

EAST AYRSHIRE COUNCIL

CORPORATE GOVERNANCE COMMITTEE – 16 NOVEMBER 2004

AUDITED ACCOUNTS 2003/2004

Report by the Executive Head of Finance

1 PURPOSE OF REPORT

- 1.1** The purpose of this Report is to present to Members the External Auditor's Report on the Abstract of Accounts for 2003/04.

2 BACKGROUND

- 2.1** The Local Authority Accounts (Scotland) 1985 Regulations require the Council's proper officer to prepare accounts as soon as practicable after the end of each financial year and to submit these to the authority and to the Controller of Audit by 30 June of the next financial year. The Abstract of Accounts for 2003/04 was submitted to the Controller of Audit on 24 June 2004 following approval by the Council at its meeting that day.

- 2.2** The duties and responsibilities of the External Auditors includes a requirement to review and, where appropriate, report on the financial aspects of the council's corporate governance arrangements, as they relate to:

- The legality of transactions that might have significant financial consequences;
- The financial standing of the audited body;
- Systems of internal financial control; and
- Standards of financial conduct, and the prevention and detection of fraud and corruption.

They also have a responsibility to review and, where appropriate, report on the arrangements that the Council has put in place to secure economy, efficiency and effectiveness in its use of resources.

- 2.3** The Council's External Auditors, PricewaterhouseCoopers, have now submitted their Report in respect of the year ended 31 March 2004 and a copy is appended to this Report.

3 AUDITOR'S REPORT

- 3.1** The Report by the Auditor covers the Financial Statements and related matters, Governance and Business Controls and Performance. The Report also includes an Action Plan to address areas of possible improvement identified during the process.

The Accounts have been certified by the auditor without qualification.

The general tone of the Report is a positive one which reflects the commitment of the Council to continuous improvement. The auditor is complimentary about the quality of the work done in preparing and presenting the accounts. All of the issues raised by him have been accepted by officers and all of the actions identified in the Action Plan are already in hand.

5 ACTION PLAN

- 5.1** The Action Plan drawn up as part of the Report includes target dates which have been agreed with the Chief Executive. Achievements of these targets will be monitored over the period in question.

6 RECOMMENDATIONS

- 6.1** It is recommended that Members note the contents of the Report.

Alex McPhee
Executive Head of Finance

AMcP/JP
2 November 2004
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LIST OF BACKGROUND PAPERS NIL

Further information on this report is available from Alex McPhee, Executive Head of Finance, Tel 01563 576300.