

## **Independent auditors' report to the members of VisitScotland, the Auditor General for Scotland and the Scottish Parliament**

We have audited the group and parent accounts of VisitScotland for the year ended 31 March 2009 under the Development of Tourism Act 1969. These comprise the group Operating Cost Statement, the group and parent Balance Sheets, the group Cash Flow Statement and group Statement of Recognised Gains and Losses and the related notes. These accounts have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration Report that is described in that report as having been audited.

This report is made solely to VisitScotland and to the Auditor General for Scotland in accordance with sections 21 and 22 of the Public Finance and Accountability (Scotland) Act 2000. Our audit work has been undertaken so that we might state to those two parties those matters we are required to state to them in an auditor's report and for no other purpose. In accordance with the Code of Audit Practice approved by the Auditor General for Scotland, this report is also made to the Scottish Parliament, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than VisitScotland and the Auditor General for Scotland, for this report, or the opinions we have formed.

### **Respective responsibilities of the board of VisitScotland, Chief Executive and auditors**

The board and Chief Executive are responsible for preparing the Annual Report, which includes the Remuneration Report, and the accounts in accordance with the Development of Tourism Act 1969 and directions made thereunder by the Scottish Ministers. The Chief Executive is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

Our responsibility is to audit the accounts and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

We report to you our opinion as to whether the group and parent accounts give a true and fair view and whether the accounts and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Development of Tourism Act 1969 and directions made thereunder by the Scottish Ministers. We report to you whether, in our opinion, the information which comprises the Management Commentary included in the Annual Report, is consistent with the accounts. We also report whether in all material respects the expenditure and receipts shown in the accounts were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, we report to you if, in our opinion, the body has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

We review whether the Statement on Internal Control reflects the body's compliance with the Scottish Government's guidance, and we report if, in our opinion, it does not. We are not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited accounts. This other information comprises the background and directors' report and the part of the remuneration report not audited. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

## **Independent auditors' report to the members of VisitScotland, the Auditor General for Scotland and the Scottish Parliament (continued)**

### **Basis of audit opinion**

We conducted our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the accounts and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the board and Chief Executive in the preparation of the accounts, and of whether the accounting policies are most appropriate to the body's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the accounts were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts and the part of the Remuneration Report to be audited.

### **Opinions**

#### *Accounts*

In our opinion

- the group and parent accounts give a true and fair view, in accordance with the Development of Tourism Act 1969 and directions made thereunder by the Scottish Ministers, of the state of the group's and parent's affairs as at 31 March 2009 and of the group net expenditure, group recognised gains and losses and group cash flows for the year then ended;
- the accounts and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Development of Tourism Act 1969 and directions made thereunder by the Scottish Ministers; and
- information which comprises the Management Commentary included in the Annual Report is consistent with the accounts.

#### *Regularity*

In our opinion in all material respects the expenditure and receipts shown in the accounts were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

29 October 2009

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