



The Trustees
The Moray Council – Connected Charities
Council Offices
High Street
Elgin
Moray
IV30 1BX

12 September 2016

Dear Sirs,

Audit of financial statements for The Moray Council – Connected Charities for the year ended 31 March 2016

We are writing to set out the findings from our audit for the above named entity in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK&I)).

Significant findings from the audit

We are required under ISA (UK&I) 260 “Communication with those charged with governance” to communicate to those charged with governance significant findings from the audit, including:

- Our views about significant qualitative aspects of the entity’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit.

We wish to draw your attention to the following findings which were identified from our audit:

Charitable activity during 2015/16 remained low across the 38 charitable trusts. During the year 50 grants were made to individuals of which 24, totalling £11,320, were made from the Moray and Nairn Educational Trust for assistance with University costs and school trips. Remaining grant expenditure totalled £777. Income received in the year totalled £21,738, comprising £6,744 of interest from the Council’s Loans Fund, £12,434 dividend income and other income of £2,560.

The Council continues discussions with OSCR to identify options for restructuring the charitable trusts to create a smaller number of trusts. The Council hopes that this will allow governance arrangements to be improved and allow the Council to maximise the use of the resources available within the Trusts for the people of Moray.

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Matters related to going concern

While discussions are ongoing with OSCR around rationalising the number of charities and agreeing their overall purpose, we are satisfied that the connected charities can realise their assets and discharge their liabilities in the normal course of business.

We have sought specific representation from Management that the presentation of a single set of financial statements for all connected charities is based on guidance received from OSCR.

Significant deficiencies in internal control

We are required under ISA (UK&I) 265 “Communicating deficiencies in internal control to those charged with governance and management” to communicate to those charged with governance significant deficiencies in internal control identified during the audit.

The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our work may therefore have not identified all significant deficiencies in your system of internal control which a separate audit of internal control may reveal.

We have not identified any significant deficiencies in internal control during the audit.

Other matters

We are also required under ISAs (UK&I) to communicate to those charged with governance if we have anything to report on the following:

- Uncorrected misstatements;
- Matters related to fraud;
- Matters related to laws and regulations;
- Matters related to related parties;
- Subsequent events;
- Any significant facts that bear upon our independence and objectivity;
- Matters related to the auditors’ report;
- Any other matters that, in our professional judgment, are significant to the oversight of the financial reporting process.

We have nothing to report in respect of the above matters.

This letter has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this letter has not been prepared for, and is not intended for, any other purpose.



We would like to thank you and your staff for their assistance and co-operation during the audit process.

Yours faithfully

PricewaterhouseCoopers LLP