

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: DRAFT ANNUAL REPORT AND ACCOUNTS 2006/07

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Purpose

To update the Board on progress made to produce the draft Annual Report and Accounts for 2006/07.

Recommendations

Board members are requested to:

- a) note the draft Annual Report & Accounts for 2006/07, which has been circulated informally and in confidence.
- b) to agree the accounts for 2006/07 subject to the update from the Finance Committee meeting of 10 August 2007.
- c) to submit any further comments on either the draft Annual Report or Accounts to the relevant officer by 17 August, to allow a final report to be prepared for distribution in October.
- d) to note the process for completing the draft Annual Report and Accounts for 2006/07 and that the Accounts section will be circulated separately with the Finance Committee papers.

Executive Summary

The Annual Report and Accounts for 2006/07 is the second report that relates to the Corporate Plan 2005-2008 approved by the Board in February 2005. The Annual Report and Accounts aims, not only to present the CNPA's financial accounts for 2006/07, but also to raise understanding and support for the role and responsibilities of the CNPA, raise awareness of the key achievements of CNPA during 2006/07 and demonstrate that CNPA has met its responsibilities efficiently and cost-effectively. A draft copy of the Annual Report has been circulated in confidence to Board members in late July.

The draft Accounts for 2006/07 will be circulated in confidence to Finance Committee and Board members for the 10th August meeting. The draft accounts for 2006/07 show a total expenditure of £5.3m, met by Grant in Aid of £4.4m, Operational Plan income of £0.9m and other income totalling £0.1m.

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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 (March 2007) approved an action plan to complete the Authority's final accounts for 2006/07. Officers have subsequently been working with the Authority's external auditors, Audit Scotland, to bring completion of the accounts forward so that Board can approve them on 10th August. This will enable us to lay the Annual Report and Accounts before Parliament and print and distribute them by October.
3. For 2006/07, 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 section 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 2006/07 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 next meeting. 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 on 10 August. 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 2006/07 is the second 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 2006/07. In addition, its objectives are 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 2006/07
 - 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 August, 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 late July, and to submit any further comments by 17 August 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 and accounts will be sent to our sponsor division in early September.
12. The final Annual Report and Accounts will be produced ready for distribution during October 2007.

2006/07 Accounts

13. Completed, audited accounts must be laid before the Scottish Parliament prior to being made public. Therefore the draft accounts for 2006/07 have been circulated in confidence to the Finance Committee and Board members for the 10 August meeting.
14. In overall terms, we expect the final accounts to show a small surplus of income over expenditure for the year. The draft accounts for 2006/07 show total expenditure of £5.3m, met by Grant in Aid of £4.4m, Operational Plan income of £0.9m and other income totalling £0.1m.
15. 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 10 August, 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 recommends approval of the accounts at this point.

Next Steps

16. Board Members are invited to comment on the draft Annual Report and Accounts for 2006/07 by 17 August 2007.

17. 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.
18. Over the course of August and September, we will coordinate any amendments required to the current draft, with a view to producing a final Annual Report and Accounts by October.
19. Completed, audited accounts must be laid before Parliament prior to being made public.
20. Once this process is finalised the report can be distributed and we anticipate this will be during October 2007.

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