

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

THE CAIRNGORMS NATIONAL PARK AUTHORITY

held at **CNPA Offices, Grantown on Spey**
on **6 December 2013**

Present:

Gordon Riddler (Chair)	Janette Gaul
Brian Wood	Gregor Hutcheon
Fiona Murdoch	

In Attendance:

Asif Haseeb, Audit Scotland
Brian Curran, KPMG
David Cameron, Corporate Services Director
Daniel Ralph, Interim Finance Manager

Apologies:

Grant Moir, Chief Executive

Welcome and Apologies

David Cameron reported above apologies.

Minutes of Previous Meetings

1. Noted draft minutes of the meeting of 13 September 2013 at paragraph 2 should read “officers were now bringing...” and not as stated “officers were not bringing...”. Other than this amendment, draft minutes of 13 September were agreed.

Matters Arising

2. David Cameron reported that previous actions on updating Best Value action planning, reviewing the strategic risk register, discussing internal audit arrangements and amending the Committee’s draft report to the Board had all been completed. Actions on review of the sustainable procurement policy were on hold pending finalisation of the Sustainable Procurement Bill and the action to review progress on Best Value actions was open and would be scheduled for the June 2014 meeting.

Election of Committee Convener

3. David stated that as this was the first meeting of the Committee following revision of membership by the Board, Committee members were required to elect a Convener for the year. Gordon Riddler was nominated and seconded. There were no other

nominations and as Proper Officer David Cameron declared Gordon Riddler as Convener.

Internal Audit Controls Risk Self Assessment (Paper 1)

4. Brian Curran introduced the internal audit review of the design and effectiveness of the Authority's key internal control systems, undertaken as part of the agreed 2013/14 internal audit programme. The review had found a generally effective set of control systems to be in place, with four recommendations for improvement raised, two of which were moderate priority and two low priority.
5. In discussion members noted that in some areas where improvements were identified, the gaps could be identified as due to the changeover in Finance Manager and that some gaps such cases were understood. Members considered that the report gave good evidence that systems in place had stood up to the test of sudden changes in senior finance staff.
6. **Members noted the report and endorsed the management responses given to recommendations.**

Internal Audit: Review of Financial Management, Planning and Efficiencies (Paper 2)

7. Brian Curran introduced the internal audit review of the Authority's financial management, financial planning and efficiencies planning processes, undertaken as part of the agreed 2013/14 internal audit programme. The review had found evidence of:
 - a. good involvement of senior management in budget setting and monitoring processes;
 - b. financial planning undertaken with the active involvement of project managers to secure "buy-in";
 - c. Medium term financial plans clearly linked to strategic corporate plan objectives.
8. Brian reported one low level recommendation for improvement, highlighting that changes in the finance department have had an impact in processes for identifying and monitoring efficiency savings targets and delivery of these efficiencies.
9. **Members noted the report and endorsed the management response to the recommendation.**

Internal Audit Review: LEADER (Paper 3)

10. Brian Curran introduced the internal audit review of the Authority's support to the Cairngorms LEADER programme, undertaken as part of the agreed 2013/14 internal audit programme and to fulfil the Authority's obligation under the Service Level Agreement with Scottish Government, as the lead partner for Cairngorms LEADER. Brian highlighted that a number of areas of good practice had been identified during the review, as set out on page 3 of the report.
11. The review had identified three recommendations for improvements in processes and system controls, one at a moderate level and two as low priorities for action. All recommendations made had been accepted by management.

12. In discussion, members welcomed the evidence from the review that a significant amount of work had been put into reconciling the financial position on LEADER activities with the Authority's accounting systems. Members noted that the issues which had delayed the closure of the 2012/13 accounts were evidenced as having been worked on, and passed on their thanks to the Finance and LEADER Managers and their teams for the work put into this.
13. **Members noted the report and endorsed the management responses given.**

Procurement Capability Assessment (Paper 4)

14. David Cameron presented this report on the results of the latest Procurement Capability Assessment (PCA) undertaken by Scottish Government. David highlighted that the PCA signified a step forward in joint working arrangements with Loch Lomond and the Trossachs NPA as, for the first time, the assessment had been undertaken as a single exercise on the collective arrangements put in place by both National Park Authorities.
15. Overall, the PCA outcome was an improved score of 66%, up from 55% in 2012 and 2011, consolidating the Authority's position within the "improved" tier of assessment.
16. Members discussed the report, noting that scores had improved in 4 of the 8 categories, with the other 4 category scores generally holding at 2012 levels. Members noted that the work on procurement and fulfilling requirements of the PCA has to remain fit for purpose within the Authority's needs and scale. Members agreed that it would not be appropriate to continue to invest additional resources to further improve the score of the PCA across the range of assessment criteria. Members did note that some improvement may be warranted in the areas of performance measurement of procurement activity, which remained the only aspect of activity not itself in the "improved" classification.
17. **Members thanked officers for the report.**

Update on Outstanding Audit Recommendations (Paper 5)

18. David introduced this standard update on the schedule of recommendations made in previous audits and progress made in implementing changes. A number of improvement actions were now complete and had been indicated as such in the schedule.
19. Members discussed the recommendation around media analysis as a standard item at CNPA Board meetings, noting that from a member perspective they were eager to see this happen.

External Audit Update

20. Asif Haseeb reported to the Committee that arrangements were in place to deliver the 2013/14 external audit of the accounts. Initial discussions had been held with senior managers on the timetable for the audit and on scheduling interim audit fieldwork. The key issues arising from the 2012/13 audit and key risks facing the

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Authority had also been discussed with senior managers to inform plans for the forthcoming audit.

21. Asif reported that the Annual Audit Plan would be presented to the next meeting of the Committee.
22. Asif noted the proposed audit fee for 2013/14 of £10,600, which held the fee at the same level as for the previous year, had been agreed in principle with David Cameron.
23. **Members thanked Asif for the update and agreed the proposed audit fee for the 2013/14 audit.**

Any Other Competent Business

24. There were no other items of business considered.

Date of Next Meeting

25. 7 March 2014.

Audit Committee: Outstanding Actions

Action	Status
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.
Best Value – at least annual review of progress against Best Value improvement actions, with overall programme plan to also be presented to Committee when available.	Open – scheduled for June 2014 Audit Committee

Confidential Discussion Session: Best Value Review

26. David introduced his paper setting out a draft review of the Authority's position in light of the Scottish Government's revised guidance on Best Value. This paper had been presented in confidential session as the paper was still in draft form subject to the views of the Committee.
27. David outlined the nature Scottish Government's revised approach to Best Value. The draft paper presented an updated assessment of the Authority's areas for improvement against the revised Best Value characteristics. David highlighted that the vast majority of "Best Value" improvements had already been identified by management as required organisational and operational improvements prior to this more formal Best Value assessment and were therefore already underway.
28. Members discussed a number of the improvement works highlighted in the report and agreed their fit with the Authority's movement toward compliance with the revised Best Value guidance.
29. **Members agreed the paper as an appropriate response to the revised Best Value guidance.**
30. **Members agreed it would be appropriate to see at least an annual review of progress against the actions identified in the Best Value review.** Members also agreed that they would welcome sight of the Programme Plan drawing the various workstreams together when this was available.