

Stephen O'Hagan
Senior Audit Manager
7th floor
Plaza Tower
East Kilbride
G74 1LW

Telephone:
0845 146 1010
Direct dial:
0131 625 1939
Fax:
0845 146 1009

Website:
www.audit-scotland.gov.uk



Ms Jane Hope
Chief Executive
Cairngorms National Park Authority
The Square
Grantown on Spey
PH26 3HG

27 March 2009

Dear Jane

**Cairngorms National Park Authority
Review of internal control systems 2008/09**

This letter records on an exception basis, financial control weaknesses we identified during the course of our pre year-end audit testing, detailed in an action plan format.

High level control testing was carried out for the following key systems:

- Debtors
- Creditors
- Cash and bank
- Main accounting
- Payroll.

The review is undertaken to assess the assurance we can take from these systems and informs our financial statements strategy.

The action plan summaries the one area identified during our review where Cairngorms National Park Authority may be exposed to risk. Although the action plan identifies this risk area, it is the responsibility of management to decide the extent of the internal control system appropriate to Cairngorms National Park Authority. We would stress, however, that an effective control system is an essential part of the efficient management of any organisation. Also, it should be noted that risk areas highlighted in the action plan are only those that have come to our attention during our normal audit work in accordance with our Code of Audit Practice and therefore are not necessarily all of the risk areas that may exist.

Please do not hesitate to contact me if you have any queries on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen O'Hagan', written over a light blue background.

**Stephen O' Hagan
Senior Audit Manager**

Enc

cc David Cameron, Head of Corporate Services Group
Stuart Sands, Deloitte's LLP
Fiona MacFarlane, Audit Scotland

Action plan to address identified internal control weaknesses

No.	Audit Finding and Control Risk	Management Response & Agreed Action	Responsible Officer	Date
Creditors				
1	<p>Creditor Reconciliations</p> <p>Currently CNPA complete monthly reconciliations to the creditors control account. This process is not at present documented.</p> <p>The Finance Manager took up post in March 2008 and following the final accounts process has started to implement further processes and procedures within the Finance Section. He is aware that there is no physical documentation to prove that the monthly reconciliations to the creditors control account has been completed and at the time of our visit was looking to set up procedures to ensure that monthly reconciliations to the creditors control account are documented.</p> <p><i>Risk: Expenditure disclosed in the financial ledger does not reconcile with payments made through the creditors system.</i></p>	<p>Agreed that monthly reconciliations to the creditors control account are recorded, kept on file and reviewed by the Finance Manager.</p>	<p>Finance Manager</p>	<p>From March 2009</p>