

EXTERNAL AUDIT ISSUED REPORTS 2010

1. SUMMARY

This report introduces a report issued by Grant Thornton since the last Audit Committee. (See Appendix 1). The recommendations contained in the attached report will be incorporated into the follow up reporting system for the next Audit Committee.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and are to be followed up by Internal Audit.

3. DETAILS

3.1 In May 2010, Grant Thornton issued a report entitled "Interim Management Report". The audit reviewed the effectiveness of the Council's core financial systems, financial management and budgetary control arrangements. In addition, the review followed up the Council's progress in implementing agreed recommendations from the prior year interim report.

3.2 The review found that core financial systems continue to operate effectively and identified 4 performance improvement recommendations, none of which were graded as high risk. The review of financial management and budgetary control follow up, found that the Council continues to closely monitor its finances and the impact of deteriorating public sector finances. A review of the 2008 – 2009 action points found that of 6 recommendations 4 had been implemented with the remaining 2 points currently being progressed toward implementation. The remaining 2 recommendations were not considered high risk.

3.3 In addition, Grant Thornton has provided the Audit Committee with a summary of progress of the external audit plan for the year ending 31 March 2010. The summary sets out audit area coverage, target delivery dates and the updated position on audit completion as at June 2010.

4. CONCLUSIONS

Implementation of recommendations will continue to be monitored by Internal Audit.

5. IMPLICATIONS

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| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |

5.4 Legal: None

5.5 Equal Opportunities: None

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