

## CAIRNGORMS NATIONAL PARK AUTHORITY

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### FOR DECISION

**Title:** DRAFT ANNUAL REPORT AND ACCOUNTS 2005/06

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#### **Purpose**

To update the Board on progress made to produce the draft Annual Report and Accounts for 2005/06.

#### **Recommendations**

Board members are requested to note the draft Annual Report & Accounts for 2005/06, which has been circulated informally and in confidence.

Subject to the update from the Finance Committee meeting of 8 September, Board members are requested to agree the accounts for 2005/06.

Board members are requested to submit any further comments on either the draft Annual Report or Accounts to the relevant officer by 20 September, to allow a final draft to be prepared for audit certification.

The Board is requested to note the process to complete the draft Annual Report and Accounts for 2005/06.

#### **Executive Summary**

The Annual Report and Accounts for 2005/06 is the first report that relates to the Corporate Plan 2005-2008 approved by the Board in February 2005. The Annual Report aims, not only to present the CNPA's financial accounts for 2005/06, but also to raise understanding and support for the role and responsibilities of the CNPA, raise awareness of the key achievements of CNPA during 2005/06 and demonstrate that CNPA has met its responsibilities efficiently and cost-effectively. A draft copy of the Annual Report will be circulated in confidence to Board members in early September.

The draft Accounts for 2005/06 which will form an appendix to the Annual Report have been circulated in confidence to Board members at this point as they remain subject to final audit approval. In overall terms, we expect the final accounts to show a surplus of income over expenditure for the year of £0.1m. The draft accounts for 2005/06 show total expenditure of £5.1m, met by Grant in Aid of £4.2m, Operational Plan income of £0.8m and other income totalling £0.2m.

## DRAFT ANNUAL REPORT AND ACCOUNTS 2005/06 – FOR DECISION

### Background

1. The Management Statement set by the Scottish Executive Environment and Rural Affairs Department (SEERAD) for the Authority requires the Authority to publish an Annual Report of its activities together with its audited annual accounts, after the end of each financial year.
2. The Board's Audit Committee approved an action plan to complete the Authority's final accounts for 2005/06 by 31 October 2006. Officers have been working with the Authority's external auditors, Audit Scotland, to complete the accounts for 2005/06 in accordance with this timetable.
3. For 2005/06, the Authority is preparing its Annual Report and Accounts as a single document, in accordance with the Scottish Executive's financial reporting guidance. The latest draft of the Annual Report part of the document is presented to the Board to give members an opportunity to comment on it, while sufficient time remains to make any changes agreed.
4. As the report and accounts for 2005/06 are still in draft form and the accounts are not certified by the external auditor, it is necessary to circulate the documents to members in confidence, rather than placing them in the public domain.
5. The Board's Audit Committee will consider the accounts, including in particular the Statement of Internal Control, at its meeting on 25 August. The external auditor will also present an update on their audit of the accounts for the year.
6. The draft accounts will also be presented in confidence to the Board's Finance Committee, at its meeting earlier on 8 September. The Finance Committee's remit includes the duty to seek the approval of the Board to the annual accounts, although, under the terms of the Authority's Financial Memorandum, it is the Chief Executive who is required to sign the accounts as the Accountable Officer.

### Annual Report

7. The annual report for 2005/06 is the first report that relates to the Corporate Plan 2005-2008 approved by the Board in February 2005.
8. The overall aim of the Annual Report and Accounts is to meet our statutory requirement to report on the CNPA's activities and accounts for the financial year 2005/06. In addition, its objectives will be to:
  - a) raise understanding and support for the role and responsibilities of the CNPA

- b) raise awareness of the key achievements of CNPA during the financial year 2005/06
  - c) demonstrate that CNPA has met its responsibilities efficiently and cost-effectively
9. The key audiences for the annual report have been identified as:
- a) Ministers, MSPs, Scottish MPs and relevant officials
  - b) Partner organisations and opinion formers/influencers
  - c) CNPA Board and staff members
10. We aim to have the drafting of the annual report complete by the end of September, in order to fit with the agreed timetable for finalisation and certification of the annual accounts. Board members are therefore invited to give any initial comments on the draft to be circulated in confidence in early September, and to submit any further comments by 20 September to allow final drafting to be completed.
11. It is normal practice for the Authority to submit a draft of the annual report to the Scottish Executive to allow their comments to be considered prior to finalisation. In order to meet the copy deadline, the draft annual report will be sent to our sponsor division in early September and officers would make clear to the Scottish Executive that the draft remained subject to possible further amendments requested by Board members.
12. The final Annual Report and Accounts will be produced ready for distribution by early December 2006.

### **2005/06 Accounts**

13. The draft accounts for 2005/06 have been circulated in confidence to Board members at this point as they remain subject to final audit approval.
14. In overall terms, we expect the final accounts to show a surplus of income over expenditure for the year of £0.1m. The draft accounts for 2005/06 show total expenditure of £5.1m, met by Grant in Aid of £4.2m, Operational Plan income of £0.8m and other income totalling £0.2m.
15. Over the course of 2005/06, the Finance Committee has monitored the Authority's use of its resource allocation made available by the Scottish Executive. The Finance Committee is due to consider the draft accounts in detail at its meeting of 8 September.
16. The Finance Committee's remit includes the duty to seek the approval of the CNPA Board to the annual accounts. Following the Finance Committee's meeting on the morning of 8 September, the Head of Corporate Services and Chair of Finance Committee will be able to advise the Board, on the basis of advice to be received

from the external auditors, whether it is in a position to recommend approval of the accounts at this point.

### **Next Steps**

17. Board Members are invited to comment on the draft Annual Report and Accounts for 2005/06 by 20<sup>th</sup> September 2006.
18. A copy of the draft Annual Report and Accounts will be sent to our sponsor department at the Scottish Executive for their comment in early September.
19. Over the course of September, we will coordinate any amendments required to the current draft, with a view to completing a final draft of the Annual Report and Accounts by the end of September.
20. Completed, audited accounts must be laid before Parliament prior to being made public.
21. Once this process is finalised the report can be produced and distributed. We anticipate this will be by early December 2006.

**David Cameron**

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**24 August 2006**

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