



Cairngorms National Park Authority (The Authority)

External Audit Annual Report to the Board and the Auditor General for Scotland for the financial year ended 31 March 2019

Final Report

Joanne Brown
Engagement Leader

John Boyd
Senior Manager



Our audit at a glance



We have fulfilled our responsibilities per International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice throughout our work and this final report to the Board and the Auditor General for Scotland concludes our work.



Materiality was set at 2% of gross expenditure within our plan, and was updated to reflect the unaudited 2018/19 financial statements at £136,000. We identified two adjusted audit differences and one unadjusted difference to the draft financial statements as well as disclosure adjustments. These are detailed within Appendix 2.



Significant audit risks were: management override of controls; the risk of fraud in revenue recognition; and the risk of fraud in expenditure recognition as set out in the Financial Reporting Council's practice note 10. Our risk assessment remained unchanged and we did not identify any adjustments in these areas in our work.

An audit underpinned by quality



We have built on our relationship with the Cairngorms National Park Authority (the Authority) management during the year and thank them for supporting us during our audit process.



Our work was undertaken in accordance with our agreed timetable. The draft financial statements produced by management in line with agreed timetable. We thank management for their support and assistance during our work



A wider scope audit for the Authority, as set out in our plan, was considered not appropriate. However, we have considered your financial management arrangements and annual governance statement in line with the Audit Scotland Code.

Contents

Section	Page
1. Introduction	4
2. The financial statements audit	5
3. The Authority's financial sustainability and governance arrangements	10
Appendices:	
1. Audit plan and follow up of 2017/18 external audit recommendations	13
2. Audit adjustments	14
3. Fees, independence and fraud arrangements	15
4. Communication of audit matters to those charged with governance	16

Introduction

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2019.

Our work has been undertaken in accordance with International Standards of Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice 2016.

In accordance with our reporting responsibilities our report is jointly addressed to the Board and the Auditor General for Scotland.

The report will be made publically available on the Audit Scotland website (www.audit-scotland.gov.uk).

Our report was presented as a draft to the Audit and Risk Committee on 6 September 2019 and following completion of all outstanding matters and finalising the annual accounts, has been finalised.

We would like to thank the Authority's management and the finance team for an effective year-end audit process and all their support and assistance in the audit process.

Structure of this report

As set out in our Audit Plan (8 March 2019) we consider in accordance with the Audit Scotland Code of Practice that the Authority is a smaller body. Therefore full wider scope is not appropriate. Our report concludes on our financial statements audit and certain aspects of the Authority's arrangements as follows:

Financial statements – Section 2 and Appendix 1

Financial sustainability and governance statement – Section 2



Our Opinion

For the financial year ended 31 March 2019 we have issued an **unqualified audit opinion**

- True and fair view of the financial statements
- Regularity – expenditure has been incurred in accordance with the purpose of the Authority
- Other prescribed matters (which include the audited information in the remuneration report)



Financial statements

We received a complete set of financial statements including the performance report, strategic report and governance statement.

This was in line with the timetable we agreed. The draft financial statements were supported by working papers. However, the performance information referenced in the accounts was in the process of being updated on the Authority's website and as a result there were delays in finalising the accounts until these were completed.



Audit process

We identified two adjusted audit adjustments to the draft financial statements around recognition of cut-off procedures and allocation of balances. We identified one unadjusted difference. We identified certain disclosure enhancements to the annual accounts and these have been reflected in the financial statements. These are detailed in appendix 2.

Our financial statements audit



Overall materiality has been set at £136,000 (2% of gross expenditure) and performance materiality is set at £102,330. (75% of materiality). We report to management any audit difference identified over £6,822 (trivial as 5% of materiality).



The draft financial statements were supported through detailed working papers. We raised three audit adjustments (two adjusted and one unadjusted) during our audit (appendix 2) and disclosure adjustments to the financial statements to enhance users understanding of the accounts



We have issued a true and fair audit opinion on the financial statements, including the wider information contained in the financial statements, and regularity opinion. The audited parts of the Remuneration and Staff Report are free from material misstatement.



Testing provided assurance on identified areas of significant risks that these were not material misstated in the financial statements.

Audit approach and materiality

Our audit approach was set out in our annual audit plan presented to the Audit and Risk Committee in March 2019. As set out in our plan, our materiality calculations were based on the audited 2017/18 financial statements. We subsequently updated our materiality calculation to be based on the unaudited 2018/19 financial statements. Overall materiality has been set at £136,000 (2% of gross expenditure) and performance materiality is set at £102,330 (75% of materiality). We report to management any audit difference identified over £6,822 (trivial as 5% of materiality).

We did not identify any additional significant audit risks from those identified in our audit plan.

Audit opinion

Based on our audit procedures performed we have issued an unqualified audit opinion on the financial statements including:

- 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 2019 and of its net expenditure 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 2018/19 FReM;
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers;
- the wider information contained in the financial statements, e.g. Performance Report and Governance Statement, is consistent with the financial statements
- regularity of expenditure
- audited parts of the remuneration and staff report have been prepared in accordance with applicable guidance

Internal control environment

During the year we sought to understand the Authority overall control environment (design) as related to the financial statements. In particular we have:

- Sought to understand procedures and controls around related parties, journal entries and other key entity level controls
- Performed procedures around entity level controls and there are no significant matters that we wish to draw to your attention.
- Performed walkthrough procedures on key controls around identified risk areas including revenue, expenditure as well as payroll

No material weaknesses in the accounting and internal control systems were identified based on our work undertaken during the audit which could have an adverse impact on the Authority's ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements. We adopted a substantive based approach to the audit of the financial statements and therefore our review is limited to the design of controls rather than the operating effectiveness of these.

Internal Audit

As set out in our external audit plan we have not placed formal reliance on the work of the Authority's internal audit provider, BDO LLP. We reviewed the internal audit plan and individual reports issued to date, to consider if any impact on our audit approach, with none being noted and all reports receiving substantive assurance.

Adding value through our external audit work

Our overall objective is to ensure we deliver a quality external audit which fully complies with International Standards of Auditing (ISAs) UK and the Audit Scotland Code of Practice (2016). By ensuring our audit is efficient and effective, gives you assurance over our opinion.

Through this Annual Report we seek to provide insight and commentary over certain aspects of the Authority's arrangements, sharing relevant practices with the Audit and Risk Committee and Management.

Key audit issues

Responding to significant risks

Within our annual external audit plan we identified significant audit risks and our planned approach. We have set out below a summary of the work undertaken over these risks and our audit conclusions

Overview of our audit risks identified at planning and our proposed approach

	Risk of fraud in revenue	Risk of fraud in expenditure	Management override of controls
The Risk	<p>As set out in ISA 240, there is a presumed risk that revenue may be misstated due to improper recognition of revenue. Given grant-in-aid income is well forecast and agreed to funding letters we do not consider this to be of higher risk. Our presumed risk therefore focuses on operational plan and other income. We consider the risk to be prevalent around the year end and therefore focus our audit work on transactions around the year end.</p>	<p>Operating expenditure is understated or not treated in the correct period (risk of fraud in expenditure). As payroll expenditure is well forecast and agreeable to underlying payroll systems, there is less opportunity for the risk of misstatement in this expenditure stream. We therefore focus on non-pay expenditure. We consider the risk to be particularly prevalent around the year end and therefore focus our testing on cut-off of non-pay expenditure.</p>	<p>As set out in ISA 240, across all entities there is a presumed risk of fraud being perpetrated by management through its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. override of controls is present in all entities.</p>
Our planned response	<ul style="list-style-type: none"> Developed our understanding of the Authority's material revenue streams including walkthrough of key transactions. Performing revenue cut-off procedures and substantive testing over pre year end transactions to gain reasonable assurance that these had been recognised in the correct financial year Testing the existence and recoverability of balances at the year end through sample testing of debtor balances at the year end to gain assurance 	<ul style="list-style-type: none"> Developed our understanding of the Authority's material expenditure streams including walkthrough of key transactions. Performing targeted review and testing of key expenditure streams during the year, including analytical review of expenditure and targeted transaction testing, including consideration of the regularity of expenditure incurred. Performing cut-off testing of expenditure transactions around the year end to ensure these had been allocated to the appropriate financial year. We have a particular focus on transactions recorded in April 2019 to ensure these did not relate to 2018/19. Reviewing post year end payments for any potential unrecorded liabilities. 	<ul style="list-style-type: none"> Developed our understanding of the entity level controls in place at the Authority that reduce the risk of management override Performed review of journal transactions for unusual transactions or balances. Evaluated key areas of judgement within the Financial statements and the basis for these judgements / application of accounting policies including accruals and provisions
Conclusion	<p>Audit assurance gained, through audit procedures performed, that revenue recognised by the Authority is free from material misstatement.</p>	<p>Based on our audit testing performed we are satisfied that revenue and expenditure is free from material misstatement. We identified cut-off adjustments required to expenditure (Appendix 2) but are satisfied these are not indicative of fraud or error. Through our substantive procedures and sample testing we confirmed expenditure testing was in accordance with the nature of the Authority (regularity).</p>	<p>Based on our testing we are satisfied that there was no evidence of management override or bias that would result in a material misstatement within the financial statements.</p>

Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed your narrative aspects of the Annual Report and Accounts. We have considered the consistency of this narrative with our understanding of the Authority and the financial statements and have set out our observations below. We have also audited the required information in the remuneration report (marked audited) and have no matters we wish to bring to your attention.

Performance report

The performance report provides information on the Authority's financial and non-financial performance during the year.

The Accountable Officer's Statement is clear and easy to read.

The Performance report continues to be developed including graphical presentation of financial performance during the year. The Authority reports performance highlights and provided links to publicly reported performance information. The Authority's performance is built around the Cairngorms National Park Partnership Plan, the Corporate Plan and the Annual Operating Plan. The authority should look to continue to enhance the Performance Report to provide greater visibility of the Authority's performance against Corporate Plan objectives, identifying those key targets that it considers critical to these.

Action Plan Point 1

Overall observations

The Authority's financial statements continue to be developed to provide the reader of the accounts with an understanding of the organisation's financial and non-financial performance during the year. The 'front end' of the accounts continue to be refined to report on the key outcomes delivered during the year against the National Park Partnership Plan, the Corporate Plan and the Annual Operating Plan as well as the risks and governance arrangements.

Annual Report and accounts

Remuneration and staff report

The Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions thereunder.

The disclosures within the report are consistent with underlying payroll information and the requirements of the FReM.

Governance statement

All key information required by the FReM has been included within the Governance Statement.

No material issues of governance in the year have been required to be disclosed.

None of the information continued within the statement is inconsistent with our audit knowledge and understanding of the Authority

Fraud and irregularity

In relation to the audit risk of fraud in respect of expenditure we tested the Authority's cut off arrangements in particular (timing). While one audit adjustment was identified (appendix) we are satisfied that this was not indicative of potential fraud. There are no post balance sheet events or legal uncertainties at year-end. There were no frauds identified by management during the year and no indication of fraud through our audit work.

Key aspects of your financial statements

As set out in our audit plan we consider particular aspects of your financial statements in relation to management judgements including estimates and where management may have particular options or choices in what accounting standards or disclosure requirements to apply. We have summarised where these apply, and our conclusions below.

Commentary:

The Authority's accounting policies are in accordance with IFRS as interpreted and adapted by the FReM and we consider these to be appropriate to the organisation. These have been applied consistently to the previous year with the exception of the adoption of two new accounting standards IFRS 9: Financial Instruments and IFRS 15: Revenue from contracts with customers. While these resulted in minor disclosure changes to the accounts including accounting policies and financial instruments disclosures, there was no impact on the primary financial statements.

Accounting estimates and judgements

The Authority's significant accounting estimates and judgement impacting on the annual accounts are the following:

- **Investment impairment review** – The Authority made capital contributions to the National Parks Partnership LLP. Due to significant uncertainty around future recoverability of contributions made, in line with prior years, the Authority has fully impaired outstanding balances. We have reviewed the basis of this impairment and consider it appropriate.
- **LEADER irregularities** – The Authority is the accountable body for the Cairngorms Local Action Group, delivering the Local Development Strategy. As such, the authority is liable for any funding advances that may not be recoverable due to irregularities in expenditure claimed. Management have considered the historic trend of previous LEADER programmes and have estimated the percentage of costs that are likely to be irrecoverable in the current 2014-2020 programme.

We have considered the assumptions made by management when recognising the amounts recoverable on the LEADER programme and consider these to be reasonable. There is no indication of management bias in assumptions made and is supported through current amounts recoverable. The Authority recognises a contingent liability on the basis that there is a risk that the sums claimed on behalf of third parties may subsequently be found to be ineligible and therefore a risk that the Authority may be required to make any subsequent repayment. We are satisfied that as at 31 March 2019 there is no indication of amounts being reclaimed by the LEADER programme and no ineligible expenditure recognised.

Going concern

The authority does not generate a significant level of revenue and therefore is reliant on Scottish Government grant in aid funding to meet operating costs. The Scottish Government has confirmed funding for 2019/20 and there is no indication that the government would not continue to support the organisation continue to deliver its statutory obligations. Management have considered forecasts for a period of at least 12 months from the proposed date of signing and are satisfied that the organisation continues to represent a going concern and based on our audit work performed we would agree this is a reasonable assessment at this point in time.



The Authority's financial sustainability and governance statement

Financial Management

For 2018/19, the Authority reported net expenditure for the year of £4.704 million. This resulted in overspend against its overall Departmental Expenditure Limit (cash and non-cash) set by the Scottish Government by £5,000. This included an breakeven position against resource (revenue) Expenditure Limit, an overspend against non-cash DEL of £3,000 and an overspend of £2,000 against Capital Expenditure Limits. Performance in the year is in line with financial plans and with the Scottish Government who have agreed +1% to -2% of resource allocations.



Financial performance is monitored during the year by senior management and the Finance and Delivery Committee providing oversight and scrutiny of financial performance.

Financial Sustainability

The Authority's 2019/20 budget projects a small revenue overspend of £33,000 which is in line with the Authority's agreed target of between +1% and -2% of resource allocation. The Authority's primary source of revenue is core revenue funding. For 2019/20, the Authority has budgeted for a similar revenue allocation as received in 2018/19 of £4.565 million and small uplift in capital funding to take total funding to £240,000 (2018/19: £200,000). However, the authority faces challenges in meeting its financial targets. The lifting of the Scottish Public sector pay cap will create additional financial pressures in 2019/20, as staff costs represent the most significant cost for the organisation. In addition, the potential impact of EU Withdrawal creates additional uncertainty and opportunity to the Authority.

Over the medium to longer term the Authority recognises the changing strategic context for the National Park Authority and in particular the transition to delivering the priorities set out in the new National Park Partnership Plan as well as relevant Scottish Government priorities. The Corporate Plan includes financial forecasts over the next three financial years. This includes a projected flat cash grant in aid settlement over the period of the plan and moderate other sources of revenue. The financial plan includes forecast uplifts in operating costs however sufficient resources to continue to sustain operational performance and the delivery of the Authority's strategic objectives.

Governance and transparency

The Authority has established a governance framework to support the oversight and scrutiny of the Authority's delivery of the Corporate Plan and strategic objectives. This includes delegated responsibility to four committees: the Finance and Delivery Committee; the Staffing and Recruitment Committee and Planning Committee; and the Audit and Risk Committee. The Audit and Risk Committee leads the oversight of the systems of internal control, risk management and preparation of the financial statements.

There is a commitment to transparency and public accountability with minutes and most papers of both the Board and Audit and Risk Committee meetings being published online as well as corporate documentations such as business plans and performance reports.



EU Withdrawal



There is considerable uncertainty around the potential impact of Brexit. We have used Audit Scotland's planning guidance to evaluate the Board's readiness for EU withdrawal across workforce (People and Skills); Finance; and Regulations.

The Authority has recognised that impact of EU Withdrawal could have implications for the organisation. Management, following Scottish Government advice has reviewed staffing arrangements to consider potential implications on the organisation as well as wider areas of consideration including impact on visitors and funding. While there remains considerable uncertainty surrounding the medium to longer term implications of the potential EU withdrawal, particularly around European Funding such as the LEADER programme and future levels of Scottish Government funding, the Authority does not consider any immediate significant impact on the organisation.

We are satisfied that the Authority is relatively well prepared for the potential implications and risks from EU withdrawal and that arrangements are in place to continue to monitor these.

Changing the landscape for public financial management

Recognising the changing landscape of Scottish public finances, including significant tax – raising powers as well responsibility for 11 social security benefits provides the Scottish Parliament with more policy choices. Subsequently, there is potentially greater volatility and complexity around Scottish budget and greater focus on the use of Scottish funds. While the Authority generates revenue through fees and charges, the organisation is still substantially funded through Scottish Government Grant in aid. As a result, Management use the financial statements and annual report as a key document in demonstrating the use of funds during the financial year and how these have supported the delivery of the National Park Partnership Plan and the National Park Authority's Corporate Plan.



Dependency on key suppliers



The collapse of Carillion and the subsequent impact across the public sector, has brought into focus the risk of key supplier failure and underperformance. We considered the arrangements in place for identifying key supplier and risks, if any associated with these and how effectively these are being managed.

While the Authority engage with a number of suppliers, given the nature and value of services provided, the Authority consider that the impact of a failure of a supplier, while causing some disruption, would be minimal on the organisation.

Appendices

Action plan and follow up of 2017/18 recommendations

Audit adjustments

Independence, fees and fraud responsibilities

Communication of audit matters with the Accountable Officer

Action plan and follow up of 2017/18 external audit recommendations

We have set out below, based on our audit work undertaken in 2018/19, those risks and recommendations we consider are of a higher risk to the Authority that Management may wish to consider in the future. We have also completed follow up of our 2017/18 recommendations and this is reflected below for information.

Recommendation

Agreed management response

Performance report

The Performance report continues to be developed including graphical presentation of financial performance during the year. The Authority reports performance highlights and provided links to publicly reported performance information. The Authority's performance is built around the Cairngorms National Park Partnership Plan, the Corporate Plan and the Annual Operating Plan. The authority should look to continue to enhance the Performance Report to provide greater visibility of the Authority's performance against Corporate Plan objectives, identifying those key targets that it considers critical to these.

Management response: Accepted
Owner: Director of Corporate Services to take responsibility with action by May 2020.
Implementation date: May 2020

Follow up of 2017/18 recommendations

Recommendation

Update as at August 2019

LEADER Programme

The Authority is the accountable body for the Cairngorms Local Action Group, delivering the Local Development Strategy. As such, the authority is liable for any funding advances that may not be recoverable due to irregularities in expenditure claimed. The Authority has developed regular review of the LEADER programme and engagement with the Scottish Government. However, the nature of the arrangements continue to expose the Authority to be liable for irregularities in expenditure claimed. It is critical that the Authority continue to engage with the Scottish Government to ensure that monies recognised are recoverable.

Issue closed

The Authority has continued to engage with the Scottish Government and LEADER partners to ensure that amounts claimed are recoverable. The Authority acknowledges that there is always a degree of risk associated with funding of this nature. However, there are no concerns around recoverability of funds to date.

Audit adjustments

Uncorrected and corrected misstatements

The following adjustments were identified and adjusted by Management during the course of the audit.

Item		Dr (£)	(Cr) (£)	Description
	Trade payables	32,750		
1	Prepayments		(20,974)	<i>Being adjustment to correctly recognise rental transactions at the year end.</i>
	Accruals		(11,776)	
	Accruals	26,000		
2	Provisions		(26,000)	<i>Being adjustment to reclassify between trade and other payables and provisions</i>

The following misstatements were identified during our audit but which have not been corrected on the grounds of materiality. The Authority had deferred recognising HIE project income until cash receipt, however following audit testing, under the requirements of IFRS 15, performance conditions had been satisfied before the year end and therefore income should be recognised. We are satisfied this does not represent a material error to the accounts. Going forward, Management will recognise the project income based on IFRS 15.

Item		Dr (£)	(Cr) (£)	Description
1	Income - project		50,000	<i>Being adjustment to correctly recognise HIE contributions as project income under IFRS 15.</i>
	Creditors	50,000		

Significant Disclosure recommendations

In accordance with auditing standards we are required to highlight significant disclosure misstatements to allow the Audit and Risk Committee to evaluate the impact of these matters on the financial statements. These do not impact on the primary financial statements.

Disclosure omission	Detail	Adjusted
Updated disclosure notes to the accounts	We recommended disclosure adjustments to enhance disclosures around material notes to the financial statements to enhance the readers understanding of the accounts. This included financial instruments note to meet the requirements of IFRS 9.	✓
Lease disclosure	Changes required to appropriately disclose operating lease commitments within the financial statements. Disclosure amended to reflect commitments of amounts payable of the next five years.	✓
Remuneration report	Minor changes required to the remuneration report disclosure to correctly disclose pension benefits in line with the FReM	✓
Accounting policies	Minor disclosure amendments to provide clearer narrative around accounting policies and impact on the financial statements	✓

Fees, independence, fraud arrangements

External Audit Fee

Service	Fees £
External Auditor Remuneration	8,590
Pooled Costs	2,070
Contribution to Audit Scotland costs	510
Contribution to Performance Audit and Best Value	0
2018-19 Fee	11,170

The audit fee was calculated in accordance with guidance issued by Audit Scotland and agreed with Management.

The above fee has not changed and our final fee was £11,170.

Fees for other services

Service	Fees £
We can confirm there are no non-audit fees for the 2018/19 financial year	Nil

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team.

We can confirm no independence concerns have been identified.

Client service

We take our client service seriously and continuously seek your feedback on our external audit service. Should you feel our service falls short of expected standards please contact Joanne Brown, Head of Public Sector Assurance Scotland in the first instance who oversees our portfolio of Audit Scotland work (joanne.e.brown@uk.gt.com). Alternatively, should you wish to raise your concerns further please contact Jon Roberts, Partner and Head of Assurance, 30 Finsbury Square, London, EC2A 1AG. If your feedback relates to audit quality and we have not successfully resolved your concerns, your concerns should be reported to Elaine Boyd, Assistant Director, Audit Scotland Quality and Appointments in accordance with the Audit Scotland audit quality complaints process.

Fraud arrangements

In assessing our audit risks, the audit team was alert to the possibility of fraud at The Authority.

As part of our audit work we are responsible for:

- identifying and assessing the risks of material misstatement of the financial statements due to fraud in particular in relation to management override of controls.
- Leading a discussion with those charged of governance (for the Authority this is assumed to be the Audit and Risk Committee) on their view of fraud. We did this when presenting our audit plan.
- designing and implementing appropriate audit testing to gain assurance over our assessed risks of fraud
- responding appropriately to any fraud or suspected fraud identified during the audit. – None were identified in-year

As auditors we obtain reasonable but not absolute assurance the financial statements as a whole are free from material misstatement, whether due to fraud or error.

We will obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement.

It is the Authority's responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

Throughout the audit we worked with the Authority to review specific areas of fraud risk, including the operation of key financial controls.

We also examined certain policies in place, strategies, standing orders and financial instructions, as relevant to the fraud framework, to ensure that they provide a reasonable framework of internal control.

No suspected frauds or irregularities have been identified by Management and reported in-year.

Anti-Money Laundering Arrangements

As required under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 there is an obligation on the Auditor General (as set out in the planning guidance) to inform the National Crime Agency if she knows or suspects that any person has engaged in money laundering or terrorist financing. Should we be informed of any instances of money laundering at Cairngorms National Park Authority we will report to the Auditor General as required by Audit Scotland.

Communication of audit matters with the Authority

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity	•	•
We are independent of the Authority and have not identified any conflicts of interest		
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
We have not incurred any non-audit fees during the year and no threats to independence identified		
Significant matters in relation to going concern	•	•
No significant going concern matters identified		
Views about the qualitative aspects of The Authority accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures		•
Set out in the Financial statements Section		
Significant findings from the audit		•
No significant findings from our audit		
Significant matters and issues arising during the audit and written representations that have been sought		•
Letter of representation will be shared and signed by the Accountable Officer when signing the financial statements. This is our standard, unmodified letter of representation.		
Significant difficulties encountered during the audit		•
No difficulties encountered		
Significant deficiencies in internal control identified during the audit		•
None identified		
Significant matters arising in connection with related parties		•
None identified		
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
None identified. Nil returns were submitted to Audit Scotland in our quarterly fraud returns in accordance with the planning guidance.		
Non-compliance with laws and regulations		•
None noted		
Unadjusted misstatements and material disclosure omissions		•
None noted. Minor disclosure amendments only and these were not material in nature		
Expected modifications to the auditor's report, or emphasis of matter		•
None, an unqualified opinion		

International Standards on Auditing (UK) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table above.

We communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to The Authority Management and the Audit and Risk Committee.

