

# Cairngorms National Park Authority

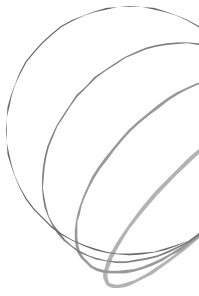
Report to those charged with governance on the 2010/11 audit

June 2010

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# Summary



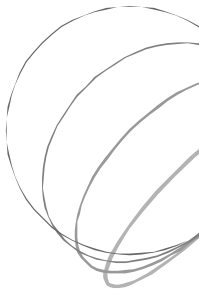
## Introduction

1. International Standard on Auditing (ISA) 260 requires auditors to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
2. ISA 260 requires us to highlight:
  - relationships that may bear on our independence and the integrity and objectivity of the appointed auditor and audit staff
  - the overall scope and approach to the audit, including any expected limitations, or additional requirements
  - expected modifications to the audit report
  - management representations requested by us
  - unadjusted misstatements, other than those that are clearly trivial
  - material weaknesses in internal control identified during the audit
  - qualitative aspects of accounting practice and financial reporting, including accounting policies
  - matters specifically required by other auditing standards to be communicated to those charged with governance and any other matters that are relevant to the audit.
3. This report sets out for the Audit Committee's consideration the matters arising from the audit of the financial statements for 2010/11 that require reporting under ISA 260. We are drawing to your attention those matters we think are worthy of note, so that you can consider them before the financial statements are approved and certified. An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance. This report has been prepared for the use of the Cairngorms National Park Authority (CNPA) and no responsibility to any third party is accepted.

## Status of the Audit

4. Our work on the financial statements is now complete. The issues arising from the audit were discussed with the head of corporate services and the finance manager on 8 June 2011. All matters were satisfactorily resolved.

## Matters to be reported to those charged with governance



### Conduct and scope of the audit

5. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in the Audit Plan presented to the Audit Committee on 18 March 2011, and follow the requirements of the Code of Audit Practice prepared by Audit Scotland in March 2007.

### Audit opinion & representations

6. Subject to the satisfactory conclusion of any outstanding matters, we anticipate being able to issue an unqualified auditor's report on 24 June (the proposed report is attached at Appendix A ). There are no anticipated modifications to the audit report.
7. There are no unadjusted misstatements to bring to your attention.
8. As part of the completion of our audit we seek written assurances from the Accountable Officer on aspects of the accounts and judgements and estimates made. A signed letter of representation under ISA 580 has been provided to us by the Accountable Officer.

### Accounting and internal control systems

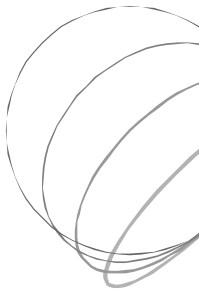
9. No material weaknesses in the accounting and internal control systems were identified during the audit which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the accounts.

### Matters arising

10. In our view, there are no other issues that require to be brought to your attention regarding the appropriateness of accounting policies or accounting estimates and judgements, the timing of transactions, the existence of material unusual transactions or the potential effect on the financial statements of any uncertainties.

### Acknowledgements

11. We would like to express our thanks to the staff of CNPA for their help and assistance during the audit of this year's financial statements which has enabled us to provide an audit report within the agreed timetable.



# APPENDIX A

## **Proposed Independent auditor's report to the members of The Cairngorms National Park Authority, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Cairngorms National Park Authority for the year ended 31 March 2011 under the National Parks ( Scotland ) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2010/11 Government Financial Reporting Manual (the 2010/11 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of Accountable Officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities [set out (on page 13.)], the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and receipts. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and receipts.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and receipts in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the National Parks (Scotland ) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2011 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2010/11 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland ) Act 2000 and directions made thereunder by the Scottish Ministers.

### **Opinion on regularity**

In my opinion in all material respects the expenditure and receipts in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.



### **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Parks ( Scotland ) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary, National Park Board Members, Statement of National Park Authority's Responsibilities, included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Statement on Internal Control does not comply with Scottish Government guidance.

I have nothing to report in respect of these matters.

*Elaine Barrowman*  
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*Date*