



Grant Thornton

Community Justice Scotland

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

Board 21 August 2019 and Finalised 5 September 2019

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Our audit at a glance



We have fulfilled our responsibilities per International Standards of 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, remains unchanged at £44,000 as expenditure was in line with budget. We identified three adjustments to the accounts and certain disclosure amendments. These are set out in Appendix 1 (page 10) to this report and all have been adjusted in the final accounts.



Significant audit risks were: management override of controls; and the risk of fraud in expenditure recognition as set out in International Auditing Standards (ISAs UK) and FRC Practice Note 10. Our risk assessment remained unchanged and we did not identify any adjustments in these two areas in our work.

An audit underpinned by quality



We have built on our relationship with CJS during the year and have sought to offer appropriate advice and guidance in respect of the financial statements and wider matters.

The audit process can be further refined in future years but we note our thanks to CJS and Scottish Government staff who have supported the audit.



Our work was undertaken at the start of July. This was planned to allow time for the draft CJS accounts to be prepared by the Scottish Government finance team. Our audit work was concluded at the end of July 2019. Overall the accounts produced were of a reasonable standard, however audit adjustments were identified and communicated to management, and a number of presentation amendments were required to comply with the FReM.



A wider scope audit for CJS, as set out in our plan, was considered not appropriate. However we have considered certain aspects of financial management and governance. Follow up from the Section 22 report (2017/18) has been considered in the action plan in this report, with good progress made in respect of the agreed actions.

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Adding value through our external audit work

First and foremost our 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 CJS's arrangements, sharing relevant practices with the Audit and Risk Committee and management.

We have continued to build on our working relationship with management and our understanding of CJS as an organisation. During the year we have continued to meet with the Accountable Officer and CJS staff to understand how CJS is developing as an organisation and any emerging matters.

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.

Our report is addressed to Karyn McCluskey as CJS Accountable Officer, in respect of her role as set out and agreed with Scottish Ministers. In addition, in accordance with our reporting responsibilities the report is jointly addressed to the Auditor General for Scotland.

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

A verbal update on our audit progress was provided to the Audit and Risk Committee in August 2019. A copy of this final report was presented alongside the final annual report and accounts for discussion at the Board on 21 August 2019. Thereafter the accounts were subject to small amendments and signed for CJS on behalf of the Accountable Officer on 3rd of September 2019.

We would like to thank CJS staff for their support and assistance in the audit process and throughout the year.

Structure of this report

As set out in our Audit Plan (dated January 2019) we consider in accordance with the Audit Scotland Code of Practice that CJS is a smaller body. Therefore full wider scope is not appropriate.

Our report concludes on our financial statements audit and certain aspects of CJS's arrangements as follows:

Financial statements – Section 2 (pages 5 -7)

Governance and financial matters – Section 3 (page 8)



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 CJS
- Other prescribed matters (which include the audited information in the remuneration report)



The audit process

We received the draft accounts at the start of July. The CJS annual report and accounts were prepared by the Scottish Government Finance team.

The draft accounts received were of a reasonable standard although did contain gaps within the performance and accountability report in order to fully comply with FReM.

The numbers were supported by appropriate working papers, and CJS staff were able to provide the underlying supporting documentation for transactions and supported us during the audit.

We thank CJS staff for all their support and help during the audit.

Looking forward to 2019/20 there is an opportunity to further improve the formatting, layout and commentary in the annual report and accounts including producing a better quality first set of statements, that comply with FReM requirements.



The financial statements audit



Our audit work was completed in accordance with International Standards in Auditing (UK) (ISAs) and the Audit Scotland Code of Audit Practice (May 2016). Based on our audit procedures performed we issued an unqualified audit opinion on the financial statements including:

- they give a true and fair view
- have been properly prepared in accordance with relevant legislation and standards
- the wider information contained in the financial statements e.g. Performance and Strategic report
- regularity of expenditure
- audited parts of the remuneration and staff report have been prepared in accordance with the guidance

Audit approach and materiality

Our audit approach was set out in our annual audit plan presented to the Audit and Risk Committee in January 2019. As set out in our plan, our materiality calculations were based on the audited 2017/18 financial statements. We have not changed materiality since this determination given that the actual expenditure is only slightly higher than the budgeted level. Overall materiality has been set at £44,000 (2% of gross expenditure) and performance materiality is set at £28,600. (65% of materiality). We report to management any audit difference identified over £2,200 (Trivial as 5% of materiality).

We did not identify any additional significant audit risks from those identified in our audit plan. Our work completed in relation to the audit risks identified (management override of controls and risk of fraud in expenditure) is set out in this report.

Internal control environment

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

- Considered procedures and controls around related parties, journal entries and other key entity level controls. In particular considering the work of Audit Scotland in their role of Scottish Government external auditors (key financial controls June 2019)
- Performed walkthrough procedures on key financial controls in particular journals, payroll and ledger controls

Our work over controls is limited to ISA requirements in understanding an entities control environment. Our audit is not controls based and we do not seek reliance over controls. Our audit is fully substantive based in nature.

We identified no material weaknesses or areas of concern from this work which would have caused us to alter the planned approach, set out in our plan. However, we have raised recommendations for improvements to strengthen controls as set out in our action plan in Appendix 2.

Internal Audit

As set out in our external audit plan we have not placed formal reliance on the work of the Scottish Government Internal Audit Directorate, CJS's internal audit provider. 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 with the two reports issued and completed being classed as reasonable assurance and limited assurance (performance management and finance and budgetary controls). It was noted during the Finance and budgetary controls audit report, which provided limited assurance, that CJS should seek to further develop financial governance and control procedures related to forecasting, budgeting and monitoring. This was also noted during the work of external audit. Without wanting to duplicate work, this was noted and external audit will continue to monitor how CJS implement the agreed actions from this work during 2019/20.

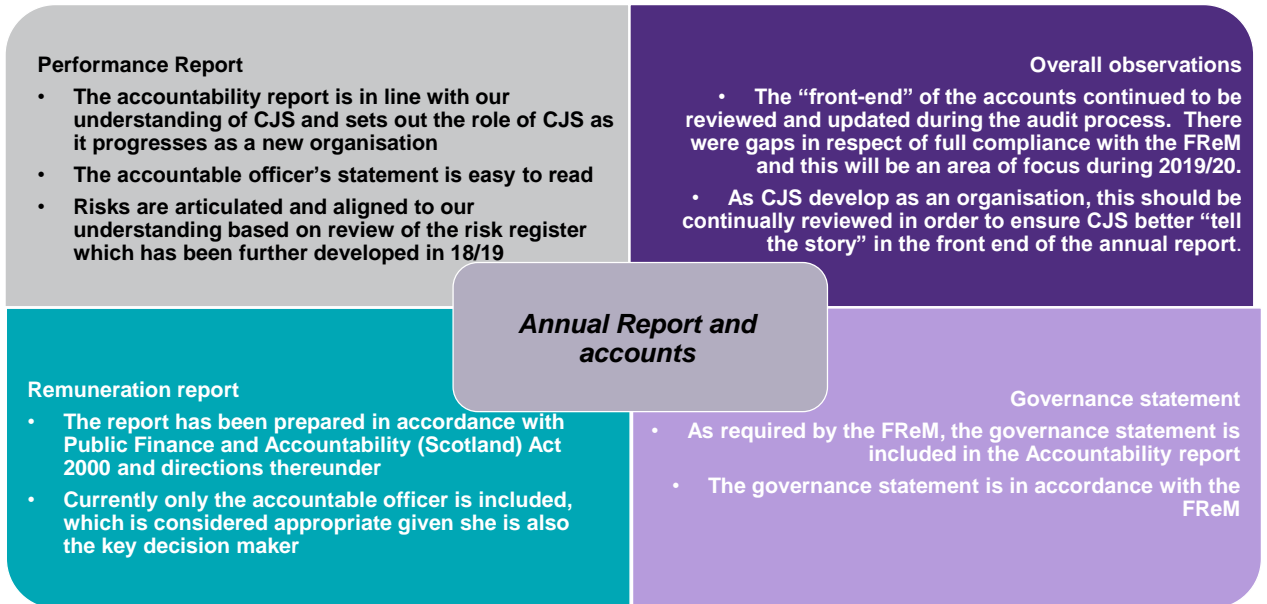
Identified audit risks and our conclusions

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

	Risk of fraud in revenue and 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. CJS is a Central Government organisation and therefore does not have an income stream. The budget is set by Scottish Government, and they can spend up to that limit, but it is not recognised in the accounts as Income. As such, the risk of fraud in revenue has been rebutted.</p> <p>As set out in FRC Practice Note 10 (revised), which applies to public sector entities, there is a presumed risk of fraud in expenditure recognition.</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 response	<ul style="list-style-type: none"> • The focus of our risk was on material non-payroll expenditure. We targeted our audit procedures around those transactions with a higher risk of manipulation, being those transactions around the year end. • Performed cut off at year end on pre and post year end transactions and recording • Walkthrough of the key expenditure controls in place • Regularity – Consideration of how expenditure incurred was in accordance with the type/nature of CJS as an organisation 	<ul style="list-style-type: none"> • A focus on our understanding of how/where management override of controls may occur • Review of the controls over journal entries • Understanding key areas of judgement and estimation within the financial statements and the basis for these judgements and the application of accounting policies • Reviewing unusual and/or significant transactions
Our conclusion	<p>During our testing we found instances of payments made in March, but were not posted into SEAS until 2019/20. Therefore creditors was overstated. An adjustment was proposed and was posted (See appendix 1 with audit adjustments)</p> <p>Through our substantive procedures and sample testing we confirmed expenditure was incurred in accordance with the nature of CJS (regularity).</p> <p>We note that during 2018/19 CJS spent more money in year than what was set as the budget for 2018/19 by the Scottish Government. Going forward, CJS should, through enhanced budget arrangements (as referenced as an action to the internal audit), continue to liaise with Scottish Government during 2019/20 in relation to their anticipated financial out-turn.</p>	<p>Based on our testing we can conclude:</p> <ul style="list-style-type: none"> • There was no evidence of management override in our testing of journals, especially given management do not post journals. CJS use SEAS the Scottish Government system. • CJS's financial statements do not include judgements or estimates, which reduces the risk of management override • We did not identify any unusual or significant transactions in year. • It was noted that there is a weak control environment around journals in regards to review and authorisation. This has been raised within the action plan (see Appendix 2).

Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed your narrative aspects of the Annual Accounts and Report. We have considered the consistency of this narrative with our understanding 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.



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:

CJS's accounting policies are consistent with the FReM and are unchanged from prior year.

Overall the CJS accounts are considered simple accounts with no areas of estimate or judgement. Total spend in-year was circa £2.2million with a significant proportion of costs being staff costs.

There are no provisions or uncertainties related to the accounts.

In relation to the audit risk of fraud in respect of expenditure we tested CJS's cut of arrangements in particular (timing) and identified no issues in accruals or prepayments which would indicate potential fraud.

There are no post balance sheet events or legal uncertainties at year-end.

As set out in the annual report and accounts the Accountable Officer for CJS considers CJS as a going concern. We do not disagree with this assessment and note CJS have an agreed budget for 2019/20 and plans in place to further develop commissioning in light with their ministerial objectives, commencing commission in 2019/20 where the budget from Scottish Government will increase as CJS grows as an organisation.

Financial and Governance arrangements

Key observations



Financial position

During 2018/19 CJS spent £2.260 million. Of this £1.4 million related to staff costs and £0.8 million other operating costs meeting budget requirements.

For the year 19/20, CJS have been awarded £2.2m baseline budget with additional £115k to cover costs of finance manager and PA executive assistant to the Chief Executive. An additional £49k has been awarded to fund the cost of the pension increase across Scottish Government.

It is noted that this is a tight budget and is not sustainable going forward in order to adequately fund the activities of CJS. During Q1 of 19/20, underspend of £8k was noted to primarily to PA to Chief Executive having not been recruited yet

CJS should continue to look to forecast a medium term financial plan and continue those discussions with the Sponsor department. Given no baseline increase was secured, CJS should continue to analyse as an organisation the most cost efficient way of delivering the functions.



BREXIT

There is considerable uncertainty around the potential impact of Brexit. Likely areas to impact CJS are: commissioning and procurement process; funding; and regulation. We have used Audit Scotland's planning guidance to evaluate the Board's readiness for EU withdrawal. Audit Scotland require auditors to conclude on whether audited bodies are 'underprepared', 'partly prepared' or 'well prepared' for EU Withdrawal.

We found that CJS prepared a paper on their assessment on impact of EU withdrawal. From a corporate perspective, internal discussions have been undertaken as per SG recommendation. The impact is likely to be from a policy perspective on the legislative timetable as BREXIT could delay bills being passed. However, work is ongoing and there are opportunities for further consideration of evaluation of the medium to longer term implications of EU withdrawal once the position is further clarified.

Given the size and nature of CJS as an organisation they are heavily reliant on Scottish Government BREXIT planning. CJS have complied with all guidance issued by Scottish Government to date. We would therefore conclude that the organisation is Well Prepared. We would recommend continuous risk management around BREXIT and planning as the process progresses.



Governance

During 2018/19, whilst a chair was being appointed Ms Glenys Watt acted as chair for the duration of the year. On 8th May 2019, it was announced that Lindsay Montgomery CBE would be taking over as chair of the board from 13th May 2019 to 12th May 2022.

In the prior year, the Audit and Risk Committee only met twice during the year, however this has increased to four times over the course of 18/19. The Human Resources and Remuneration Committee met 3 times during the year. The Board currently has 9 members and one advisor. It was noted on the audit committee that two members are not seeking reappointment from 31 March 2020. Therefore, succession planning will be key to the continued governance of CJS.

The follow up actions from the section 22 report have been recorded in the action plan to this report.

CJS has improved their governance in 18/19. Looking forward CJS should continue to consider succession planning at Board level. Two vacancies in 2019/20 will give CJS, alongside Public Appointments Scotland, to look at the diversity of the Board alongside whether the current size remains appropriate given the size of CJS. In particular options could be explored on co-opting members for specific expertise.

Appendices

Audit adjustments

Action plan for 2018/19 and follow up of Section 22 actions

Independence, fees and fraud responsibilities

Communication of audit matters with the Accountable Officer

Audit adjustments

Uncorrected and corrected misstatements and disclosure amendments

We identified audit adjustments to the financial statements during our audit work as detailed below; All adjustments have been posted by Community Justice Scotland in the final audited annual report and accounts.

Item	Dr £	(Cr) £	Description
1	Creditors	26,527.97	<i>Being adjustment to liabilities</i>
	Bank	(26,527.97)	
Being adjustment for payments made via bank account in March, but were not posted to SEAS until 19/20, therefore liabilities at March 19 were overstated.			
2	Creditors	6,879.84	<i>Computer equipment was capitalised in the wrong period as it was not received or brought into use until 19/20.</i>
	Computer equipment	(6,879.84)	
Being adjustment to computer equipment recognised in wrong period.			
3	Employers superannuation	7,690.99	
	Employers NIC	3,984.56	<i>Being flexi and holiday accrual correction</i>
	Salary	35,564.95	
	Creditors	(47,240.50)	
Being adjustment for understated accrual due to errors in calculation of the accrual.			

There were a number of disclosure adjustments to the draft accounts received for audit inspection.

These were not considered material in nature but included:

- Including prior year comparatives (where relevant) in the performance report
- Inclusion of Board members payments in the remuneration report as these had been missed in error
- Inclusion of certain information to fully comply with FReM and this will continue to be reviewed during 2019/20 when enhancing the accounts template.

Action plan for 2018/19 and follow up of prior year

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 CJS that Management may wish to consider in the future. Follow up from 2017/18 has also been included.

2018/19 External Audit Recommendations

Action as at August 2019

It is recommended that CJS continue to review the structure of the finance team to ensure that the team has capacity and is also sufficiently skilled and experienced.

Management response: CJS will appoint a full time Financial Manager, with the process beginning in August 2019. A review of roles and responsibilities within the Business/Finance team has already been conducted by the interim Finance Manager and new roles identified and training obtained. These will be subject to further review by the full time Finance Manager, who will liaise with the Head of LD&I with a view to undertaking a formal training needs analysis and on that basis, if required, developing a training plan for staff (also in conjunction with Head of People).

Action owner: Director of operations

Timescale for implementation: 31 March 2020

Two board members have indicated that they will not be seeking to be re-appointed after their term finishes on 31 March 2020. This provides Community Justice Scotland to re-evaluate their public appointments and succession planning. CJS could co-opt a financial expert on to the audit and risk committee. Furthermore, CJS should seek to evaluate the diversity of the Board, in conjunction with Public Appointments Scotland.

Management response: The new Chair has already engaged with Scottish Government on enhancing the diversity of the Board through the next recruitment round. He has discussed with the Chair of the ARC and Accountable Officer re-co-opting someone with a finance background to strengthen the audit committee. In addition, the Chair brings substantial background in public sector finance, audit and governance, which will assist the organisation.

Action owner: Chair **Timescale for implementation:** In progress but will be completed during 2019/20

During testing and from the walkthroughs performed, it was noted that there is a lack of controls around journals postings as journals are not approved prior to being posted and are not reviewed. This is a critical area of improvement for CJS going forward to strengthen their financial controls (and is also something that internal audit identified)

Management response: Since the finance manager started in post in March, all journals are now checked and reviewed at each month end, ensuring journals have been coded correctly and posted correctly in SEAS. Financial controls have also been implemented in line with Internal Audit recommendations.

Action owner: Chief Executive

Timescale for implementation: Completed

Follow up of 17/18 Actions

2017/18 Action

We note that CJS are in the process of recruiting four new non-executives to serve on the Board. We recommend:

- The aim should be for a balanced board in terms of skills and experience and in particular it will be beneficial for CJS to have a member with a financial and governance/compliance background
- Once a full compliment of non-executives are in place, the Interim Board Chair should no longer be a member of the Audit and Risk Committee but can attend, and a member with finance experience becomes a committee member
- A schedule in advance should be agreed for both the Audit and Risk Committee and the Remuneration Committee to ensure the committee meets regularly throughout the year to discharge their responsibilities as set out in the committee terms of reference
- Discussions should continue with Scottish Government to ensure CJS have a permanent Board Chair to give stability to the Board
- Once all appointments are made, an on overview of governance should be undertaken to ensure appropriate to CJS and this should include for example: frequency and timing of Board and Committee meetings; standing items; codes of conduct for the Board

There is an opportunity for members of the Audit and Risk Committee to undertake training to support them in their role as Audit and Risk Committee members. This could include training relating to the new Scottish Government Audit Committee handbook; their role in respect of the annual report and accounts and general audit committee principles

Updated Management Response (Aug 19)

Management response: Four new members of the Board were appointed in October 2018. A new Chair was appointed in May 2019.

The membership of the Board's committees have been reviewed and new members appointed.

The Chair is no longer a member of Audit and Risk but will attend in an observing role.

A new schedule of Board and committee meetings has been agreed and approved by the Board.

In addition to these actions that have already been undertaken, a detailed review of governance arrangements has been agreed and included in the CJS Business Plan 2019/20.

The New Chair has made no changes to the committee structures at present, but he is considering the frequency of Board meetings, with the possibility of moving to bi-monthly meetings.

The Board agendas are also under review.

Action owner: Chair

Timescale for implementation: Completed

Management response: Two members of the ARC have undertaken Effective Audit and Risk Committee training, this is external training recommended by 'on Board'.

The Chair of ARC has reviewed the timing and content of meetings to meet the Audit and Assurance Committee Handbook published by the SG March 2018.

Action owner: Chief Executive

Timescale for implementation: Completed

20 17/18 Action

Updated Management Response (Aug 19)

CJS Management should continue to liaise with Internal Audit and the Scottish Government in how they can support CJS in ensuring an appropriate control environment is in place and key controls are designed and operate as intended, and the controls are proportionate to the nature of CJS

Management response: In October 2018, CJS asked Internal Audit to undertake a review of its finance and budget processes. The review concluded in March 2019, making six recommendations and offering at that point only limited assurance. CJS prioritised initiating an improvement plan based on the audit report and recruited a Finance Manager in March 2019. The agreed action plan includes the development of a procedures document and desk top instructions for key finance processes. In addition, training, capacity, roles and responsibilities, dip sampling, quality assurance and separation of functions have been addressed in the actions agreed with Internal Audit.

In addition to the Finance Manager post, funding was provided for an Executive Assistant which will free capacity in the management team to address the requirements of the new finance and budgetary regime. An Executive Assistant has been identified and should be in post by the end of August 2019, following the necessary pre-employment checks.

Action owner: Chief Executive

Timescale for implementation: Completed

As CJS's role expands, it is important they have sufficient capacity and experience within the team including suitable contingency plans should a member of the team leave or be absent for a period of time. In particular CJS should also consider whether it has sufficient finance experience within the team, and the relationship with Scottish Government and any potential over-reliance.

Management response: The business case for a finance manager was prepared and funding for 2019/20 and beyond was agreed with SG. To expedite addressing the capacity gap, a temporary appointment on a 6 months contract was made in March 2019. The full time post will be advertised in August 2019.

Action owner: Director of Operations

Timescale for implementation: Ongoing but will be completed during 2019/20

CJS have in place an approved budget for 2018/19. Looking forward, although they only receive a one year budget settlement, CJS should look out over the medium term around future financial plans and the likely cost and requirements to expand their services as set out in the legislation.

Management response: The Finance Manager at an early priority produced a 5 year budget projection, based upon flat cash settlements across the period and the current level of service provision. This indicates significant deficits after Year 1. CJS will shortly commence the development of its second Corporate Strategy covering the period 2020-23. This will include a full prioritisation exercise based in large part upon the financial modelling for years 2-4 of the 5 year projection

Action owner: Director of Operations

Timescale for implementation: Ongoing but will be completed during 2019/20

Fees, independence, fraud arrangements

External Audit Fee

Service	Fees £
External Auditor Remuneration	9,672
Pooled Costs	1,940
Contribution to Audit Scotland costs	480
Contribution to Performance Audit and Best Value	0
2018-19 Fee	12,092

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 £12,092.

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.

Fraud arrangements

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

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 CJS this is assumed to be the Audit and Risk Assurance Committee) on their view of fraud. We did this when presenting our audit plan and in the form of management and those charged with governance questionnaires.
- 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 CJS'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 CJS 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.

Communication of audit matters with the Accountable Officer

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 CJS 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 CJS 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 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. No fraud returns were submitted to Audit Scotland for 18/19, within the quarterly fraud returns		
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 CJS Management and the Audit and Risk Committee.

