

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY  
held at Nethy Bridge Village Hall  
on 5 December 2003**

**Present:**

Eric Baird  
Duncan Bryden  
Sally Dowden  
Sheena Slimon  
Bob Wilson

**In Attendance:**

Jane Hope, Interim Chief Executive  
Andy Rinning, Head of Corporate Services

**Apologies:**

None

**Election of Chairperson**

1. Eric Baird was nominated, seconded and elected as chairperson; Bob Wilson was nominated, seconded and elected as Deputy Chairperson.

**The Audit Function – The Role of the Committee (paper 1)**

2. Jane Hope introduced the paper which provided the Committee with an overview of the audit function and the role of the audit committee. She stressed the importance of the audit committee in constantly providing a checking and questioning function in the interests of the whole organisation. While the questioning would inevitably be aimed mainly at corporate services staff, it was vital that it was done in a constructive and non-threatening way, and that staff were open to criticism, recognising that it was in everyone's interests that good control systems were in place. In discussion the following points were made:
  - a) In response to the question as to whether there were any major gaps in the current suite of internal control systems, the Head of Corporate Services reported that the

organisation was currently operating SAGE payroll and accounting packages, which had been inherited from the Cairngorms Partnership. While these were perfectly adequate at the moment, they would need to be reviewed as the organisation expanded. Systems governing procurement were also in place but would need to be reviewed, as would the implications of the Data Protection Act for the CNPA's administrative systems. A full report on the current state of the CNPA's internal control systems, including the identification of any gaps, would be brought to the next Audit Committee meeting.

- b) The question was asked whether managerial cost systems were in place, allowing individual activities/policy areas/projects to be costed. The Head of Corporate Services reported that the existing SAGE financial package allowed for this, although the organisation was not making full use of that capability – that was something that would be done next financial year.
  - c) The Audit Committee had a role in ensuring processes were in place to apply and ensure compliance with appropriate standards.
  - d) The role of the CNPA audit committee in auditing the activities and use of funds by the LAG (Local Action Group) of the LEADER+ project was questioned. It was agreed to cover this point in the report to the next audit committee meeting. [Post meeting note: the activities of the LEADER+ project group do fall within scope of the CNPA audit.]
3. The paper was noted, and its recommendations agreed.

**4. Action:**

- a) **Head of Corporate Services to prepare a report on the current state of internal control systems.**
- b) **Head of Corporate Services to prepare a specification as a basis for tendering for an appointing an internal auditor.**
- c) **Both reports to be brought to the next meeting of the Audit Committee (13 February), with a view to putting in hand a tendering exercise for inviting bids and appointing an internal auditor by March.**

**The External Auditor's Function (oral report)**

5. Mr Robert Clark (Senior Audit Manager, Audit Scotland) was welcomed to the meeting as the external auditor appointed by the Auditor General for Scotland for the CNPA for a 3-year period covering the financial years 2003/04 to 2005/06. Mr Clarke gave a presentation on the role of the external auditor (replicated at attachment 1).
6. The Audit Planning Memorandum, setting out the Auditor's plans for the CNPA audit for 2003/04, reporting arrangements, and fees, would be submitted to the CNPA for agreement very shortly.
7. It was agreed that there was no requirement for the external auditor to be invited to each CNPA Audit Committee meeting, and this should be left to the Committee's discretion.

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8. In discussion, the question was posed as to how performance could be benchmarked in a new organisation. Mr Clark suggested that the key to performance measurement in such cases was the performance targets set by the organisation itself. It would, in any event, be possible to some extent to benchmark against other organisations on some matters such as codes of conduct, and organisational systems.

**AOCB**

9. It was proposed that Meetings of the Audit Committee would, in keeping with general practice of the CNPA, usually be open to the public, except in cases where sensitive or confidential material was being considered.

**Date of Next Meeting**

10. 13 February 2004, at Kingussie (location to be confirmed).