

FAO; Chair of the Audit Committee of the Council

Dear Sir/Madam,

Re: 2015/16 Compliance Audit Programme-

I write to confirm that the Compliance Audit assessment has been undertaken on a sample of HCA funded schemes delivered via your organisations partnership and provide you with the formal report.

As you will be aware, the general purpose of the compliance audit exercise is to carry out a comprehensive review of a sample of HCA funded schemes to validate adherence to the HCA guidelines as set out in the Capital Funding Guide and any other supplementary compliance audit criteria, to provide assurance on the expenditure of public funding, to government.

As a Grant Recipient you are responsible for using grant for the purposes stated in the relevant grant agreements; maintaining proper records complying with the HCA's terms and conditions of grant and providing relevant information to the HCA in accordance with the requirements of the grant conditions.

We use the audit findings, (which are confidential between the HCA, Independent Auditor and the Grant Recipient), to inform our future investment decisions and to reassure the HCA Chief Accounting Officer that public funds have been properly used.

To make the compliance audit process fully transparent, we address, when necessary, the findings raised by the independent auditor as procedural breaches and these are listed in the relevant appendix within the attached HCA audit report.

A copy of the HCA Compliance Audit Report is attached. Please draw your Committee's attention to this report at the earliest opportunity and sign and return the enclosed copy to myself by electronic copy. If there are breaches please provide a detailed response within 20 working days of receipt of this letter, indicating the action you intend to take.

A copy of this letter and report has been sent to the Chief Executive, and others, for information.

May I take this opportunity to thank you and the team at your organisation for input to this year's Compliance Audit process and making it a success.

With regard to the forthcoming 2016/7 programme of compliance audit, not all organisations are subject to this, and we will be in contact with the relevant organisations with indicative samples in July.

Yours sincerely,



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cc. CEO & CA Lead Officers at Council, **Enc.** CA report