

REPORT TO THE HISTORIC SCOTLAND BOARD MEETING, HELD ON
TEUSDAY 27th JUNE 2006 IN ORKNEY.

Mr. David McGibbon, chairman of the Audit Committee of HS ,

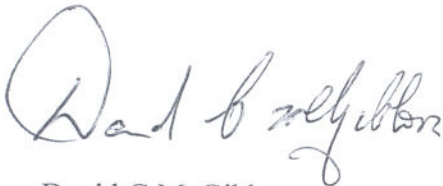
informed the Board that the Audit Committee had met on Thursday 22nd June in Longmore House. All committee members were present . Also in attendance were John Graham, Laura Petrie, members of Audit Scotland and members of Audit Services.

David McGibbon informed the Board that the Audit Committee had considered the Audit Scotland Report which gave a clear audit opinion with no material misstatements, nor were there any material weaknesses in accounting and internal controls. Audit Scotland had complemented Laura Petrie and her team, a sentiment endorsed by the Audit Committee.

Internal Audit Services had noted that they were satisfied that the arrangements HS had in place for collating key performance target data and reporting the outturn thereon were sound.

Internal Audit Services also reported that they were able to provide substantial assurance in overall terms in respect of Historic Scotland's control systems.

On the basis of the above, the Audit Committee agreed unanimously to recommend to John Graham as Accountable Officer that he should sign the Letter of Representation to Audit Scotland and that he should sign the Annual Accounts for 2005-2006.



David C McGibbon