

The Cairngorms National Park Authority

Report to those charged with governance on the 2006/07 audit

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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':
 - expected modifications to the audit report;
 - uncorrected misstatements;
 - material weaknesses in internal control;
 - qualitative aspects of accounting practice and financial reporting;
 - management representations requested by us;
 - matters specifically required by other auditing standards to be communicated to those charged with governance; and
 - other matters that we wish to draw to your attention.
2. This report sets out for the Audit Committee's consideration the matters arising from the audit of the financial statements for 2006/07 that require reporting under ISA 260.

Status of the Audit

3. Our work on the financial statements is now substantially complete. Subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of accounts for final review, we anticipate being able to issue an unqualified auditor's report after they are approved by the Board and signed by the Accountable Officer (the proposed report is attached at Appendix A). There are no anticipated modifications to the audit report.

Next Steps

4. We are drawing these matters to the attention of the Audit Committee so that you can consider them before the financial statements are approved and certified.



Matters to be reported to those charged with governance

5. The following matters were discussed with David Cameron, Head of Corporate Services.

Matters Arising

6. **Unadjusted errors:** No significant errors were identified during the audit. A small number of amendments were identified, and these have all been reflected in the revised accounts presented for approval.

Outstanding Information

7. **Letter of Representation** – 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 draft letter of representation under ISA 250 has been provided to the Accountable Officer. This should be returned and signed by the Accountable Officer with the signed accounts prior to the independent auditor's opinion being certified.

 **AUDIT SCOTLAND**
24 August 2007



APPENDIX A – Proposed Independent Auditor’s Report

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 2007 under the National Parks (Scotland) Act 2000. These comprise the Income and Expenditure Account, Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

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 the board, Chief Executive and auditor

The board and Chief Executive are responsible for preparing the annual report and the financial statements in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. The Chief Executive is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer’s Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. I also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. I also report if, in my opinion, the Foreword to the accounts is not consistent with the financial statements, if the body has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.



I review whether the Statement on Internal Control reflects the body's compliance with the Scottish Executive's guidance. I report if, in my opinion, it does not comply with the guidance or if it is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

I read the other information contained in the annual accounts and consider whether it is consistent with the audited financial statements. This other information comprises only the Foreword to the accounts and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.



Opinion

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 affairs of the Cairngorms National Park Authority as at 31 March 2007 and of excess of expenditure over income, total recognised gains and losses and cash flows for the year then ended; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Regularity

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

Signature

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Date

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