

**Approved MINUTES of MEETING of the
AUDIT & RISK COMMITTEE of**

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at the Steading room of the Am Fasgadh building in
Highland Folk Park, Newtonmore
on 11 May 2018**

Present:

Dave Fallows (Convener)	John Latham
Janet Hunter	Judith Webb

In Attendance:

Claire Robertson, BDO
Andrew O'Donnell, BDO
Grant Moir, Chief Executive
David Cameron, Director of Corporate Services
Danie Ralph, Finance Manager
Alix Harkness, Clerk to the Board

Apologies: Walter Wilson

Welcome and Apologies

1. The Convener welcomed everyone to the meeting and the apologies were noted.

Minutes of Previous Meeting

2. The draft minutes of the 2 February 2018 meeting were approved with no amendments.

Declarations of interest

3. There were no interests declared.

Matters Arising

4. David Cameron gave an update on the outstanding actions throughout and listed at the bottom of the 2 February 2018 Audit & Risk Committee Minutes:
 - a) At para 10b) – Update requested – David Cameron reported that nothing of specific relevance to Non departmental Public Bodies had been discussed at the meeting.
 - b) Joint Training with LLTNP Audit Committee, CNPA Audit & Risk Committee and BDO to be set up for autumn 2016 – **Open** – David Cameron reported that they would no longer seek to coordinate dates with LLTNP prior to arranging training, and instead go ahead and set this up to meet CNPA requirements and then invite LLTNPA to participate.

- c) Full list of the audit recommendations in the Internal Audit Review Follow-up report to be collated and where management deem them no longer necessary for explanations of this to be included – **Open** – Workload issues caused this not to be completed for this meeting. Will be brought to the next meeting.

Internal Audit Review: Financial Reporting (Paper 1)

- 5. Andrew O'Donnell presented a Paper which presents the internal auditor's review on the Authority's Financial Reporting arrangements.
- 6. David Cameron advised that management had been pleased to see the report and the strength of the findings. He added that they were content with the two recommendations and had already acted on them.
- 7. The Audit & Risk Committee made the following comments and observations:
 - a) Observation made that when a new member joins the Board, a big folder containing lots of useful information is handed to the new member, was this still normal practise? David Cameron confirmed that it was normal practise however this audit recommendation was for a separate formal induction for new members of the Finance & Delivery Committee.
 - b) Agreement that a formal induction even if it was just an opportunity to talk through the information contained in the induction pack and an opportunity to ask questions would be useful. Grant Moir advised that there would be five new Board Members starting in October 2018 and set training could be organised for them and anyone from the existing Board who would like to attend could.
 - c) Could there be a separate induction for each Board Committee? Grant confirmed that it was possible and would be put in place in the autumn.
 - d) Suggestion was made to compile a brief induction pack for each specific Board Committee. Also suggestion of possibly including a section at the beginning of the meeting where members have the opportunity to ask questions prior to the meeting officially starting. This was agreed and Grant would work with Alix to pull it together and put it in place. Agreed that existing members of relevant Board Committees would also be encouraged to attend.
 - e) Suggestion made to have the induction pack for each Board Committee available on the corporate website.
 - f) Was there anything that members could sign up to, to receive notifications of any new relevant guidance? David advised that he received technical updates from Audit Scotland and when relevant he brings it to the Committee's attention at the appropriate meeting.
 - g) What did the term 'escalation variance' mean? David advised that the Finance team prepare reports for Management Team, and then those reports are prepared for the Finance & Delivery Committee. Currently, all budget variations tend to be reported. The recommendation suggested setting thresholds below which variations need not be reported, as representing minimal impact on financial position. Only variations above relevant reporting thresholds would be "escalated", i.e. reported. He advised that if thresholds are in place then *something* of low value but higher impact could be lost from reporting.

7. The Audit & Risk Committee:

- a) **Considered the internal auditor's findings on the Authority's Financial Reporting arrangements;**

- a) IT security and development - penetration testing of servers with Loch Lomond & Trossachs National Park, to ensure as secure as possible was being arranged.
- b) 6 companies for this mandatory audit had been identified.
- c) However timing had slipped as it had not been possible to secure any of their time by the time of writing this paper (end April).

27. In discussion Members made the following observations and comments:

- a) Did other companies have capacity to begin the work earlier? David Cameron advised that the Authority should have submitted the request sooner.
- b) Was a specialist in place to carry out the penetration test? David Cameron confirmed that a specialist had been secured by staff at Loch Lomond & Trossachs National Park.

28. The Audit & Risk Committee noted the update.

29. Actions: None.

Any Other Competent Business

30. David Cameron reported progress on the full accounts for 2017–18. He reported that that they were currently £12,000 overspent, on a turnover of £6,000,000, with the variance of 0.02%.

Date of Next Meeting

31. 31 August 2018, The Art & Committee room, The Community Hall, Boat of Garten.

32. Meeting closed 10.27 hours

Audit & Risk Committee: Outstanding Actions

Action	Status
Joint Training with LLTNP Audit Committee, CNPA Audit & Risk Committee and BDO to be set up. (April 2016 meeting)	Open - to take place Autumn/ Winter 2018/19
Full list of the audit recommendations in the Internal Audit Review Follow-up report to be collated and where management deem them no longer necessary for explanations of this to be included. (September 2017 meeting)	Open - Hoped to be brought to the next Audit & Risk Committee meeting on 31 August 2018.
CEO and Clerk to the Board to work together to create an appropriate Board Committee specific induction pack to be implemented from October 2018. (May 2018 meeting)	Open – scheduled to be in place from October 2018.