



For decision

Title: Internal Audit VAT review

Cover paper prepared by: Louise Allen, Head of Finance and Corporate Operations

**Annex prepared by: Veronica Donnelly, Partner, Azets
Alan Glen, Director of VAT, Azets**

Purpose

This paper presents Azets' review of the VAT status of activities within the Cairngorms 2030 programme, and the potential need for the Park Authority to register for VAT.

Recommendations

The Audit and Risk Committee is asked to:

- a) Note the risks identified in the report; and
- b) Consider the advice provided by Azets.

Executive summary

1. Based on Azets' review of the information provided by the Park Authority it does not appear that the Authority is making any taxable supplies as a result of the Cairngorms 2030 Programme. However, potential VAT risks may arise as the work progresses. VAT risks are more likely to appear at the point of agreements being drafted or difficulties arising in the projects that need to be resolved.
2. The findings in the report are those risks that Azets believe the Park Authority may need to consider as the projects progress.

Conclusions

3. Azets recommend that a 'checklist' that details potential VAT risks is drafted, and that each project agreement CNPA enters into is reviewed against the checklist before the agreement is signed, to ensure the VAT risks are considered. Also, the checklist should be used to review any material changes to agreements or structures.



A quotation of £5,280 (including VAT) has been provided for this work. We are considering this engagement.

4. There is also the potential to engage Azets to work with our teams, explaining to non-finance staff the keys issues that need to be considered from a VAT perspective.

Louise Allen

louiseallen@cairngorms.co.uk