

Community Justice Scotland (CJS)

External Audit Report to the Accountable Officer, the Board and the Auditor General for Scotland for the financial year ended 31 March 2020

Final Report

1 October 2020

Joanne Brown Engagement Leader

Victoria Stirling Engagement In-Charge



Our audit at a glance





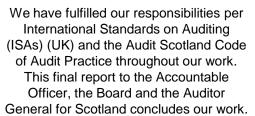
We received the complete draft financial statements including the Performance Report, Accountability Report and Governance Statement within the timescales we agreed.

Audit queries were responded to on a timely basis. This was appreciated by the audit team as it allowed the audit to be delivered during the challenges Covid-19 created with the need for remote delivery of the audit.



The Accountability Report is in line with our understanding of CJS. The Governance Statement, included within the Accountability Report, outlines the governance framework.

The Remuneration and Staff report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000, and directions thereunder. The disclosures in the Remuneration and Staff report are consistent with underlying payroll records.



An audit underpinned by quality and adding value to you



We have issued an unmodified audit opinion on the annual report and accounts.

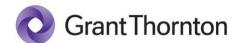


Significant audit risks identified in our audit plan were: management override of controls and the risk of fraud in expenditure recognition as set out in Financial Reporting Council's (FRC) Practice Note 10. We considered the significant audit risk arising as a result of Covid-19 and determined this was not a significant risk to CJS due to the nature of the organisation and the financial transactions.

Our audit procedures in relation to the significant risks did not identify any exceptions with respect to expenditure recognition or evidence of management override of controls.



Materiality was set at £47,880 for 2019/20. This was calculated using the materiality benchmark of 2% as set out in our audit plan. We updated our materiality calculation based on the unaudited financial statements for 2019/20.





Adding value through our external audit work

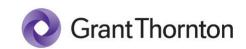
First and foremost our objective is to ensure we deliver a quality external audit which fully complies with International Standards on Auditing (ISAs) UK and the Audit Scotland Code of Practice (2016).

Through this Annual Report we seek to provide relevant insight and commentary over certain aspects CJS's arrangements (recognising CJS is a smaller body, under the Code), 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 discussed approach to remote working at the outset of the year end audit and communicated regularly throughout the audit on the audit progress and status. We recognise this is the first year the CJS finance team have had sole responsibility for producing the annual report and accounts and we have sought to support the team in their understanding of the audit process. Further refinements will be made by the finance team during 2020/21 to the annual report and accounts format.

Although facing the challenges of working remotely during the Covid-19 pandemic the audit was as efficient as possible in the circumstances and we were able to get the assurances required, and complete our testing to deliver an audit in compliance with the ISA's and the Audit Scotland Code of Practice.

We will work with CJS during 2020/21 to ensure a prompter sign off of the annual report and accounts following the Board meeting, in order to meet the end of September deadline. No material changes were made from the Board meeting in early September. However, minor word changes delayed signing for four weeks.



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Introduction

Reporting

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2020.

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

Our report is addressed to the Accountable Officer and the Board. In addition, in accordance with our reporting responsibilities the report is jointly addressed to the Auditor General for Scotland.

Once the accounts have been laid before parliament, the finalised audit report will be made publicly available on the Audit Scotland website (www.audit-scotland.gov.uk)

Our report was presented to the Audit and Risk Committee in August 2020 and updated for the presentation to the Board on the 2nd of September alongside the annual report and accounts.

We would like to thank the CJS team for all their support and assistance throughout the audit and during the year.

Structure of this report

As set out in our Audit Plan (February 2020) we consider in accordance with the Audit Scotland Code of Practice that CJS meets the smaller body definition. Therefore a full wider scope audit is not required.

However, as required in the Code of Audit Practice our report concludes on our audit of the annual report and accounts and includes commentary on the governance statement and financial planning.

Covid-19

As a result of the Covid-19 pandemic we considered whether an additional financial statement audit risk was required.

We concluded given the straightforward nature of the CJS accounts for example no plant, property and equipment (no valuation risk) and low level of debtors (and nature of debtors), therefore limited risk of material misstatement within accounts receivable that this was not a financial statement risk.

However, we did consider the impact of Covid in ensuring completeness of audit evidence to support our testing and the impact on the audit of remote working.

Our opinion

For the financial year ended 31 March 2020 we have issued an unmodified 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 a complete set of Annual Report and Accounts on 16 June 2020 including the strategic report, corporate governance statement, and director's remuneration report. This was in line with the timetable agreed. The draft financial statements were supported by working papers and the finance team were quick to respond to our queries

This is the first year the CJS team have completed the accounts. Last year, support was given by the Scottish Government Finance team. In preparing the accounts, there were some difficulties in understanding where the prior year comparatives were generated from. Initial difficulties in agreeing the draft accounts to the trial balance were resolved.

We have one unadjusted difference to report which is set out in Appendix 1. .

We noted minor disclosure and formatting changes which resulted from our review of the accounts. None of these changes were considered material and/or significant in nature and helped to improve the readability of the accounts.



Materiality

Our audit approach was set out in our audit plan presented to the Audit Committee in February 2020. Overall materiality has been set at £47,880, approximately 2% of gross expenditure and performance materiality is set at £31,122, 65% of materiality. Our planned approach has not changed from that set out in our plan.

We report to management any difference identified over £2,400 which has been set at 5% of overall materiality. Below this threshold the adjustment is considered trivial.

We set a lower materiality level in respect of the remuneration report, given the interest to the users of the accounts. This was set at £2,500, linked to the bandings used.

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 partied, journal entries and other key entity level controls including payroll and expenditure controls.
- •Performed walkthrough procedures of key financial processes which are in place at CJS

Our work over controls is limited to our ISA requirements in understanding an entities control environment.

Our audit is not controls based and we do not place reliance on controls operating effectively as our audit is fully substantive in nature.

We identified no material weaknesses or areas of concern from this work which would have caused us to alter the planned approach as documented in our plan.

Internal Audit

As set out in our external audit plan our audit approach is to comply with the ISA's and we do not place formal reliance on the work of the Scottish Government Internal Audit Directorate's, CJS's internal audit provider during 2019/20. We have reviewed the internal audit plan and individual reports issued to date, to consider if any impact on our audit approach.

We note that internal audit issued a limited assurance opinion in respect of governance and financial controls. This is disclosed within the Governance Statement, including action that is being taken.

From our review we are satisfied that there were no additional areas arising from the work of internal audit that would impact on our audit of the financial statements or require specific disclosure in the annual governance statement.



Responding to significant risks

Risk area

Risk of fraud in expenditure recognition (as set out in FRC Practice Note 10)

Identified audit risks at planning

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.

Work completed

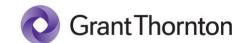
- Walkthroughs of the controls and procedures over operating expenditure (payroll and non-payroll).
- Performed substantive testing (at an elevated risk level) expenditure recognised post year end to identify if there is any potential understatement
- Testing post year end bank statements and review of minutes to identify any potential unrecorded liabilities
- Reviewing any accruals and deferred income around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimate

Our conclusion

Based on our testing we conclude:

- · We did not identify any exceptions in our cut-off testing of year end expenditure
- We did not identify any exceptions in the completeness and accuracy of accruals. There is no deferred income or provisions within the accounts.

Through our substantive procedures and sample testing we confirmed expenditure testing was in accordance with the nature of CJS (regularity)



Risk area

Management override of controls

Identified audit risks at planning

As set out in ISA 240 there is a presumed risk that management override of controls is present in all entities. This risk area includes the potential for management to use their judgement to influence the financial statements as well as the potential to override CJS's controls for specific transactions.

We consider those key judgements that are most susceptible to significant audit risk of management override are those over expenditure recognition. These are areas where management has the potential to influence the financial statement through estimate and judgement.

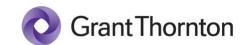
Work completed

- Considered the design of controls in place over key accounting estimates and judgements through performance of walkthrough procedures.
- Confirmed that CJS continue to have no key accounting estimates or judgements and that accounting policies were the same as prior year.
- · Journals testing including:
 - Assessment of the design of controls in place over journal entries, including journal preparation, authorisation and processing onto the financial ledger;
 - Risk assessment of the journals population to identify large or unusual journal entries, such as those that are not incurred in the normal course of business, or those entries that may be indicative of fraud or error that could result in material misstatement. We tested these journals to ensure they are appropriate and suitably recorded in the financial ledger;
 - Target testing of transactions around the financial year end, reviewing large journals and those which appear unusual to understand the rationale for the transaction.

Our conclusion

Based on our testing we conclude:

- · There was no evidence of management override in our testing of controls
- CJS financial statements do not include material judgements or estimates.
- We did not identify any unusual or significant transactions throughout the financial year or during the financial close period which were out with the ordinary operations of CJS



Significant findings - accounting policies

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	CJS recognise grant funding from the Scottish Government based on the budget	CJS revenue recognition policies are in line with the FReM. Only source of income is through Scottish Government funding.	
	allocated. There are no other sources of income.		(GREEN)
Judgements and estimates	CJS Accounts do not include any judgements or estimates. No accounting policy is included given none exist.	Our testing of the CJS financial statements confirmed there were no critical judgements or estimates within the accounts. There are no provisions and we did not identify any provisions which should be disclosed.	(GREEN)
		Cut-off is determined based on an agreed policy and this has been applied in creating the financial statements. We identified a point for management consideration in 2020/21 around purchase cards and accounting for spend at year end, and this has been agreed with management (see unadjusted difference in Appendix 1)	
		Debtors are limited, and due to timing.	
Other critical policies	None identified by CJS.	We have reviewed the CJS accounting policies against the FReM requirements. CJS has appropriately tailored the standard accounting policies to its individual circumstances.	(GREEN)
		We recommended a small number of minor disclosure changes, which have been made in the audited financial statements.	(OKELIV)
		Going forward, CJS plan to continue to review the formatting and disclosures within the annual report and accounts, to ensure full compliance with FReM and to enhance the readability of the annual report and accounts.	

Assessment

- Marginal accounting policy which could potentially be open to challenge and/or interpretation
- Accounting policy appropriate but scope for improved disclosure
- Accounting policy appropriate and disclosures sufficient



Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed the narrative aspects of the annual accounts and report. We have considered the consistency of this narrative with our understanding of CJS 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 accountability report is in line with our understanding of CJS, in particular the CJS priorities.

The Performance report is easy to read although detailed. It contains information on CJS performance and planned outcomes. There is a potential to streamline this, focusing more on what CJS has achieved in year and not repeating information which is publicly available.

Risks are articulated as set out in the CJS risk register but again reporting in future years could be enhanced.

Overall Observations

CJS provided the annual report and draft set of accounts in line with our audit timetable despite the increased challenges presented by the Covid-19 pandemic which required 100% remote working.

The annual report and accounts have been further developed from prior year, including the inclusion of a Chair statement. There were a number of late word changes made, and this should be avoided in future years by having a clear deadline and timeline for comments from the CJS Board Members.

Annual Report and Accounts include the performance report and accountability report (including remuneration and governance)

Remuneration and Staff Report

Has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions thereunder.

The Executive and Non-Executive members reflected in the report have been correctly identified in accordance with the FReM.

Governance Statement

As required by the FReM the Governance Statement is included in the Accountability Report and is in accordance with the FReM and SPFM.

There are no significant governance issues in the year which are required to be disclosed.



Key aspects of your financial statements

We consider key 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 our conclusions below.

No new International Financial Reporting Standards (IFRS) have been adopted in the year as the adoption of IFRS 16 for public bodies has been delayed by a year as a result of the Covid-19 pandemic.

The impact of IFRS 16 on CJS will be limited.

The Accounting Policies followed by CJS are in accordance with the FReM and consistent with prior year.

In relation to the audit risk of fraud in respect of expenditure recognition we tested CJS's cut-off arrangements and identified no issues with the recognition period of transactions or in accruals which could indicate a higher risk of potential fraud.

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



CJS accounts do not include any significant judgements or estimates.

CJS as set out in the performance and accountability reports consider themselves a going concern. They have an agreed budget with the Scottish Government for 2020/21. Work is ongoing with considering future financial scenarios and a medium term financial plan.

As 100% of funding is received from Scottish Government and an annual budget is in place we agree with management's assessment that CJS is a going concern.

However, CJS is a small entity with its only source of income from Scottish Government. Should this be reduced in future years, this would impact on whether CJS could deliver its strategic priorities, as currently defined.



Commentary on CJS's financial arrangements

Financial Position 2019/20

CJS delivered its annual budget set by Scottish Ministers during 2019/20. Total expenditure was £2.295 million. Initial budget was £2.221 million. However, this was increased at the spring review to include additional monies for the Caledonian Project, pension costs and a secretarial post.

The largest proportion of costs continue to be staff costs (circa 75% of the budget).

Corporate Plan

CJS are in the process of finalising the Corporate Plan (2020 to 2023). The plan has been subject to extensive Board discussions during 2019/20.

The plan set out the four main functions of Community Justice:

- Promote national strategy for community justice.
- Monitor, promote and support improvement in, and keep the Scottish Ministers informed about, performance in the provision of community justice (and, performance in relation to the achievement of the nationally determined outcomes).
- Promote and support improvement in the quality and range of provision of community justice particularly in meeting the needs of individuals who have a history of offending behaviour, and making the best use of the facilities, people and other resources available to provide community justice.
- Promote public awareness of the benefits of community disposals for individuals who have been convicted of offending, through the management and support offered to them within their community to stop further offending, rather than imposing custodial sentences.

The plan sets out key priorities, timeline for implementation, indicators and measures.







Three-year financial planning

A paper was presented to the Board in November 2019 outlining a three-year financial scenario based on anticipated financial settlements. This was aligned with the work that was ongoing on the Corporate Plan.

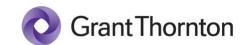
This demonstrates if funding from the Scottish Government remains static the amount that CJS have available to support and deliver devolved priorities will decrease year on year.

The paper sets out some options for consideration on future staffing requirements and potential areas of savings, at an exploratory stage.

Governance arrangements

In 2019/20 two Board members left the CJS Board at end of their term (February 2019). New members have been appointed through the public appointment process. During the year, a new Chair of the Audit and Risk Committee was appointed. In that role, the Audit and Risk Committee has revisited the terms of reference for the Committee and the forward programme.

CJS continue to review and strengthen their governance arrangements, ensuring arrangements are proportionate to the size of the organisation. This is an area we will consider and comment on, as part of our 2020/21 external audit.



Follow up of external audit recommendations

During our 2019/20 audit we did not identify any recommendations for management which would be of significant risk to warrant inclusion in this final report. During the year we have followed up on previous external audit recommendations. The results of this work is summarised below.

Financial management

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.

Follow up - Implemented, closed

This recommendation has been implemented. A full time Finance Manager has been appointed, who has public sector finance experience.

Board Members

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.

Follow up - Implemented, closed

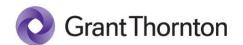
New Board members have been appointed, and there is a new Audit and Risk Committee Chair. In addition, a suitably qualified individual has been co-opted onto the Audit and Risk Committee to bring additional financial experience to the Committee.

Journal Arrangements

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)

Follow up - Implemented, closed

Journal controls have been strengthened and revised arrangements established, Journals are reviewed at month end and confirmed as being correctly posted in SEAS, the financial ledger.



External Audit Recommendations from 2017/18 audit which were ongoing during the 2018/19 **Audit**

Capacity and experience

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 in 2018/19 Annual Report

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.

Follow up - Implemented, closed

A full-time Finance Manager has been appointed who has sufficient public sector and financial experience to fulfil the role.

Financial strategy

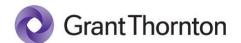
CJS have in place an approved budget for 2018/19. Looking forward, although they only receive a one year budget settlement, CJS should look out over the medium term around future financial plans and the likely cost and requirements to expand their services as set out in the legislation.

Management Response in 2018/19 Annual Report

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

Follow up - Ongoing

CJS have developed a budget for 2020/21 based on the agreed budget settlement. They are currently working on a medium term financial scenario planning exercise which would align to the period of the corporate plan. This would be based on assumptions as currently Scottish Government funding is only annual.



Appendices

- Audit adjustments
- Audit fees and independence
- Fraud arrangements
- Communication of audit matters

Audit adjustments

Uncorrected and corrected misstatements

There was one uncorrected misstatement identified during the audit. This was in respect of purchase cards and year-end timing. We have calculated the adjustment below, through extrapolation of the error we identified.

Whilst above trivial we are comfortable this is not material to the accounts and has no impact on the Statement of Net Expenditure. Finance have agreed to look at how purchase card balances are accounted for, within the 2020/21 annual accounts, to ensure appropriately reflected.

Dr Expenditure £3,943

Cr Trade Payables £3.943

Disclosure misstatements

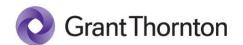
In accordance with auditing standards we are required to highlight significant disclosure misstatements to allow Audit Committees to evaluate the impact of these matters on the financial statements.

There were a small number of minor disclosure adjustments to the draft accounts received for audit which were identified by the finance team through the ongoing review process, or through external audit review and discussion.

In addition, we noted minor disclosure and formatting changes which resulted from our review, all of which will be processed in the final annual report and accounts. None of these changes were considered material and/or significant in nature and helped to improve the readability of the accounts.

Changes included:

- Removing 2017/18 comparatives where included as not required
- Including a subsequent events note within the annual report and accounts
- Re-looking at the Remuneration report layout
- Supporting management further streamline the performance and accountability report
- Minor updates to the Governance statement.



Audit fees and independence

External Audit Fee

Service	Fees £
External Auditor Remuneration	9,900
Pooled costs	1,920
Contribution to Audit Scotland costs	460
Contribution to Performance Audit and Best Value	-
2019/20 Fee	12,280

Fees for other services

Service	Fees £
We confirm we have received no non-audit fees for the 2019/20 external audit	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 Financial Reporting Council'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 Financial Reporting Council 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 (<u>joanne.e.brown@uk.gt.com</u>). 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

The term fraud refers to intentional acts of one or more individuals amongst management, those charged with governance, employees or third parties involving the use of deception that result in a material misstatement of the financial statements. In assessing risks, the audit team is 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 relations to management override of controls.
- Leading a discussion with those charged of governance (for CJS this is assumed to be the Audit and Risk Committee) on their view of fraud. Typically we do 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.

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.

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance including establishing and maintaining internal controls over the reliability of financial reporting effectiveness and efficiency of operations and compliance with applicable laws and regulations.

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 work with CJS's to review specific areas of fraud risk, including the operation of key financial controls. We also examine the policies in place, strategies, standing orders and financial instructions to ensure that they provide a strong framework of internal control.

All suspected frauds and/or irregularities over £5,000 are reported to Audit Scotland by us as your auditors on a quarterly basis. None were identified and reported during the 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 CJS we will report to the Auditor General as required by Audit Scotland.



Communication of audit matters

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. This document, our Annual Report, is issued prior to approval of the financial statements and presents key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

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	•	•
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	•	•
Significant matters in relation to going concern. No significant matters on going concern identified.	•	•
Views about the qualitative aspects of CJS's accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures Set out on pages 9, 10 and 11 of this report.		•
Significant findings from the audit. No significant findings.		•
Significant matters and issues arising during the audit and written representations that have been sought. Letter of representation obtained at date of signing.		•
Significant difficulties encountered during the audit . No difficulties encountered during the audit.		•
Significant deficiencies in internal control identified during the audit. No deficiencies in internal control identified during the audit.		•
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.		•
Non-compliance with laws and regulations – None identified during the course of our audit work.		•
Unadjusted misstatements and material disclosure omissions – No unadjusted misstatements or material disclosure omissions identified.		•
Expected modifications to the auditor's report, or emphasis of matter – None identified.		•





The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our external audit. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the entity or all weaknesses in your internal controls.

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