

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR DECISION

Title: DRAFT ACCOUNTS FOR 2005/06

Prepared by: Denby Pettitt, Finance Manager

Purpose

To present the draft accounts for 2005/06.

Recommendations

After considering the accounts, the Committee is requested, if they see fit, to:

- a) recommend the accounts to the Board, subject to no material amendments being required by the external auditors. The Head of Corporate Services will make any minor alterations required prior to their submission to the Board. Should it be required, the Committee's approval will be sought prior to any material changes being made

Executive Summary

- a) The Finance Committee's remit includes the duty to seek the approval of the CNPA Board to the annual accounts. A clearance meeting has been held with Audit Scotland and the closure process for the 2005/06 accounts is now nearing completion and a draft of the accounts is therefore presented with this paper for the Committee's consideration.
 - b) The format of the accounts has changed slightly this year with a separate Remuneration Report being included. This new disclosure is required by the Government's Financial Reporting Manual and brings public sector accounts disclosure into line with that shown by businesses regulated by the Companies Act.
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DRAFT ACCOUNTS FOR 2005/06 – FOR DECISION

Background

1. The remit of the Committee includes the duty to seek approval of the CNPA Board to the annual accounts.
2. The accounts for the year ended 31 March 2006 were audited by Audit Scotland in July and a clearance meeting has been held (August 17) between the Head of Corporate Services, the Finance Manager and the external auditor's Senior Audit Manager. The process of finalising the accounts for publication is therefore at an advanced stage, and currently on schedule for audit certification and submission to the Scottish Executive by the end of September.
3. It is, therefore, felt appropriate to present the draft accounts to the Finance Committee for consideration and recommendation to the Board for adoption, subject to there being no further material amendments required by the external auditors.
4. It is one of the Park Authority's, i.e. the Board's, responsibilities to prepare for each financial year an account of the authority's expenditure and receipts in accordance with directions issued by the Scottish Ministers (National Parks (Scotland) Act 2000).
5. The Chief Executive, in her role as the Accountable Officer, is required to sign the accounts (Management Statement and Financial Memorandum). In order to fulfil this requirement and the responsibility detailed in para. 4 the Chief Executive signs the accounts "... on behalf of the National Park Authority".

Accounts for 2005/06

6. The draft accounts for 2005/06 are set out at the Annex to this paper.
7. At May's Finance Committee meeting we reported that the forecast results for the year showed a surplus of £133,000 with Grant in Aid income of £4,188,000. The draft accounts, now presented for approval, have a surplus of £116,000 and Grant in Aid is unchanged (see note 2 to the accounts).
8. The reduction in the surplus was expected as we tried to maximise our 2005/06 spend by including as much Operational Plan expenditure in the year to March 2006 as possible.
9. There are some slight differences between the treatment of income and expenditure in the monthly management accounts prepared by the Authority and the financial accounts. The differences exist because the management accounts are in a format necessary to control our use of cash resources throughout the year whereas the financial accounts need to comply with the format required by the Government Financial Reporting Manual (FRoM).

Remuneration Report

10. The format of the financial accounts this year also differs slightly from previous years with the most noticeable change being the inclusion of a Remuneration Report. This format is required by the current FReM and means that accounts prepared in the public sector are increasingly coming into line with those prepared by commercial businesses under the Companies Act that have had this requirement for a number of years.
11. Remuneration disclosed in the report is for those individuals “in senior positions having authority or responsibility for directing or controlling the major activities of the entity” (section 7.2.24 FReM). It has been agreed with the Scottish Executive that this is interpreted to include the Chief Executive and Board members.
12. The only difference to disclosure for Board members to that shown in Note 3 of previous year’s accounts is the inclusion of start and end dates of their contracts as required by FReM.

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