

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

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at Beaton Craigie Room, Ballater
on 5 September 2014**

Present:

Gordon Riddler (Convenor)
Jeanette Gaul

Gregor Hutcheon
Brian Wood

In Attendance:

Asif Haseeb, Audit Scotland
Andy Shaw, KPMG
Grant Moir, Chief Executive
David Cameron, Corporate Services Director
Alix Harkness, Clerk to the Board

Apologies:

Fiona Murdoch
Danie Ralph, Finance Manager

Welcome and Apologies

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

Minutes of Previous Meeting

2. The draft minutes of the 27 June 2014 meeting were approved with no amendments.

Matters Arising

3. The Convenor invited David Cameron to report on the movement of the three outstanding actions listed at the bottom of the 27 June 2014 Audit Committee Minutes:
 - Action 1: remains open and looks like it will be scheduled for the meeting in March 2015;
 - Action 2 and 3: are discharged as they appear on today's Agenda.
4. David Cameron advised that a further action detailed at paragraph 9 on page 2 of the minute of the last meeting on 27 June 2014 should be added to the outstanding actions table at the bottom of the Minutes. He advised that this action which refers to the Health & Safety Review report was not quite ready to be brought to this meeting.

Audit Committee Annual Report (Paper 1)

5. David Cameron introduced the Audit Committee Annual Report and reminded Members that he had taken on Board Member's comments and thanked them for that. David added that if there were any further comments these could be added to the introduction of the Paper being taken to the Board Meeting on 12th September 2014.
6. The Audit Committee discussed the Paper and one query was raised:
 - At Para 21, on page 6: The dates in the first sentence were they accurate? David agreed that these should be changed to read '...Audit Scotland's annual report on the 2013/14 audit at its meeting in June 2014.'
7. The Convenor thanked staff and the Auditors for their work in pulling the report together.
8. **The Audit Committee:**
 - i. **Considered the report and discussed any issues raised by the Committee's work in the year;**
 - i. **Noted the report;**
 - ii. **Noted the updated strategic risk register supporting delivery of the 2012 to 2015 Corporate Plan**
9. **Action: To amend the dates at Para 21 of the Report as detailed in paragraph 6.**

Strategic Risk Register Update (Paper 2)

10. David Cameron gave an update on the Authority's Strategic Risk Register and sought comment on the adequacy of the register and views on future development.
11. In discussion, the Audit Committee requested the following points of clarification:
 - The overall presentation of the document, could the risk be grouped into themes? David agreed that it could;
 - Should a distinction be made between the Authority's risks and the National Park Partnership Plan's (NPPP) risks? The Audit Committee agreed that the NPPP risks should be owned and shared with its partners;
 - In reference to Risk 4 on page 1 of the Annex, could the risk be further defined to describe the risk to the Authority rather than just the generic risk to the Cairngorms National Park? Grant Moir agreed that this could be made clearer;
 - Could the document be shortened by removing the Grade 1 risks which have an ongoing declining trend? David agreed that for the next time the Strategic Risk Register is reviewed by the Audit Committee, he would grey these out and seek Audit Committee's approval to remove the Grade 1's from the register;
 - Could the removed risks be stored in an Annex as a reminder as to what has been? David agreed that for Audit Trail purposes this would definitely be kept. He also advised that historical versions of strategic risk registers would also be detailed on our website.

12. David Cameron provided Members with a brief timetable of the next steps and his main points were as follows:
- The Board are currently working on the next Corporate Plan which will commence in April 2015;
 - The current Strategic Risk Register will be valid until Summer 2015;
 - Ministerial sign-off of the next Corporate Plan is hoped will take place in Spring 2015
 - The Audit Committee will be required to take a decision in Summer 2015 around whether or not current risks included in the risk register are applicable to the new Corporate Plan, whether there are new risks to be incorporated and to update the risk register accordingly;
 - And thereafter it will become a standing item on the Audit Committee Agenda.
13. **The Audit Committee agreed to the recommendations in the Paper with the following amendments to the Strategic Risk Register:**
- **The risks to be grouped into themes and split into items specifically related to the Authority and those related to our working with partners;**
 - **The risks to be detailed to clearly show the risk to the Cairngorms National Park Authority;**
 - **The risks with a constant downward trend to be removed and archived.**
14. **The Audit Committee agreed that they will decide between March and June 2015 how the Strategic Risk Register will look going forward in light of the new Corporate Plan.**
15. **Action: To make the amendments to the Strategic Risk Register as detailed in paragraph 12.**

Update on Outstanding Audit Recommendations (Paper 3)

16. David Cameron presented an update of progress made by officers on recommendations, as summarised in the paper. In reference to Annex I of the Paper, David advised that the recommendations would remain on this schedule until the end of the operational year when a follow up review takes place. He added that a substantial number of recommendations had been discharged.
17. Members had a discussion around the following points:
- Good to see things in progress and commendation to staff in getting this far;
 - The background behind the low priority rating of items 176 and 177 under Partnership Working;
 - Comfort in hearing that the Partnership is working effectively.
18. Grant Moir advised Members that he is looking to undertake a mid-term review of the National Park Partnership Plan with the Strategic Delivery Group in Spring 2015, which takes stock on where we are and identifies items to be added and/ or removed.
19. The Convenor asked Andy Shaw if from a KPMG point of view he is comfortable with the structure going forward. Andy confirmed that on the basis of what had been described today that yes he was happy.

20. David Cameron advised Members that Item 188 is well underway. A Health and Safety Audit took place on 16th and 17th June this year. As a result a final action plan is currently being pulled together and will be brought to the next Audit Committee meeting.
21. **Members agreed the recommendations as set out in the paper.**
22. **Action: Health & Safety Audit Final Action Plan to be brought to next Audit Committee meeting.**

Cairngorms NPA Approach to Best Value (Paper 4)

23. David Cameron presented a paper which sets out the Cairngorms National Park Authority's consideration of the Scottish Government's "Best Value in Public Services Guidance for Accountable Officers" issued in March 2011. The following were his main points:
- This was looked at by Audit Committee at this time last year;
 - The Audit Committee went through the guidance and set out a number of actions and risks that weren't at that time covered as the Authority's approach to best value as they might be;
 - The analysis across the Best Value aims was relatively positive and that as an Authority a great deal had been covered by 2013;
 - The Action Plan has now been updated as at Summer of 2014 on the work that has been completed;
 - The vast majority of issues have been addressed, work is still going on in one or two work areas for example the Use of Resources specifically the Information Management System. He added that the new filing structure will be published next Friday 12th September 2014.
24. The Convenor invited Members to ask David Cameron points of clarification:
- Could Best Value compromise the efficient and effective delivery of a piece of work or is best value always a good thing which makes the organisation effective and more efficient? David advised that the biggest risk of Best Value reviews and consideration is that it can become another strand of bureaucracy and that is what is trying to be avoided. The Approach taken by the Authority is to try and integrate Best Value to the mainstream of what it does and to use it to inform service improvement approaches;
 - Confusion around the Sustainability Actions which states it is in the Internal Audit Plan for 2013/14, is this correct? David agreed that this was correct as it related to Page 9 of Paper 3 Annex 1, Carbon Management and Sustainability Reporting where KPMG looked at the arrangements around sustainability management KPI's. He added that there are number of things that had not been of sufficient relative priority for the Authority to allocate resource into yet;
 - The Convenor advised that as a Committee he would like the opportunity to discuss how internal processes work in order for this to be achieved. David agreed that this would be possible and advised that staff members within the Corporate Services team were currently working on this, for example in reviews of complaints handling and Freedom of Information approaches.

25. Asif Haseeb confirmed that from an Audit point of view that he is happy with the Authority taking a proportionate approach to the 'Best Value Guidance.'

26. **Members endorsed and agreed to the content of the Paper.**

27. **Action: None.**

2014/15 Annual Internal Audit Plan (Paper 5)

28. Andy Shaw presented this paper, which sets out KPMG's draft Annual Internal Audit Plan for 2014/15. He made the following main points:

- It covers the 2 National Park Authorities, Cairngorms and Loch Lomond and the Trossachs;
- It was formed on the basis of discussions with David Cameron and Danie Ralph and draws on the Strategic Risk Register;
- It details the suggested internal audit areas for 2015-16;
- Page 10 of the plan is specific to Loch Lomond and the Trossachs.

29. Members considered the Paper and had discussions around the following points:

- The focus on the Planning processes and implementation;
- New opportunities for external funding.

30. Andy Shaw confirmed that there is a spare 2 days which hadn't yet been allocated. David Cameron advised that these 2 days could be used during the secondary Audit should the overview report identify any further specifics requiring further work.

31. **Members thanked Andy for the report, and agreed to the recommendations.**

32. **Actions: None.**

Update on 2014-15 Audit

33. Asif Haseeb provided Members with a verbal update on the 2014/15 Audit and advised that the amendments were made as per the minutes.

34. Members agreed that they were content with this update.

Any Other Competent Business

35. Grant Moir advised Members that there was going to be a meeting of Chief Executives on 24th September 2014 in York. They would be looking at different structures for the UK National Park's Sponsorship project. He added that he hoped he could bring something to the Board meeting in December or earlier depending on the timetable.

36. The Convenor thanked Asif Haseeb and Andy Shaw for coming along today.

Date of Next Meeting

37. 19 December 2014, Beaton Craigie Room, Ballater.

Audit Committee: Outstanding Actions

Action	Status
Amend Audit Committee Annual Report for correct dates of external audit report reviews identified (Sep 14 meeting)	Closed
Submit Sustainable Procurement Policy for Committee's consideration once drafted, to support actions around local procurement where possible within agreed procurement strategy (March 2012 meeting)	Open – a Sustainable Procurement Bill is currently being progressed and this action is deferred pending its enactment.
Health & Safety Final Action Plan to be presented to Audit Committee at their September 2014 meeting	Open – now scheduled for Audit Committee March 2015 given prioritised work on Planning Best Value Review. Underpinning actions on health and safety ongoing and not delayed.
The Strategic Risk Register to be brought before the Audit Committee for review, in light of the new Corporate Plan	Open – scheduled for Audit Committee between March and June 2015.
Present implications of UKNP Sponsorship approach to Board – target date December 14 Board meeting (Sep 14 meeting)	Closed

**CAIRNGORMS NATIONAL PARK AUTHORITY
AUDIT COMMITTEE
Approved MINUTES 05/09/14**