion the governance statement and the audited part of the remuneration and staff report have been properly prepared and are consistent with the financial statements.

5

Wider scope audit

Wider scope audit

Introduction

53. As described in section 2, the Code frames a significant part of our wider scope responsibilities in terms of four audit dimensions. Following consideration of the size, nature and risks of the SRWC, the application of the full wider scope audit is judged by us not to be appropriate. Our annual audit work on the wider scope will therefore be restricted to:

- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
- Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.

54. Our planned audit work against these two dimensions is risk based and proportionate. Our initial risk assessment builds upon our understanding of SRWC priorities and risks, discussions with management and review of minutes and key strategy documents. In

2017/18 we have also considered the following risk areas as they relate to SRWC;

- EU withdrawal
- New financial powers
- Ending of public sector pay cap
- Response to cyber security risks
- Openness and transparency

55. At this stage of our audit planning, we have identified one risk in relation to financial sustainability. This has been summarised in Exhibit 4. Audit planning is a continuous process and our application of the small body provision will be subject to ongoing review to ensure it remains appropriate. Should we identify any particular issue or risk during our audit that requires additional work, or the full wider scope to be applied, we will update our audit plan.

Exhibit 4 – Significant risk: financial sustainability

1. Financial sustainability

SRWC have a five year budget in place which has been approved by the SRWC. Public sector bodies are coming under strain in the short and long term due to the end of the pay cap and the increasing uncertainty and complexity of the Scottish Government budgeting process. In addition, the review of the Transport (Scotland) Bill may result in changes to the operation of SRWC, which cannot currently be reflected in long-term financial planning.



56. During our audit we will consider whether SRWC has adequate arrangements in place for managing its financial position and its use of resources. Our conclusion will be based on a review of the SRWC's financial performance, underlying financial position, financial plans and financial reporting.

A large orange circle with a white border containing the number 6 in white. The background consists of overlapping curved shapes in shades of blue and purple.

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 2017/18.	February 2018
Independent Auditor's Report	Report	This report will contain our opinions on the true and fair view of the financial statements and on the regularity of transactions.	October 2018
Annual Report to the SRWC 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.	October 2018

Audit outputs

- 57.** Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.
- 58.** 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

- 59.** Audit Scotland sets an expected fee for each audit carried out under appointment that assumes the body has well functioning controls, an effective internal audit service, and an average risk profile. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.
- 60.** 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.
- 61.** For 2017/18 we propose setting the audit fee at the expected fee level. The expected fee for SRWC for the 2017/18 audit is as follows:

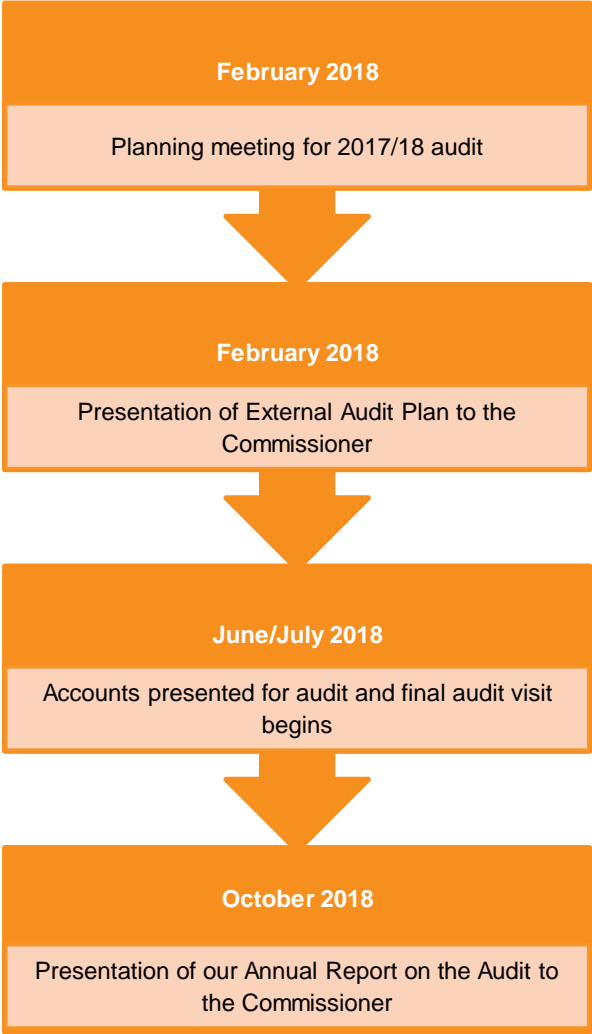
	2017/18
Auditor remuneration	£9,330
Pooled costs	£2,270
Performance audit and best value	-
Audit support costs	£570
Total fee	£12,170¹

- 62.** We will take account of the risk exposure of SRWC 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.

¹ The audit fee in 2016/17 was £12,500.

Audit timetable

63. The date for our final audits has been discussed with the Commissioner. 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 17 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, central government 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 Semple 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 management team



Karen Jones
Director
karen.jones@scott-moncrieff.com

Karen is one of our directors responsible for the audit of our Audit Scotland external audit appointments. Karen has over 15 years’ experience in auditing the public sector. She has extensive experience in auditing in auditing central government bodies.

Karen will be your engagement lead.



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 pension funds, local authorities, health bodies and central government bodies.

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



Nicola Mackenzie
Audit Senior
nicola.mackenzie@scott-moncrieff.com

Nicola has been part of our public sector external audit team since she started with the Scott-Moncrieff four years ago.

Nicola will be responsible for the delivery of the onsite work.

Confirmation of independence

International Standard on Auditing (UK) 260, “Communication with those charged with governance” 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’s Revised Ethical Standard (June 2016). 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 SRWC 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 SRWC 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 SRWC 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.

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 SRWC'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 SRWC 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 SRWC.

Internal audit

It is the responsibility of SRWC 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.

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 Commissioner 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
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