



Consultation on Audit Scotland Fee Setting Arrangements

Response from the Scottish Information Commissioner

August 2016

List of consultation questions (Audit Scotland – June 2016)

Questions on funding our work

Q1 - Do you have any comments on the overall approach to funding the work of Audit Scotland?

Q1 response – No comment

Q2 - Do you have any views on the future funding of NHS performance audit work?

Q2 response – No comment

Questions on overall principles for fee setting

Q3 Do you agree that as far as practicable all audited bodies should pay for the full cost of the direct annual audit work required at each body? If not what alternative would you suggest?

Q3 response - Yes

Q4 Do you agree that as far as practicable an audited body should pay the same fee irrespective of whether the auditor is an Audit Scotland team or a private firm? If not what alternative would you suggest?

Q4 response - Yes

Questions on communication of fees

Q5 - Do you agree with the proposed move to an expected fee with a fee range reflecting any additional audit work required? If not what alternative do you suggest?

Q5 response – Yes. We support Audit Scotland’s proposal that audited bodies should pay a fee which reflects the quality of their governance, effectiveness of their internal controls and the quality of their draft accounts. We welcome the inclusion of the prior years’ actual costs as a criterion for setting the expected fee.

Q6 - Would you find the proposed breakdown of the total fee helpful? Do you have any comments on the individual components? Is there any other information you would find useful?

Q6 response – We consider that the ‘Auditor remuneration’ component of the fee breakdown should include a summary of the staff/roles involved in the audit process along with the number of days/hours and relevant charge-out rates for the upcoming audit, and actual data for the prior year.

This will provide assurance to audited bodies, and will assist Audit Scotland and audited bodies in their discussions on those occasions when Audit Scotland considers a fee above the expected fee is necessary.

Questions on the calculation of fees

Q7 - Do you agree that Audit Scotland should continue to pool costs as described above and apportion them between audited bodies on the basis of relative levels of auditor remuneration? If not what alternative do you suggest?

Q7 response - Yes

Q8 - Do you agree that councils should continue to contribute to the cost of best value audit work on the basis of their relative populations? If not what alternative do you suggest?

Q8 response – No comment

Q9 - Do you agree with the approach to sharing the cost of local government performance audit work between significant bodies on the basis of relative levels of auditor remuneration? If not what alternative do you suggest? Do you have any comments on the approach to sharing the cost of NHS performance audit work if the current funding arrangement continues?

Q9 response - No comment

Q10 - Do you have any other comments on Audit Scotland's approach to setting fees overall or at any specific audited body?

Q10 – No comment

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