

**REPORT TO: AUDIT PERFORMANCE AND REVIEW COMMITTEE ON 16
DECEMBER 2009**

SUBJECT: EXTERNAL AUDIT REPORTS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To provide Committee with a copy of two reports prepared by the Council's External Auditor for 2008/09.
- 1.2 This Report is submitted to Committee in terms of Section I(7) of the Council's Administrative Scheme.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee consider and note the contents of the attached reports from the Council's External Auditor;**
 - (i) **Assurance on Internal Controls 2008/09; and**
 - (ii) **Report to Members and the Controller of Audit on the 2008/09 Audit.**

3. BACKGROUND

- 3.1 The Assurance on Internal Controls 2008/09 attached as **APPENDIX 1**, contains findings from the reviews carried out as part of the audit of the 2008/09 financial statements.
- 3.2 The Report to Members and the Controller of Audit on the 2008/09 Audit, attached as **APPENDIX 2**, summarises the findings from External Audit's 2008/09 Audit of The Moray Council, focusing on the financial statements audit and any significant findings that have arisen from our review of the management of strategic risks during the year.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The work undertaken by External Audit provides assurance to the Committee on the Council's performance management, financial statements and the actions taken by the Council to address key risks.

(b) Policy and Legal

The audit is conducted in terms of statutory powers afforded to the appointed External Auditor.

(c) Resources (Financial, Risks, Staffing and Property)

The management of risks relating to key issues for the year ahead involves all services across the Council.

Preparation of the Council's annual financial statements requires significant resource inputs as part of the scheduled work of the accountancy team within Finance and ICT.

(d) Consultations

The content of the individual documents attached as appendices to this report, have been discussed with relevant officers of the Council.

5. CONCLUSION

5.1 The reports by External Audit inform Members and Officers of Council of the work to be undertaken by Audit Scotland in the year ahead.

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Background Papers: Attached

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