

THE HIGHLAND COUNCIL

Audit and Scrutiny Committee

20th August 2009

Agenda Item	
Report No	

International Standard on Auditing 260

Report by Depute Chief Executive & Director of Finance

Summary

To request delegated powers to the Depute Chief Executive and Director of Finance in consultation with the Chair and Vice Chair of the Audit and Scrutiny Committee to deal with the requirements of International Standard on Auditing 260

1. Introduction

- 1.1 As part of the external audit process both Audit Scotland and the Council require to comply with International Auditing Standards.

2. International Standard on Auditing 260 (ISA 260)

- 2.1 ISA 260 places a responsibility on Auditors to communicate with “those charged with the governance in an audit of financial statements”. The Audit Standard states that the objectives of the communication are as follows:

- To communicate clearly with those charged with governance the responsibilities of the auditor in relation to the financial statements audit.
- To obtain from those charged with governance information relevant to the audit
- To provide those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process
- To promote effective two way communication between the auditor and those charged with governance

3. Delegated Powers

- 3.1 The committee meeting schedule prevents Audit Scotland from communicating with the Audit and Scrutiny Committee in advance of signing the audit certificate. Therefore it is proposed that authority be delegated to the Depute Chief Executive and Director of Finance in consultation with the Chair and Vice Chair to deal with the requirements of ISA 260.

- 3.2 Members of the Audit and Scrutiny Committee will get the opportunity to consider any issues arising from the ISA 260 report when Audit Scotland present their Report to Members at the conclusion of the 2008/09 audit.

Recommendation

That powers are delegated to the Depute Chief Executive and Director of Finance in consultation with the Chair and Vice Chair of the Audit and Scrutiny Committee to deal with the requirements of International Standard on Auditing 260

Signature:

Designation: Depute Chief Executive & Director of Finance

Date: 23rd July 2009

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