Loch Lomond & the Trossachs National Park Authority

External Audit Plan for the financial year ending 31 March 2019

Audit and Risk Committee 4 December 2019

DRAFT

Joanne Brown
Engagement Leader

John Boyd
Senior Manager

Our audit at a glance

Performance materiality is set at 75% and trivial is 5% of materiality. This is consistent with prior year and reflects minimal audit adjustments in prior year and our understanding of Loch Lomond & the Trossachs National Park Authority (‘the Authority’) in a year three of our audit cycle.

Planning materiality is set at 2% of gross expenditure (£9.630 million) based on 2017/18 audited information (£0.192 million). This is based on our assessment of what misstatement either individually or in aggregate could be significant as to be misleading to the users of financial statements.

Significant audit risks are: management override of controls; the risk of fraud in revenue as set out in International Standards on Auditing (ISAs UK); and risk of fraud in expenditure as set out in practice Note 10.

An audit underpinned by quality and adding value to you

Our audit is undertaken in accordance with the Code of Audit Practice. We do not consider a full wider scope audit is appropriate to the Authority. However, we will consider the Authority’s financial sustainability and governance arrangements as part of our audit.

For 2018/19, new accounting standards will apply for revenue and financial instruments. We will consider the Authority’s evaluation of the new standards and the recognition of any adjustments required to the financial statements from their adoption.

Our audit is undertaken in accordance with the Audit Scotland Code of Audit Practice and reflects the wider scope nature of public audit. In accordance with Audit Scotland guidance, we consider the Authority to be a smaller body for the proposes of wider scope responsibilities. Therefore the focus of our work will be on financial sustainability and governance statement.

Contents

Overarching principles of our audit

Our audit is risk based and undertaken in accordance with the International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice 2016 ('the Code').

Our overall objective is a effective, quality-focused external audit which adds value through wider insights and challenge. Our audit foundations are:

✓ professional scepticism

✓ a focus on audit risks and key areas of management judgement

✓ Delivering a quality audit through our experienced public sector audit team, use of data analytics to focus our audit and understanding of the organisation

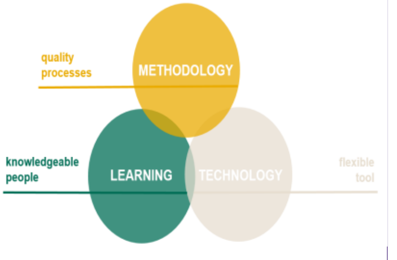
✓ clear and upfront communications, with regular communication during the year

✓ reporting with focused actions which will support you in improving your controls/operations

Adding value

Our aim is to add value to the Authority through our external audit work. This will be delivered through delivering a high quality audit. Specifically for the Authority we will also undertake the following arrangemen

- **Robust and effective audit methodology**: Our ISA compliant audit methodology is tailored to focus audit resource on significant risk areas and key estimates and judgements.
- **Investing in our people**: Our resourcing model is designed to ensure you have a skilled, experienced and knowledgeable audit team.
- **Investing in technology**: We continue to invest in data analysis and audit software to deliver more efficient ISA compliant audit processes.



We will share relevant Audit Scotland and Grant Thornton publications with Senior Management and the Audit and Risk Committee, identifying particular areas for consideration. We will pro-actively work with management during the year to discuss any new or emerging matters, such as the new revenue standards which come into effect from 31 March 2018.

Key audit deliverables

2018/19 Deliverables as set out in the Audit Scotland planning guidance (October 2019)

- Confirmation of agreed fee by end of February 2019
- Annual quality report to the Auditor General and Accounts Commission (January 2019)
- National Fraud Initiative – completed Auditor questionnaire (30 June 2019)
- Current issues return for Central Government to Audit Scotland (21 January 2019 and 19 July 2019)
- Submission of fraud cases to Audit Scotland on a quarterly basis
- Submission of annual audit report and audited accounts (deadline 31 October 2019)

Planned Audit Scotland publications which may be relevant to the Authority

- Digital progress in central government and health (reporting early 2019/20)
- Modern Apprenticeships

External Audit deliverables for 2018/19 – Audit and Risk Committee

- External Audit Plan (this document)
- Annual Report to those Charged with Governance (June 2019)
- Audit opinion (June 2019)
- Management letter of representation (June 2019)

Audit approach and materiality

We undertake your audit in accordance with International Standards on Auditing (UK) (ISAs) and the Audit Scotland Code of Audit Practice (May 2016). On an annual basis we are required to give an opinion as to whether the Financial Statements:

- give a true and fair view
- have been properly prepared in accordance with relevant legislation and standards
- audited parts of the remuneration and staff report have been prepared in accordance with the guidance
- regularity of expenditure
- the wider information contained in the financial statements e.g. Accountability Report; Directors Report and Governance Statement

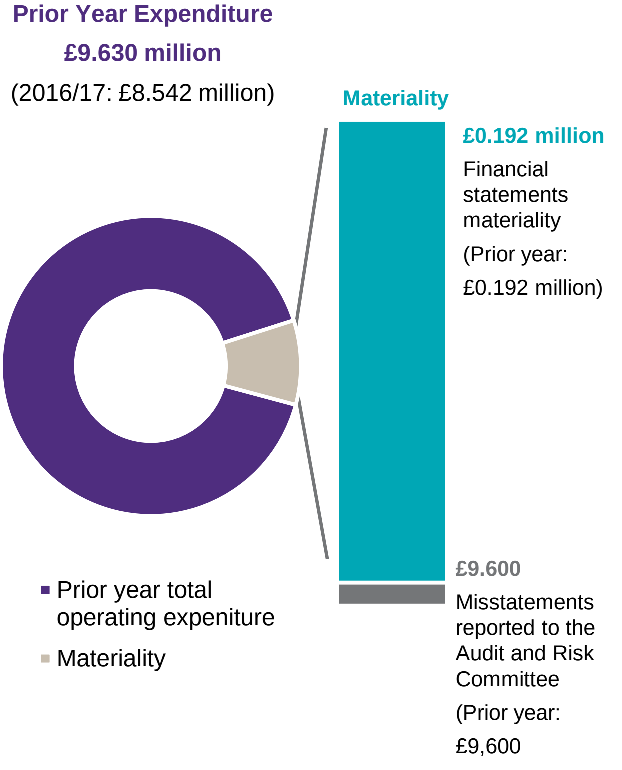
Basis for materiality

We determine financial statement materiality based on a proportion of the total operating expenditure. This approach is consistent with our prior year materiality determination. We have determined materiality to be £0.192 million (prior year £0.192 million), which equates to approximately 2% of your prior year total operating expenditure for the year. This is based on our judgement of our consideration of material to the user of the account based on understanding of the Authority.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Performance materiality

Performance materiality represents the amount set for the financial statements as a whole to reduce the probability that the aggregate of uncorrected and undetected misstatements exceed materiality. Based on our audit experience in 2017/18 we have retained this for 2018/19 at 75%. Performance materiality determines those accounts which testing will be undertaken on and the level of sample testing performed where applicable.



Areas of lower materiality

Whilst we apply the financial statements materiality to our audit work, we apply a lower materiality threshold to specific disclosures or balances due to the nature or sensitivity of the amount. For the Authority we will apply a lower materiality threshold over audited disclosures in the Remuneration and Staff report and related party notes to the accounts.

Reporting to those charged with governance

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Risk Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. We have determined this threshold to be £9,600 thousand. (2017/18: £9,600 thousand). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Risk Committee to assist it in fulfilling its governance responsibilities.

A risk based audit methodology

Understanding the Authority and its environment

This is our third year as the external auditors of the Authority appointed under the Audit Scotland framework. In 2017/18, Loch Lomond & the Trossachs National Park Authority received funding of £6.2 million of expenditure limit allocation from the Scottish Government to support operating activity and generated income from planning fees, projects and other operating income of £1.2 million.

The National Park Partnership Plan 2018-2023 was approved by the Authority in December 2017. The Plan, sets out how the Authority and its key partners will work together to tackle key issues facing the national park and to widen the social, environmental, cultural and economic benefits that it offers.

During 2017/18 the Authority implemented Your Park, the first season of camping management bylaws. This effectively created four camping management zones to mange camping pressures on popular sites. The supporting camping management strategy has then established a framework for investment in new sites. The successful operation of this and delivery of the Partnership plan will be essential in ensuring they meet servive user and other stakeholder expectations of the Authority. This will need to be managed through a period of uncertainty around future funding

Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

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

Risk area	Description of risk	Planned response
Risk of fraud in revenue recognition	As set out in ISA 240, there is a presumed risk that revenue may by 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.	• Walkthroughs of the controls and procedures around material income streams and validation of key controls where appropriate. • Agree income in year to supporting receipts/invoices/cash • Consider income cut off procedures and substantive testing over pre and post year end balances. • A focus on recoverability of balances at the year end.
Fraud in expenditure recognition as set out in Practice Note 10.	Operating expenditure is understated or not treated in the correct period (risk of fraud in expenditure). As set out in Practice note 10 (revised) which applies to public sector entities. 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.	• Perform cut off at year end on pre and post year end transactions and recording. • Reviewing the completeness of creditors (and expenditure) recognised. • Walkthrough of the key expenditure controls in place. • Regularity – Expenditure incurred in accordance with the type/nature of the Authority as an organisation.
Management override of controls	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.	• A focus on understanding how/where management override of controls may occur. • Review of the controls over journal entries using our data analyser tool to focus on higher risk journals. • Understanding key areas of judgement and accounting estimates within the financial statements and the basis for these judgements and the application of accounting policies. This include assumptions around IAS 19 defined benefit obligations. • Reviewing unusual and/or significant transactions that are out with the normal course of business for the entity to understand the rationale for these transactions.

Wider scope audit – Audit dimensions and Best Value

Our responsibilities under Audit Scotland's Code of Audit Practice extend beyond the audit of the financial statements.

The Code sets out four dimensions that frame wider scope audit work into identifiable areas. Alongside Best Value, the audit dimensions set a common framework for our audit work and we review and conclude on the four dimensions and that there are organisational arrangements in place to secure Best Value. Audit Scotland Audit Planning guidance outlines key areas for consideration. Relevant to the organisation we will consider the following:

- EU Withdrawal,
- changing landscape for public financial management,
- dependency on key suppliers and
- openness and transparency.

Wider scope approach - Smaller Body

For smaller bodies the Audit Scotland Code of Practice permits auditors to not apply the full wider scope audit. In our judgement, taking into account the nature of Loch Lomond & the Trossachs National Park Authority operating activity and income and expenditure streams, we feel it is appropriate to treat you as a smaller body under the Code. However, in accordance with Audit Scotland planning guidance, we will update our understanding of your arrangements for ensuring financial sustainability as well as your governance arrangements in place to support disclosures contained within the annual governance statement included within your financial statements.

Appendices

Key audit deliverables and our team

Phase	Activity	2018 / 2019	Key audit deliverables
	October to December 2018 • Meeting with the Head of Finance and finance team to reflect on 2017/18 lessons learned and start planning conversations for 2018/19 • Review of minutes and completion of our internal planning processes	2018: Oct, Nov	
Planning and Interim Work	**During December and early January** • Review of minutes • Completion of risk assessment • Review of internal audit, and • Instructions to the valuer's.	Dec, 2019: Jan	**December 2018** • Presentation of our External Audit 2018/19 plan to the Audit and Risk Committee • Audit and Risk Committee discussion on fraud and completion of fraud risk questionnaire
	February 2019 • Substantive testing of balances for the first 9 months of the financial year – focused on management accounts reporting • Walkthroughs of the key controls and validation of controls (to inform year end substantive testing) • Audit work aligned to the wider scope risks identified in the plan	Feb, Mar	**March 2019** • Update on any new technical matters/guidance • Our Audit Scotland Grant Thornton Transparency report (and wider GT Report)
Final accounts visit	**May 2019** • Year end fieldwork commences	May	
Completion/ reporting	**May/June 2019** • Audit findings meeting with Senior Management • Annual Report to those charged with governance (Audit and Risk Committee) • Sign financial statements opinion	Jun	**June/July 2019** • Once signed submit the financial statements and our Annual Report to Audit Scotland
Debrief	**July/August 2019** • Debrief and learning meeting	Jul	**July 2019** • Current issues return 2 (deadline 20 July 2018)

Our team

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In addition we will use our internal experts on technical accounting matters as and when required

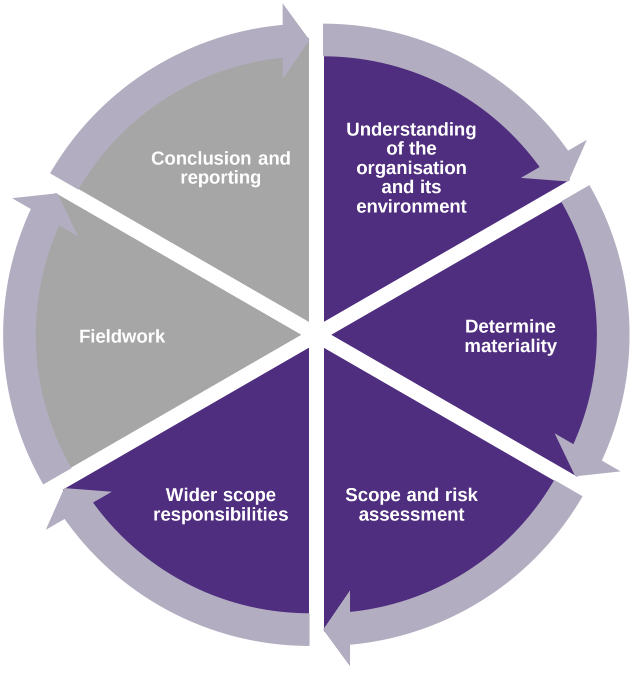
Audit process

Fieldwork, conclusion and reporting

Our audit fieldwork will be conducted in accordance with ISAs and the Code of Audit Practice. Our fieldwork is designed to provide sufficient assurance to provide an opinion on the true and fair view of the financial statements and allow us to conclude on the areas of wider scope. We will conclude our audit procedures and provide an independent audit opinion on the financial statements. Our key conclusions and findings from our audit work will be reported to you through our annual audit report.

Understanding of the organisation and its environment

This is our third year as the external auditors of the Authority appointed under the Audit Scotland framework. In this time we have built on our knowledge of your business and the environment in which you operate. Our understanding of the organisation and its environment is provided on **page 6**.



Determine materiality

Fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We determine your materiality during our audit planning process and continue to assess the appropriateness of this value throughout the audit. More detail around your materiality is provided on **page 5**.

Wider scope

The Code sets responsibilities for auditors of public bodies which extend beyond the audit of the financial statements, Auditors are required to consider and report on wider audit dimensions. In our judgement, we feel it is appropriate to treat you as a smaller body under the Code. However, we will update our understanding of your arrangements for ensuring financial sustainability as well as your governance arrangements in place to support the delivery of the Authority's strategic outcomes as part of our audit. Our consideration of the Wider scope is provided on **page 7**.

Scope and risk assessment

The scope of our audit work is in accordance with the Code and International Standards on Auditing.

Our audit work is risk based and during our audit planning we identify significant audit risks. These are detailed within our scope and risk assessment below.

Fees and independence

External Audit Fee

Service	Fees £
External Auditor Remuneration	TBC
Pooled Costs	TBC
Contribution to Audit Scotland costs	TBC
Contribution to Performance Audit and Best Value	0
2017-18 Fee	**TBC**

The audit fee is calculated in accordance with guidance issued by Audit Scotland. In accordance with the Audit Scotland guidance we can increase the fee by up to 20% from the base fee set by Audit Scotland, depending on risk factors identified by us as your external auditors. We cannot reduce the fee from the baseline set out by Audit Scotland. The above proposed fee, set at the base fee, has been agreed with management. The fee is based on the following assumptions:

- supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- the scope of the audit, and the Authority activities will not change significantly from planned
- the Authority will make available management and accounting staff to help us locate information and to provide explanations. We reserve the right to charge an additional fee for any additional work.
- We will only receive (and audit) 3 sets of accounts (1st draft; amended draft and final)
- Specific balances such as pensions and valuations of assets are supported by an independent specialist

Fees for other services

Service	Fees £
At planning stage we confirm there are no non-audit fees	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.

Full details of all fees charged for audit and non-audit services will be included in our Annual Report to those charged with governance at the conclusion of the audit.

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

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 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 relations 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. 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 the Authority 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 the Authority 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.

Respective responsibilities

As set out in the Code of Audit Practice (pages 10 to 16) there are a number of key responsibilities you as an organisation are responsible for, and others, as appointed auditors we are responsible for. These are summarised below:

Area	the Authority Responsibilities
Corporate governance	• Establishing arrangements for proper conduct of its affairs • Legality of activities and transactions • Monitoring adequacy and effectiveness of arrangements (inc role of those charged with governance)
Financial statements	• Preparing financial statements which give a true and fair view of their financial position • Maintaining accounting records and working papers • Putting in place systems of Internal Control • Maintaining proper accounting records • Preparing and publishing an annual governance statement, management commentary and remuneration report • Effective systems of internal control as well as financial, operational and compliance controls – supporting achievement of objectives and secure value for money
Financial position	• Proper arrangements to ensure financial position is soundly based and responsibility to ensure arrangements secure best value
Fraud and error	• Establishing appropriate arrangements for prevention and detection of fraud, error, irregularities, bribery and corruption and affairs are properly managed

Our responsibilities

- Undertake statutory duties and comply with professional engagement and ethical standards
- Provide an opinion on financial statements and where appropriate regularity of transactions
- Review and report on, as appropriate, other information eg annual governance statements, management commentary, remuneration reports
- Notify the Auditor General when circumstances indicate a statutory report may be required
- Demonstrate compliance with wider public audit scope

How do we do this in practice

- By reviewing and providing judgements and conclusions on the Authority arrangements including those across the wider scope of audit dimensions.
- Consideration of the effectiveness of performance management arrangements
- Suitability and effectiveness of corporate governance arrangements in year
- Financial position and arrangements for ensuring financial sustainability in the medium to longer term
- Review of other information in line with our knowledge and understanding of the Authority
- Ongoing dialogue and engagement with Audit Scotland during the year

Weaknesses and risks identified by us as your auditors are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist. Communication by us of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Technical updates

For 2018/19, new accounting standards (International Financial Reporting Standards (IFRS)), will apply covering revenue (IFRS 15) and financial instruments (IFRS 9).

IFRS 9: Financial Instruments

The introduction of IFRS 9 produces a more principles based approach to the accounting of financial instruments, including their classification and measurement. The main features of the new standard are summarised in the table.

IFRS 9	Impact
Criteria for classification of financial assets	IFRS 9 applies a single classification and measurement approach to all types of financial assets based on: - The body's business model for managing financial assets; - The contractual cash flow characteristics of the financial asset. This represent a departure from IAS 39's reliance on the terms of an instrument (traded or not).
Measurement categories for financial assets	The new measurement categories for financial assets are as follows: - Financial assets measured at amortised cost - Financial assets measured at fair value through other comprehensive income - Financial assets measured at fair vale through profit or loss
Impairment	IFRS 9 contains a forward looking expected loss impairment model and requires the sae measurement basis for impairment for all items subject to its impairment requirements. The FReM requires the simplified approach allowed under IFRS 9 which removes the need for an entity to consider whether the credit quality of trade receivables, contract assets and lease receivables has deteriorated significantly since initial recognition.

Implementation:
IFRS 9 has a mandatory effective date for annual periods beginning on or after 1 January 2018.
Under the FReM, on transition there will be no restatement of comparatives, and any impact of transition will be recognised as a reserves movement in 2018/19.

IMPACT

The key practical change in IFRS 9 for most public bodies is the introduction of a new approach to recognising impairments of debtors and other financial instruments.

ACTION

The Authority should undertake an assessment of the potential impact IFRS 9 has on financial instruments held to ensure it has sufficient information to ensure compliance with the standard for the year end accounts.

IFRS 15: *Revenue from Contracts with Customers*

The core principle of IFRS 15 is that a body should recognise revenue for the transfer of goods or services to customers at an amount that reflects the expected price. A body recognises revenue in accordance with that core principle by applying the following five steps:

1.Identify the contract(s) with a customer. The FReM has extended the definition of a contract to include legislation which enables a body to obtain revenue that is not classified as taxation.
2.Identify the performance obligations in the contract
3.Determine the transaction price
4.Allocate the transaction price to the performance obligations in the contract
5.Recognise revenue when (or as) the entity satisfies a performance obligation.

The impact of the introduction of IFRS 15 will vary across organisations.
The FReM interpretation removes the policy choice to retrospectively restate in accordance with IAS 8. On transition, entities will recognise the difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opining general fund within taxpayers' equity.

Audit action

We will continue to work with management to understand the impact of the introduction of IFRS 9 and IFRS 15 on the entity's financial statements and any potential changes in accounting policy that arise from these. We do not anticipate that IFRS 9 will have a material impact on the entity's financial statements. However, further assessment is required around the impact of IFRS 15, particularly over contact arrangements. We will provide an early review of the proposed year end accounting treatment, providing relevant technical insight and challenge to provide assurance that the year end financial statements have been prepared in accordance with the FReM and applicable accounting standards.

Technical updates

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Implementation:
IFRS 15 has a mandatory effective date for annual periods beginning on or after 1 January 2018.
Under the FReM, on transition there will be no restatement of comparatives, and any impact of transition will be recognised as a reserves movement in 2018/19.

IMPACT

The impact of the introduction of IFRS 15 will vary across organisations. For the Authority, careful consideration will need to be given to any contractual arrangement and the potential performance obligations contained within these.

ACTION

The Authority should undertake an assessment of the potential impact IFRS 15 across its material revenue streams to ensure it has sufficient information to allow revenue to be recognised in accordance with the standard. Early evaluation is advised as this may impact on final outturn reported in the financial statements and budgetary implications.

Audit action

We will continue to work with management to understand the impact of the introduction of IFRS 9 and IFRS 15 on the entity's financial statements and any potential changes in accounting policy that arise from these. We do not anticipate that IFRS 9 will have a material impact on the entity's financial statements. However, further assessment is required around the impact of IFRS 15, particularly over contact arrangements. We will provide an early review of the proposed year end accounting treatment, providing relevant technical insight and challenge to provide assurance that the year end financial statements have been prepared in accordance with the FReM and applicable accounting standards.

Communication of audit matters with those charged with governance

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	•	•
Views about the qualitative aspects of the Authority accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures		•
Significant findings from the audit		•
Significant matters and issues arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

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 opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while our Annual Report to those Charged with Governance will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will 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.

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