

# Policy on the provision of Non-Audit Services by Audit Scotland's external auditor

<b>Author:</b>	Assistant Auditor General
<b>Version:</b>	03
<b>Date:</b>	August 2016 next review July 2018

## Introduction

1. The Audit Committee is responsible for developing and monitoring a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm.
2. However, Audit Scotland's external auditors are appointed by the SCPA and it would be for the terms of that contract to include any equivalent restriction/prohibition on the provision of non-audit services. The Ethical Standards places non-audit services into two categories, "Audit related services" (which includes work normally expected to be undertaken by an external auditor such as grant claim certification) and "other non-audit services" (which includes management consultancy and tax work).
3. In the absence of such provision it is for the Audit Committee and Audit Scotland Board to agree in what circumstances it would be prepared to allow the engagement of the external auditor to provide non-audit services.
4. The Financial Reporting Council's Ethical Standard divides non-audit services into two categories, "Audit related services" (which includes work normally expected to be undertaken by an external auditor such as grant claim certification) and "other non-audit services" (which includes management consultancy and tax work).

## Scope

5. This policy applies to Audit Scotland.

## Policy

6. It is important that Audit Scotland's external auditors are independent and seen to be independent in the work that they undertake. It is therefore not appropriate for them to undertake any non-audit work that might be perceived to create a conflict of interest with their role as external auditors.

## Implementation

7. Accordingly Audit Scotland's external auditors may be engaged to undertake work classified as "Audit related services" by the Financial Reporting Council's Ethical Standard 2016.

8. Such work should be notified to the Chair of the Audit Committee before it is undertaken and to the next available meeting of the Audit Committee.
9. Work classified as “Other non-audit services” may not be undertaken.