

# East Renfrewshire Council

Annual Audit Plan 2018/19



 AUDIT SCOTLAND

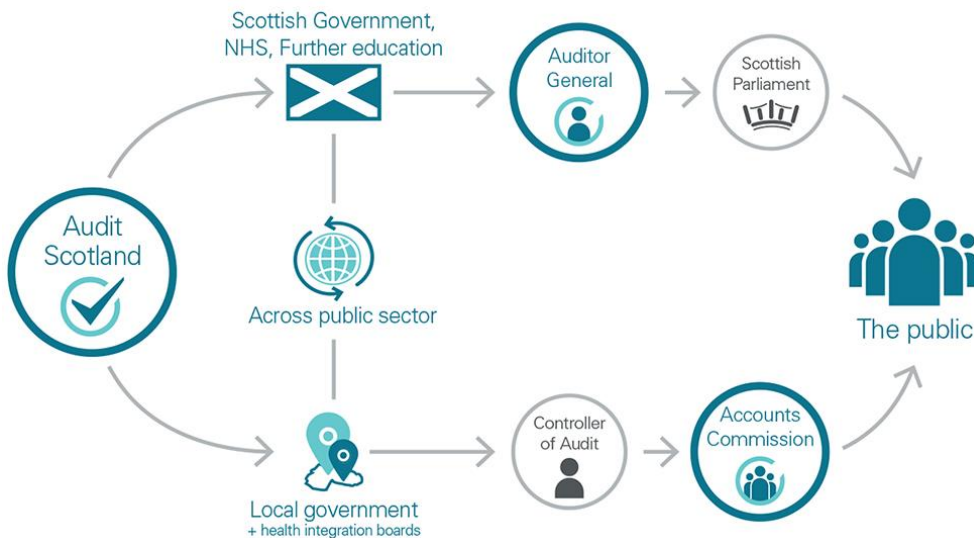
Prepared for by East Renfrewshire Council

March 2019

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the Code of Audit Practice, and any other relevant guidance. This plan sets out the work necessary to allow us to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit including the audit of Best Value.
2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.

## Adding value


3. We aim to add value to the East Renfrewshire Council through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help the East Renfrewshire Council promote improved standards of governance, better management and decision making and more effective use of resources.


## Audit risks


4. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following main risk areas for East Renfrewshire Council. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).


## Exhibit 1

### 2018/19 Key audit risks

 Audit Risk	Source of assurance	Planned audit work
<b>Financial statements issues and risks</b>		
<p><b>1 Risk of management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> <li>• Detailed testing of journal entries.</li> <li>• Review of accounting estimates.</li> <li>• Focused testing of accruals and prepayments.</li> <li>• Evaluation of significant transactions that are outside the normal course of business.</li> </ul>
<p><b>2 Risk of fraud over income</b></p> <p>East Renfrewshire Council receives a significant amount of income from several sources including income from fee and charges funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of</p>	<p>The Council has specific antifraud and corruption arrangements which are covered in the Code of Conduct and publicised on our intranet and website.</p>	<ul style="list-style-type: none"> <li>• Analytical procedures on income streams.</li> <li>• Detailed testing of revenue transactions focusing on the areas of greatest risk.</li> </ul>

 Audit Risk	Source of assurance	Planned audit work
<p>fraud. Particular areas of concern include council tax, non domestic rates and income from sundry debtors.</p>	<p>A fraud liaison officer is in post and liaises directly with DWP's Fraud and Error Service for Housing Benefit cases.</p> <p>The Council participates in National Fraud Initiative (NFI) exercises; follows up potential matches and reports outcomes to Audit &amp; Scrutiny Committee.</p> <p>Use of Experian for data-matches on Council Tax discounts.</p> <p>There is a HB Fraud Hotline freephone in place and Real Time Information (RTI) income and pension details are checked with HMRC's VEPS (Verify earnings and pensions) system.</p> <p>The Revenues Section also employs a range of protections including:</p> <p>Senior authorisation for overpayment refunds.</p> <p>System log-in security to give audit trail of system updates.</p> <p>Sample checking of individual outputs.</p> <p>Procedures in place for enquiries involving friends and family - declaration of interest.</p> <p>Deletion of leavers' system permissions.</p> <p>Annual checks on staff for Council Tax arrears.</p> <p>Debt recovery team check all payroll for larger Council Tax arrears cases annually.</p> <p>Card payment handling awareness training given to all staff taking credit/debit card payments over the telephone.</p> <p>POA established in writing before third party enquiries are handled.</p> <p>Non Domestic Rates administered through Renfrewshire Council and</p>	

 Audit Risk	Source of assurance	Planned audit work
	<p>anti fraud procedures incorporated in SLA.</p> <p>Regular bank reconciliations are carried out and regular monitoring/probable outturn forecasting of income and expenditure by Finance Business Partners ensures early identification of significant variances.</p>	
<p><b>3 Risk of fraud over expenditure</b></p> <p>Most public-sector bodies are net expenditure bodies and therefore the risk of fraud is more likely to occur in expenditure, due to the variety and extent of expenditure in delivering services. Specific fraud risks relevant to public sector audit include welfare benefits, grants and other claims made by individuals and organisations.</p>	<p>As above.</p> <p>Following the attempted fraud in 2017, staff have been retrained in procedures and the importance of following procedures and adhering to financial controls. Controls around checking of old and new bank details for suppliers in the event of any change are in place.</p> <p>Various services are also signed up to receive regular NAFN fraud alerts.</p> <p>Various council officers including Creditors Compliance Lead; Internal Audit and Procurement attended Serious &amp; Organised Crime Prevention training run by Scottish Police in November 2017.</p> <p>Regular bank reconciliations are carried out and regular monitoring/probable outturn forecasting of income and expenditure by Finance Business Partners ensures early identification of significant variances.</p>	<ul style="list-style-type: none"> <li>• Analytical procedures on expenditure streams.</li> <li>• Detailed testing of expenditure transactions focusing on the areas of greatest risk.</li> <li>• Walk-through of controls identified within key financial systems.</li> </ul>
<p><b>4 Estimation and judgements</b></p> <p>There is a significant degree of subjectivity in the measurement and valuation of a number of balances in the financial statements in particular the valuation of non-current assets and pension fund assets and liabilities. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Pension liabilities are calculated by independent actuaries (Hymans Robertson) who provide calculations for all Councils contributing to Strathclyde Pension Fund. Reports with their assumptions are available for review.</p>	<ul style="list-style-type: none"> <li>• Completion of 'review of the work of an expert' for the in-house valuer.</li> <li>• Focused substantive testing of key areas of non current assets</li> <li>• Assess the reasonableness of the valuation of land and buildings</li> <li>• Completion of 'review of the work of an expert' for the</li> </ul>

	Audit Risk	Source of assurance	Planned audit work
		<p>Valuation of fixed non current assets (property) is undertaken by RICS members who are experienced Chartered Valuation Surveyors and Registered Valuers. Valuations are undertaken in accordance with RICS Red Book and CIPFA guidance and use valuation approaches adopted across the UK public sector. Where methodologies require comparable evidence these are also undertaken in accordance with RICS guidance. Peer reviews are also undertaken. The approach adopted reduces the degree of subjectivity and gives rise to smaller variances than would otherwise occur.</p> <p>There are only two such provisions (Teachers' Maternity Pay and Insurance Excess) in our accounts. Both of these have working papers substantiating their balances.</p>	<p>professional actuary, and review of appropriate of actuarial assumptions.</p> <ul style="list-style-type: none"> <li>Review of the pension actuary and the assumptions made in calculating the estimated pension liability.</li> </ul>

## Wider dimension issues and risks

### 5 Financial sustainability

The council faces significant financial challenges, including

- A £32.759 million funding gap for the period 2018/19 to 2020/21. Savings plans have been approved and a gap of £5.894 million in 2020/21 remains
- rising demands for services
- reductions in local government funding

In addition there is a number of uncertainties that may have a financial impact on the council ( e.g. EU withdrawal, ending of public sector pay settlement, new financial powers for the Scottish Government).

The council must have robust longer term financial plans that address the financial challenges it faces. There is

Funding gap reassessed in light of increased grant settlement.

Three year budget approach continued despite annual grant settlement. Future Scottish Government settlements to be multi-year.

Long term Financial Planning document revised, covering next six years.


Revenue and capital monitoring reports revised in recent years to provide more variance analysis.

Scenario planning in place for various EU withdrawal options.

New Capital Investment Strategy prepared.

- Review the 2019/20 budgets and consider the reasonableness of budget assumptions
- Assess the adequacy of the council's longer term financial management arrangements and plans reported to members.
- Monitor the council's financial position through budget monitoring reports presented to members and consider the delivery of in year savings programmes and the robustness of future savings plans and targets



	Audit Risk	Source of assurance	Planned audit work
	<p>a risk that the council does not deliver its strategic objectives.</p>		
<b>6</b>	<p><b>New core financial systems</b></p> <p>A key focus of the council's transformation programme is the introduction of new Core Systems. These core systems represent those systems which are integral to the council's business, namely Finance, Procurement, Human Resources and Payroll.</p> <p>The commissioning and implementation of these new systems are expected to be completed by March 2020, with the first of the systems, the finance ledger, scheduled to go live at the end of June 2019. We will carry out a review of the main controls within the new financial systems as part of our 2019/20 audit.</p> <p>There is a risk that the tight timescale and the extra demand on resources could place further pressures on staff capacity around the timing of the preparation and audit of the financial statements.</p>	<p>Dedicated project team of experienced staff in place to deliver Core Systems programme,</p> <p>Clear governance and monitoring/reporting regime adopted.</p> <p>Programme funding confirmed through capital plan and Transformation Fund.</p> <p>Staff seconded to programme have substantive posts within Council departments backfilled to minimise impact on normal service delivery.</p>	<ul style="list-style-type: none"> <li>• Regular meetings with management.</li> <li>• Review of Core Systems programme schedules</li> <li>• Continued review of reports to members on progress with core systems</li> </ul>
<b>7</b>	<p><b>Disaster recovery and business continuity planning</b></p> <p>Work continues on the development of new disaster recovery plan and business continuity plans. This work has been ongoing now for some time and it is anticipated that both plans will be in place by the end of March 2019.</p> <p>There is a risk that until the full implementation of the disaster recovery plans the council suffers a loss of data and disruption to services.</p>	<p>Following a change in responsibility for Business Continuity during 2018/19, steps have since been taken to strengthen the approach and quality of Business Continuity planning in conjunction with the Civil Contingency Service. Dedicated resource has been working with services and ICT to ensure planning is robust and realistic.</p> <p>A report has been provided to CRMT (Crisis Resilience Management Team) providing an update on the significant progress to date and the plans in place for the first half of 2019/20 for the conclusion of the work to align Business Continuity Plans to the IT Disaster Recovery plan.</p>	<ul style="list-style-type: none"> <li>• Review of disaster recovery testing and development of Disaster Recovery Plan undertaken.</li> <li>• Review of Business Continuity and resilience planning arrangements</li> </ul>

## Reporting arrangements

5. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).
6. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.
7. We will provide an independent auditor's report to East Renfrewshire Council and Accounts Commission setting out our opinions on the annual accounts. We will provide the Proper Officer and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

## 2018/19 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	18 February 2019	14 March 2019
Management Report	27 May 2019	20 June 2019
Annual Audit Report	13 September 2019	26 September 2019
Independent Auditor's Report	By 30 September 2019	By 30 September 2019

Source: Audit Scotland

## The audit of trusts registered as Scottish charities

8. Officers of East Renfrewshire Council are trustees for 7 trusts, registered as Scottish charities, with total assets of some £0.116 million. The preparation and audit of the financial statements of registered charities is regulated by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.
9. The 2006 Regulations require charities to prepare annual accounts and require an accompanying auditor's report where any legislation requires an audit. The Local Government (Scotland) Act 1973 specifies the audit requirements for any trust fund where some or all members of a council are the sole trustees. Therefore, a full and separate audit and independent auditor's report is required for each register charity where members of the East Renfrewshire Council are sole trustees, irrespective of the size of the charity.

## Audit fee

10. The agreed audit fee for the 2018/19 audit of East Renfrewshire Council is £227,130 [17/18 £222,960]. This includes a fee of £1,000 [17/18 £1,000] for the audit of the registered trusts. In determining the audit fee we have taken account of the risk exposure of East Renfrewshire Council, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts with a complete working papers package by 28 June 2019.
11. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

## Responsibilities

### Audit and Scrutiny Committee and Head of Accountancy (Chief Financial Officer)

12. Audited bodies have 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.
13. The audit of the annual accounts does not relieve management or the Audit and Scrutiny Committee as those charged with governance, of their responsibilities.

### Appointed auditor

14. Our responsibilities as independent auditors are established by the Local Government (Scotland) Act 1973 for local government, and the Code of Audit Practice (including supplementary guidance) and are guided by the Financial Reporting Council's Ethical Standards.
15. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

# Audit scope and timing

## Annual accounts

- 16.** The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:
- understanding the business of East Renfrewshire Council and the associated risks which could impact on the financial statements
  - assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
  - identifying major transaction streams, balances and areas of estimation and understanding how East Renfrewshire Council will include these in the financial statements
  - assessing the risks of material misstatement in the financial statements
  - determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.
- 17.** We will give an opinion on whether the financial statements:
- give a true and fair view in accordance with the applicable law and the 2018/19 Code of the state of affairs of the council and its group as at 31 March 2019 and of the income and expenditure of the council and its group for the year then ended
  - have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/2019 Code
  - whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.



## Other information in the annual accounts

- 18.** We also review and report on other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.
- 19.** We also read and consider any information in the annual accounts over and above the financial statements and audited part of the remuneration report, and report any uncorrected material misstatements.

## Materiality

- 20.** We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

21. We assess materiality at different levels as described below. The materiality values for East Renfrewshire Council are set out in [Exhibit 3](#).

### Exhibit 3 Materiality values



Materiality	Amount
<b>Planning materiality</b> – This is the figure we use in assessing the overall impact of audit adjustments on the financial statements. In our professional judgement, based on our risk assessment, we have set planning materiality at 1% of gross expenditure for the year ended 31 March 2019 using the latest budget for 2018/19.	£3 million
<b>Performance materiality</b> – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. We have calculated performance materiality at 60% of planning materiality.	£1.8 million
<b>Reporting threshold (i.e., clearly trivial)</b> – We are required to report to those charged with governance on all unadjusted misstatements more than the ‘reporting threshold’ amount. This has been calculated at 1% of planning materiality.	£30,000

Source: Audit Scotland

### Timetable

22. To support the efficient use of resources it is essential that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#)

### Exhibit 4 Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual accounts by those charged with governance	By 27 June 2019
Latest submission date of unaudited annual accounts with complete working papers package	By 28 June 2019
Latest date for final clearance meeting with Head of Accountancy (Chief Financial Officer)	Early September 2019
Issue of Letter of Representation and proposed independent auditor's report	Mid September 2019
Agreement of audited unsigned annual accounts	By 30 September 2019
Issue of Annual Audit Report to those charged with governance	By 30 September 2019
Independent auditor's report signed	By 30 September 2019
Latest date for signing of WGA return	30 September 2019

## Internal audit

**23.** Internal audit is provided by East Renfrewshire Council staff overseen by the Chief Internal Auditor. As part of our planning process we completing our annual assessment of the adequacy of the internal audit function to ensure that it operates in accordance with the main requirements of Public Sector Internal Audit Standards (PSIAS). We will report any significant findings to management and the Audit and Scrutiny Committee.

### Using the work of internal audit

**24.** Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to use the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

**25.** From our initial review of internal audit plans we plan to use the work of Internal Audit in the following areas:

- Council Tax – Reductions/Liability
- Creditor payments
- Payroll

## Audit dimensions

**26.** Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

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### Exhibit 5 Audit dimensions



Source: Code of Audit Practice

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**27.** In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

**28.** Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and accountability and value for money.

### Financial sustainability

29. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the body's financial sustainability over the medium to long term. We define this as medium term (two to five years) and longer term (longer than five years) . We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps
- whether East Renfrewshire Council can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

### Financial management

30. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether East Renfrewshire Council has arrangements in place to ensure systems of internal control are operating effectively
- whether East Renfrewshire Council can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how East Renfrewshire Council has assured itself that its financial capacity and skills are appropriate
- whether East Renfrewshire Council has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

### Governance and transparency

31. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision – making and the transparent reporting of financial and performance information. We will review, conclude and report on:

- whether East Renfrewshire Council can demonstrate that the governance arrangements in place are appropriate and operating effectively (including services delivered by, or in partnership with, others such as Arms Length External Organisations .
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

### Value for money

32. Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether East Renfrewshire Council :

- can provide evidence that it is demonstrating value for money in the use of its resources.
- can demonstrate that there is a clear link between money spent, output and outcomes delivered.
- can demonstrate that outcomes are improving.

- has sufficient focus on improvement and the pace of it.

### Best Value

33. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. The introduction of the new approach coincided with the new five-year audit appointments. Auditors started using the framework for their audit work from October 2016.
34. A key feature of the new approach is that it integrates Best Value into the wider scope annual audit, which will influence audit planning and reporting. Best Value will be assessed comprehensively over the five-year audit appointment, both through the ongoing annual audit work, and through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:
- The Annual Audit Report for each council that will provide a rounded picture of the council overall.
  - An annual assurance and risks report that the Controller of Audit will provide to the Commission that will highlight issues from across all 32 council annual audit reports.
  - A Best Value Assurance Report (BVAR) for each council that will be considered by the Accounts Commission at least once in a five-year period.
35. The seven councils on which a BVAR will be published during the third year of the new approach are listed in [Exhibit 6](#). Reports will be considered by the Accounts Commission in the period between March and November 2019.

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## Exhibit 6

### 2018/19 Best Value Assurance Reports



North Lanarkshire Council

Highland Council

Stirling Council

Scottish Borders Council

South Lanarkshire Council

Perth and Kinross Council

Midlothian Council

Source: Audit Scotland

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36. The work planned in the council this year will include continued follow-up of the council's reponse to our 2016/17 BVAR and the actions reported in our Annual Audit Report in 2017/18. Additionally, work planned this year will consider the Council's arrangements for Equal Opportunities and carrying out aspects of options appraisals focusing on the Council's Modern Ambitious Programme and Transformation Programme to date. The work will be integrated with that described above audit dimension areas. It will involve us gaining an understanding of how effective the council's self-evaluation processes are in driving improvement across the council. The results of this work will be reported in the Annual Audit Report.

### Housing Benefit performance audits

37. The Accounts Commission has responsibility for the audit of housing benefit services in Scotland and Audit Scotland carries out a programme of performance audit work every year. The structural changes to the social security landscape, both at UK and Scottish level, are presenting significant implications for councils. In this context the Commission is considering a more strategic approach to the housing benefit performance audit from



2019/20. This would change the balance between reports on the risks at individual councils to more cross-cutting thematic reviews that look at risks across councils.

- 38.** A review of the council's Housing Benefits Service was carried out as part of the 2017/18 audit and was reported to the Audit and Scrutiny Committee in January 2019. The audit team will continue to review the relative performance of all councils' housing benefit services throughout the year, and will take a more risk based and proportionate approach to changes in performance at an individual council.

## Independence and objectivity

- 39.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland's Ethics Partner.
- 40.** The engagement lead (i.e. appointed auditor) for East Renfrewshire Council is John Cornett, Audit Director. Auditing and ethical standards require the appointed auditor John Cornett to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of East Renfrewshire Council.

## Quality control

- 41.** International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.
- 42.** The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supplementary guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.
- 43.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

# East Renfrewshire Council

## Annual Audit Plan 2018/19

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