



External Audit Plan 2023/2024

Date of meeting 23 February 2024

Date of report 5 February 2024

Report by Director of Finance & Corporate Support

1. Object of report

To advise the committee of the External Audit Plan for 2023/2024 from Audit Scotland, SPT's external auditors.

2. Background to report

This External Audit Plan summarises Audit Scotland's work plan for the 2023/2024 external audit of Strathclyde Partnership for Transport ("SPT") and Strathclyde Concessionary Travel Scheme Joint Committee ("SCTS"). The core elements of Audit Scotland's work include:

- an audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement;
- an audit opinion on other statutory information published with the financial statements in the annual accounts, including the Management Commentary, the Annual Governance Statement, and the Remuneration Report;
- consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes;
- consideration of Best Value arrangements;
- providing assurance on the Whole of Government Accounts (WGA) return and Railway Safety Levy return; and
- provision of an Independent Auditor's Report expressing opinions on the different elements of the annual accounts and an Annual Audit Report setting out conclusions on the wider scope areas.

3. Outline of proposals

The External Audit Plan 2023/2024 is attached for noting at Appendix 1.

4. Committee action

The committee is asked to note the details of the External Audit Plan for 2023/2024.

5. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>It is a legal requirement to have externally audited financial statements.</i>
Financial consequences	<i>As detailed in the report</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>None.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

Name Lesley Aird
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact Stuart Paul, Head of Finance on 0141 333 3382.

Strathclyde Partnership for Transport & Strathclyde Concessionary Travel Scheme Joint Committee

Draft Annual Audit Plan 2023/24



 AUDIT SCOTLAND

Prepared for Strathclyde Partnership for Transport & Strathclyde Concessionary
Travel Scheme Joint Committee

February 2024

Contents

Introduction	4
Annual accounts	6
Wider Scope and Best Value	12
Reporting arrangements, timetable, and audit fee	16
Other matters	19

Introduction

Summary of planned audit work

1. Audit Scotland has been appointed by the Accounts Commission as external auditor of Strathclyde Partnership for Transport (SPT) and Strathclyde Concessionary Travel Scheme Joint Committee (SCTS) for the period from 2022/23 until 2026/27. The 2023/24 financial year is therefore the second of the five-year audit appointment.

2. This document summarises the work plan for the 2023/24 audit. The main elements of our work include:

- an audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement
- an audit opinion on other statutory information published with the financial statements in the annual accounts, including the Management Commentary, the Annual Governance Statement, and the Remuneration Report
- consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes
- consideration of Best Value arrangements
- providing assurance on the Whole of Government Accounts (WGA) return and Railway Safety Levy return
- provision of an Independent Auditor's Report expressing my opinions on the different elements of the annual accounts and an Annual Audit Report setting out conclusions on the wider scope areas.

Respective responsibilities of the auditor and Audited Body

3. The [Code of Audit Practice](#) sets out in detail the respective responsibilities of the auditor, SPT, and SCTS. Key responsibilities are summarised below.

Auditor responsibilities

4. The responsibilities of the appointed auditor are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice (including [supplementary guidance](#)) and guided by the Financial Reporting Council's Ethical Standard.

5. 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 wider scope arrangements in place. In doing this, we aim to support improvement and accountability.

6. The Code of Audit Practice reflects a more limited audit of wider-scope areas for any public bodies that are less complex owing to their size and limited financial activity (referred to as Less Complex Bodies). Code of Audit Practice: Supplementary Guidance supports auditors in planning the audits of less complex bodies. Based on the size of the body, the limited financial activity of the Scheme, and the results of our risk assessment procedures to date, we have assessed SCTS as a less complex body for the purposes of the Code and for planning our audit.

SPT and SCTS responsibilities

7. SPT and SCTS are responsible for maintaining adequate accounting records and internal controls and preparing financial statements for audit that give a true and fair view. They are also required to produce other reports in the annual accounts in accordance with statutory requirements.

8. SPT and SCTS have 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 deliver their objectives.

Adding Value

9. We aim to add value by: tailoring audit work to the circumstances of SPT and SCTS and the audit risks identified; being constructive and forward looking; providing independent conclusions; attending meetings of the Audit and Standards Committee; and by recommending and encouraging good practice. In so doing, we will help SPT and SCTS promote improved standards of governance, better management and decision making, and more effective use of resources.

Annual accounts

Introduction

10. The annual accounts are an essential part of demonstrating the SPT and SCTS's stewardship of resources and its performance in the use of those resources.

11. We perform an audit of the financial statements, consider other information within the annual accounts, and express a number of audit opinions in an Independent Auditor's Report in accordance with International Standards on Auditing (ISAs) in the UK, Practice Note 10 from the Public Audit Forum which interprets the ISAs for the public sector, and guidance from Audit Scotland.

12. We focus our work on the areas of highest risk. As part of our planning process, we perform a risk assessment highlighting the audit risks relating to each of the main financial systems relevant to the production of the financial statements.

Materiality

13. The concept of materiality is applied by auditors in planning and performing the audit, and in evaluating the effect of any uncorrected misstatements on the financial statements. We are required to plan the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

Materiality levels for the 2023/24 audit

14. We assess materiality at different levels as described in [Exhibit 1](#). The materiality values for SPT and SCTS are set out in [Exhibit 1](#).

Exhibit 1

2023/24 Materiality levels for SPT and SCTS

Materiality	SPT	SCTS
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements.	£7.0 million	£75 thousand
For SPT, it has been set at 1.5% of net assets based on the latest audited accounts for 2022/23. We have used net assets as the basis for materiality, as the service potential of the assets held are an important contributor to SPT's ability to deliver its critical services. This approach is in line with ISA (UK) 320 (Materiality in planning and performing an audit) and Practice Note 10 (Audit of financial		

statements and regularity of public sector bodies in the United Kingdom).

For SCTS, materiality has been set at 2% of gross expenditure based on the latest audited accounts for 2022/23.

Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality, this could indicate that further audit procedures are required.	£4.6 million	£56 thousand
---	--------------	--------------

Using our professional judgement, we have assessed performance materiality for SPT at 65% of planning materiality.

At SCTS, we have assessed performance materiality at 75% of planning materiality.

Reporting threshold (i.e. clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£70 thousand	£4 thousand
--	--------------	-------------

Source: Audit Scotland

Significant risk of material misstatement to the SPT annual accounts

15. Our risk assessment draws on our cumulative knowledge of SPT, its major transaction streams, key systems of internal control, and risk management processes. It is informed by our discussions with staff, attendance at committees, and a review of supporting information.

16. Audit risk assessment is an iterative and dynamic process. Our assessment of risks set out in this plan may change as more information and evidence becomes available during the progress of the audit. Where such changes occur, we will advise management, and where relevant, report them to those charged with governance.

17. Based on our risk assessment process, we identified the following significant risk of material misstatement to the financial statements. This is the risk which has the greatest impact on our planned audit procedures. [Exhibit 2](#) summarises the nature of the risk, management's sources of assurance over this risk, and the further audit procedures we plan to perform to gain assurance over the risk.

Exhibit 2

2023/24 Significant risk of material misstatement to the SPT annual accounts

Significant risk of material misstatement	Management's sources of assurance	Planned audit response
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in ISA (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</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">• Assess the design and implementation of controls over journal entry processing.• Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.• Test journals at the year-end and post-closing entries and focus on significant risk areas.• Evaluate significant transactions outside the normal course of business.• Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the financial statements.• Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.• Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.• Focussed testing of accounting accruals and prepayments.

Source: Audit Scotland

Consideration of the risks of fraud in the recognition of revenue income in SPT

18. As set out in ISA (UK) 240: *The auditor's responsibilities relating to fraud in an audit of financial statement*, there is a presumed risk of fraud over the recognition of revenue income. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements.

19. We have rebutted this risk as funding received from local authorities and the Scottish Government is clearly communicated and can be readily agreed to third party confirmations. SPT's other material income streams comprise of a high volume of low value transactions, for example subway ticket income, and we

have concluded there is limited opportunity or incentive to manipulate the recognition of income in the annual accounts.

20. We have not, therefore, incorporated specific work into our audit plan in this area over and above our standard audit procedures. Our audit testing will maintain an oversight of any unusual transactions or accounting entries.

Consideration of the risks of fraud in the recognition of expenditure in SPT

21. In line with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, as most public-sector bodies are net spending bodies, auditors should presume there is a risk of material misstatement caused by fraud in expenditure.

22. We have considered each of SPT's expenditure streams, and based on our knowledge of SPT, prior year considerations and our risk assessment to date, we do not consider these to be susceptible to material misstatement due to fraud. We also consider there to be limited incentive and opportunity for the manipulation of expenditure recognition in the financial statements. We have therefore rebutted the risk of material misstatement due to fraud in expenditure recognition for 2023/24.

23. We have not, therefore, incorporated specific work into our audit plan in this area over and above our standard audit procedures. Our audit testing will maintain an oversight of any unusual transactions or accounting entries.

Other areas of audit focus

24. As part of our assessment of audit risks, we have identified other areas where we consider there are also risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risks, we do not consider these to represent significant risks. We will keep these areas under review as our audit progresses.

25. The other areas of specific audit focus are:

- **Valuation of land and buildings:** SPT held land and buildings with a net book value of £126.320 million as at 31 March 2023. Land and buildings are revalued every five years, with the last full valuation exercise completed during 2022/23. We will review management's assessment of the current value of these assets as at 31 March 2024 and compare this to their carrying value in the financial statements and consider if there is a material difference. We will also review management's assessment of whether there are indicators of impairment with these assets as at 31 March 2024.
- **Valuation of Rolling Stock:** As part of the Subway Modernisation programme, SPT have brought two new trains into service to date in 2023/24. Our audit work will consider the valuation of these trains and ensure they have been capitalised in line with the Code of Practice on Local Authority Accounting.

- **Pension asset:** SPT had a pension asset of £1.353 million at 31 March 2023. This an area of audit focus due to the significant assumptions used in the calculation of the asset. A 1 year increase in member life expectancy, for example, would result in approximately a £7.455m decrease to the pension asset.

Significant risk of material misstatement to the SCTS annual accounts

26. Based on our risk assessment process, we identified the following significant risk of material misstatement to the financial statements. This is the risk which have the greatest impact on our planned audit procedures. [Exhibit 3](#) summarises the nature of the risks, management’s sources of assurance over these risks, and the further audit procedures we plan to perform to gain assurance over the risks..

Exhibit 3

2023/24 Significant risk of material misstatement to the SCTS annual accounts

Significant risk of material misstatement	Management’s sources of assurance	Planned audit response
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in ISA (UK) 240, management is in a unique position to perpetrate fraud because of management’s ability to override controls that otherwise appear to be operating effectively.</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"> • Assess the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • Test journals at the year-end and post-closing entries and focus on significant risk areas. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the financial statements. • Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year. • Focussed testing of accounting accruals and prepayments.

Consideration of the risks of fraud in the recognition of revenue income in SCTS

27. As set out in ISA (UK) 240: *The auditor's responsibilities relating to fraud in an audit of financial statement*, there is a presumed risk of fraud over the recognition of revenue income. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements.

28. We have rebutted this risk as SCTS's only material income stream relates to contributions to the Scheme from local authorities. This funding is clearly communicated and can be readily agreed to third party confirmations. We have concluded there is limited opportunity or incentive to manipulate the recognition of income in the annual accounts.

29. We have not, therefore, incorporated specific work into our audit plan in this area over and above our standard audit procedures. Our audit testing will maintain an oversight of any unusual transactions or accounting entries.

Consideration of the risks of fraud in the recognition of expenditure in SCTS

30. In line with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, as most public-sector bodies are net spending bodies, auditors should presume there is a risk of material misstatement caused by fraud in expenditure.

31. We have considered each of SCTS's expenditure streams, and based on our knowledge of SCTS, prior year considerations and our risk assessment to date, we do not consider these to be susceptible to material misstatement due to fraud. We also consider there to be limited incentive and opportunity for the manipulation of expenditure recognition in the financial statements. We have therefore rebutted the risk of material misstatement due to fraud in expenditure recognition for 2023/24.

32. We have not, therefore, incorporated specific work into our audit plan in this area over and above our standard audit procedures. Our audit testing will maintain an oversight of any unusual transactions or accounting entries.

Wider Scope and Best Value

Introduction

33. Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The [Code of Audit Practice](#) sets out the four areas that frame the wider scope of public sector audit and requires auditors to consider and conclude on the effectiveness and appropriateness of the arrangements in place for each wider scope area in audited bodies.

34. In summary, our work on the four wider scope areas will be risk based and proportionate and for SPT will cover the following:

- **Financial management** – this means having sound budgetary processes. We will consider the arrangements to secure sound financial management, including the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error, and other irregularities.
- **Financial sustainability** – as auditors we consider the appropriateness of the going concern basis of accounting as part of the audit. We will look ahead to consider whether the partnership is planning effectively to continue to deliver services. We will also comment on financial sustainability in the medium term, (two to five years) and longer term (longer than five years).
- **Vision, leadership, and governance** – we conclude on the clarity of plans in place to deliver the vision, strategy, and priorities adopted by SPT. We also consider the effectiveness of the governance arrangements to support delivery.
- **Use of resources to improve outcomes** – we will consider how SPT demonstrates economy, efficiency, and effectiveness through the use of financial and other resources.

35. On SCTS, as a less complex body, we will limit our work to conclude on the appropriateness of the disclosures in the governance statement, the financial sustainability of the body and services it delivers, and report on the arrangements for securing Best Value.

Wider scope risks

36. We have identified significant risks in the wider scope areas set out in [Exhibit 4](#) (SPT) and [Exhibit 5](#) (SCTS). These exhibits set out the risks, management's sources of assurance for the risks, and the further audit procedures we plan to perform to gain assurances over the risks.

Exhibit 4

2023/24 wider scope risks for SPT

Description of risk	Management's sources of assurance	Planned audit response
<p>1. Delivery of Capital Programme</p> <p>SPT has a challenging capital programme, including the ambitious subway modernisation programme. As reported to the Strategy and Programmes Committee in November 2023, planned capital spending for 2023/24 is £50.770m including £25.506m for the subway modernisation programme.</p> <p>At 31 March 2023 £21.108 million is included in SPT's reserves relating to capital funding received from Transport Scotland in advance of payments on the programme. SPT's capital funding from SG has been significantly reduced for 2024/25 with funding for the Subway Modernisation being re-profiled.</p> <p>Risk: Current pressures on contractor and supplies markets, inflationary costs, and the reprofiling of capital funding for 2024/25 could impact on delivery of the programme.</p>	<ul style="list-style-type: none">• Internal 4 weekly reporting on performance against budget to all budget managers and the Strategy Group.• Regular monitoring and reporting on the capital programme to the Strategy and Programmes Committee.• Subway modernisation programme remains within the approved budget, including programme contingency and available funding.• SPT has a specific programme Office for monitoring and supporting internal projects.• SPT works in partnership with the Local Authorities it grant funds and obtains regular updates on performance against budget in year.	<ul style="list-style-type: none">• Review of capital monitoring reports and subway modernisation progress reports.• Assess progress with the capital programme at the year-end, including the reasons for any delays or cost increases to the programme.

Source: Audit Scotland

37. Our planned work on the wider scope areas is risk based and proportionate, and in addition to local risks, we consider challenges which are impacting the public sector as a whole.

Exhibit 5 2023/24 wider scope risks for SCTS

Description of risk	Management's sources of assurance	Planned audit response
<p>1. Financial Sustainability of the Concessionary Travel Scheme</p> <p>In 2019, the SCTS Joint Committee were advised that without intervention, the Scheme in its current form was not sustainable with a maximum of two years' worth of funding reserves remaining. A revised concessionary fares structure was agreed in 2021 to address this risk.</p> <p>The reduction in passenger numbers in the last three years has improved the financial position of the scheme, however passenger numbers have been consistently on the rise over this period. The reduction in passenger numbers has led to a delay in the implementation of the revised fares structure.</p> <p>Risk: The scheme is financially unsustainable in its current form should concessionary passenger numbers return to pre-pandemic levels.</p>	<ul style="list-style-type: none"> Given the forecasted surplus in 2023/24, the Joint Committee agreed to pause the implementation of the new fares structure until April 2024 at the earliest. The budget for future years and recommendations on fares will be presented to the SCTS Joint Committee in March 2024 incorporating and updated assessment on the long-term financial viability of the scheme. 	<ul style="list-style-type: none"> Monitor the implementation of the revised fare scheme. Review the year-end position and evaluate the financial sustainability of the scheme in the medium-long term.

Best Value

38. Auditors have a duty to be satisfied that bodies that fall within section 106 of the Local Government (Scotland) Act 1973 have made proper arrangements to secure Best Value. We will consider how SPT and SCTS demonstrate that they are meeting their Best Value responsibilities, and we will report our findings as part of our Annual Audit Report.

Reporting arrangements, timetable, and audit fee

Reporting arrangements

39. Audit reporting is the visible output for the annual audit. All Annual Audit Plans and the outputs, as detailed in [Exhibit 6](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

40. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft reports will be shared with the relevant officers to confirm factual accuracy.

41. We will provide an independent auditor's report to Strathclyde Partnership for Transport (SPT), Strathclyde Concessionary Travel Scheme Joint Committee (SCTS) and the Accounts Commission setting out our opinions on the annual accounts. We will provide SPT, SCTS and the Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

42. [Exhibit 6](#) outlines the target dates for our audit outputs and we aim to issue the independent auditor's report by the statutory deadline of 30 September 2023.

Exhibit 6 2023/24 Audit outputs

Audit Output	Target date	Audit and Risk Committee Date
Annual Audit Plan	31 March 2024	23 February 2024 Audit & Standards Committee
Independent Auditor's Report	30 September 2024	6 September 2024 Audit & Standards Committee
Annual Audit Report	30 September 2024	6 September 2024 Audit & Standards Committee

Source: Audit Scotland



Timetable

43. To support an efficient audit, it is critical that the timetable for producing the annual accounts for audit is achieved. We have included a proposed timetable for the audit at [Exhibit 7](#) that has been discussed with management.

44. We will continue to work closely with management to identify the most efficient approach as appropriate and will keep timeframes and logistics for the completion of the audit under review. Progress will be discussed with management and finance officers over the course of the audit.

45. We intend to take a hybrid approach to the 2023/24 audit with a blend of onsite and remote working. We will continue to work closely with management to identify the most efficient approach as appropriate and will keep timeframes and logistics for the completion of the audit under review. Progress will be discussed with management and finance officers over the course of the audit.

Exhibit 7 Proposed annual accounts timetable

 Key stage	 Provisional Date
Audit certification of the Railway Safety Levy	31 May 2024
Consideration of the unaudited annual accounts by those charged with governance	14 June 2024
Latest submission date for the receipt of the unaudited annual accounts with complete working papers package.	14 June 2024
Latest date for final clearance meeting with the Director of Finance & Corporate Support, agreement of the audited and unsigned annual accounts, and the proposed annual audit report	2 August 2024
Presentation of proposed Annual Audit Report to those charged with governance.	6 September 2024
Agreement of audited and unsigned annual report and accounts by those charged with governance	6 September 2024
Approval of the Strathclyde Concessionary Travel Scheme Joint Committee annual accounts by the Joint Committee, Independent Auditor's Report signed electronically following this approval.	20 September 2024
Approval of the Strathclyde Partnership for Transport annual accounts by the Partnership, Independent Auditor's Report signed electronically following this approval and the final Annual Audit Report issued.	20 September 2024

Source: Audit Scotland

Audit fee

46. In determining the audit fee, we have taken account of the risk exposure of SPT and SCTS and the planned management assurances in place. Fee levels are also impacted by inflation which increases the cost of audit delivery. The proposed SPT audit fee for 2023/24 is £90,660 (£85,570 in 2022/23), and proposed SCTS audit fee is £6,580 (£6,210 in 2022/23) as set out in [Exhibit 8](#).

Exhibit 8 Audit fees (including VAT)

Fee component	SPT Fees (£)	SCTS Fees (£)
2023/24 Audit fee	89,910	6,580
Railway Safety Levy Audit Certification	750	N/A
Total 2023/24 fee	90,660	6,580

Source: Audit Scotland

47. In setting the fee for 2023/24, we have assumed that SPT and SCTS have effective governance arrangements and will prepare a comprehensive and accurate set of annual accounts for audit in line with the agreed timetable for the audit. The audit fee assumes there will be no major change in respect of the scope of the audit during the year and where our audit cannot proceed as planned, a supplementary fee may be levied.

Other matters

The audit team

48. Key contacts in the audit team are:

- Fiona Mitchell-Knight FCA, Audit Director
- David Jamieson CPFA, Senior Audit Manager
- Jack Kerr CA, Senior Auditor
- Clark Midgley, Professional Trainee Auditor

Internal audit

49. It is the responsibility of the SPT and SCTS to establish adequate internal audit arrangements. The internal audit function is provided by SPT's internal audit section led by the Audit & Assurance Manager.

50. While we are not planning to place formal reliance on the work of internal audit in 2023/24, we will review internal audit reports and assess the impact of the findings on the accounts and our wider scope audit responsibilities.

Independence and objectivity

51. Auditors are independent of Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. This standard imposes stringent rules to ensure the independence and objectivity of auditors.

52. Audit Scotland has robust arrangements in place to ensure compliance with Ethical Standard including an annual *'fit and proper'* declaration for all members of staff. The arrangements are overseen by the Executive Director of Innovation and Quality, who serves as Audit Scotland's Ethics Partner.

53. The Ethical Standard requires auditors to communicate any relationships that may affect the independence and objectivity of the audit team. We are not aware of any such relationships pertaining to the audit of Strathclyde Partnership for Transport or Strathclyde Concessionary Travel Scheme.

Audit Quality

54. Audit Scotland is committed to the consistent delivery of high-quality public audit. Audit quality requires ongoing attention and improvement to keep pace with external and internal changes. A document explaining the arrangements for

providing assurance on the delivery of high-quality audits is available from the [Audit Scotland website](#).

55. The International Standards on Quality Management (ISQM) applicable to Audit Scotland for 2023/24 audits are ISQM (UK) 1 which deals with an audit organisation's responsibilities to design, implement and operate a system of quality management (SoQM) for audits and ISQM (UK) 2 which sets out arrangements for conducting engagement quality reviews. To monitor quality at an individual audit level, Audit Scotland also carries out internal quality reviews of a sample of audits. Additionally, the Institute of Chartered Accountants of England and Wales (ICAEW) carries out independent quality reviews. Progress with implementing improvement actions is regularly monitored by Audit Scotland's Quality and Ethics Committee

56. Audit Scotland may periodically seek your views on the quality of our service provision. The team would also welcome feedback more informally at any time.

Strathclyde Partnership for Transport & Strathclyde Concessionary Travel Scheme

Draft Annual Audit Plan 2023/24

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility

For the latest news follow us on social media or [subscribe to our email alerts.](#)



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk