

Governance Statement

Scope of Responsibility

As Accountable Officer I am responsible for maintaining sound systems of internal control which supports the achievement of Cairngorms National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible in accordance with the Management Statement agreed between the Park Authority and Scottish Government, and also responsibilities assigned to me in the Scottish Public Finance Manual (SPFM)

The SPFM, issued by the Scottish Ministers, provides guidance to the Scottish Government and other relevant bodies on the proper handling of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements for handling public funds, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety. I am responsible as Accountable Officer to ensure the Park Authority's internal control systems comply with the requirements of the SPFM.

The Management Statement sets out the role of the Park Authority's Board in providing leadership and governance. The governance responsibilities of the Board are supported by **Standing Orders last revised and adopted in 2019**; a Code of Conduct revised and adopted in 2014; a group of professional, senior staff advisors; and appropriate Board training and development processes. As a body, the Park Authority aims for the highest standard in corporate governance.

Other than the resource allocation letters issued to me over the course of the year, there are no other written authorities provided to the Accountable Officer in 2018/19 beyond those documents referred to above.

The Operation of the Board and Sub-committees

The full Board meets regularly in pursuance of its strategic objectives, set out in the approved Corporate Plan. Meetings are scheduled quarterly, with additional meetings convened as required. Agendas and papers are published and placed in the public domain and meetings are open to public attendance wherever possible.

In addition to these full formal Board meetings, Board members also participate in informal discussion sessions in which emerging policy issues and proposals can be discussed and a preferred strategic direction identified prior to fuller, open consideration at formal meetings. Informal discussion sessions also provide an opportunity to take forward Board training and awareness raising on specific subjects of relevance to the Authority's strategic objectives.

Corporate Governance

Since the Park Authority's inception, sub-Committees are in place with delegated responsibility to oversee and scrutinise the Park Authority's deployment and management of resources. There are four sub-Committees in place: Finance and Delivery, Staffing and

Recruitment, Audit and Risk, and a Planning Committee which deals with all aspects of the Park Authority's statutory planning responsibilities.

The Audit and Risk Committee leads on the oversight of all aspects of the organisation's internal management and control systems, the annual accounts and audit process, as well as taking a lead in strategic risk management. The Committee takes responsibility for ensuring that risks impacting on strategic objectives are identified and mitigated as well as ensuring that risk management is embedded throughout the Park Authority's operations.

The Audit and Risk Committee is supported by the Park Authority's internal (BDO LLP) and external auditors (Grant Thornton LLP), who both have rights of independent access to the Committee and to its Convener. The Audit and Risk Committee is tasked with monitoring the operation of the internal control function and bringing any material matters to the attention of the full Board. Detailed findings of all audit reviews are made available to both management and the Audit and Risk Committee. The Audit and Risk Committee meets a minimum of three times each year and reports annually to the Board on the adequacy and effectiveness of the Park Authority's internal controls, and more widely on its work in the preceding year.

The Board has continued a process of self-evaluation of effectiveness and governance over the course of 2018/19, these processes having been initiated under the "Leadership" element of the first Organisational Development Strategy in 2015/16. Other elements of Board governance and effectiveness are reviewed and supported by senior officers as questions or relevant matters arise.

The Board has also adopted a set of Corporate Performance Indicators through which to improve its oversight of delivery against key strategic objectives and monitor achievement of the Park Authority's Corporate Plan. The Board receives a detailed report twice each year on delivery against the Corporate Plan and the Authority's contribution to delivering National Park Partnership Plan priorities. These twice-yearly reports also highlight progress against performance indicators adopted.

Periodic reports from independent internal and external auditors form a key and essential element in informing my review of the effectiveness of the systems of internal control within the Park Authority. The Board's Audit and Risk Committee also plays a vital role in this regard, through its consideration of audit recommendations arising from reviews of internal control systems and its scrutiny of proposed management action to address any improvements required.

Shared Services Delivery

The Authority plays an important role in providing support over a range of activities to local communities and organisation to help deliver the National Park Partnership Plan's priorities. In the last year we have supported the Outdoor Access Trust for Scotland, Cairngorms LEADER Programme Local Action Group, the Tomintoul and Glenlivet Landscape Partnership, the Great Place Badenoch Project as well as the Capercaillie Framework. Our management and internal control structures ensure that support for these entities are separated from the core activities of the Authority, while ensuring that support generally achieves "best practice".

The Authority is also acting in both delivering shared services to other public bodies (for example Scottish Land Commission and Loch Lomond and the Trossachs NPA, LLTNPA) and also receiving shared services support from others (LLTNPA). In delivering and using shared services the Authority drives efficiencies and best value in public service delivery and in use of public funds.

Internal Audit

The internal audit function is an integral element of scrutiny of the Park Authority's internal control systems. BDO LLP was appointed as the Park Authority's internal auditors in 2016 and have undertaken a comprehensive review of key internal control systems since their appointment. During the year to 31 March 2019, they have reported to the Audit and Risk Committee on delivery against their internal audit plan for 2018/19 comprising independent reviews of:

Governance & risk	Business Performance Management
	Business Continuity Planning
Internal control systems	Financial Planning
	LEADER administration
	Resource Planning
	Partnership Management
	Strategic Planning

Recommendations made by BDO are considered and implemented as appropriate. A full follow-up review of action taken on recommendations for improvement is undertaken each year.

The external auditors, Grant Thornton LLP, review key systems to form a view on the effectiveness of control arrangements, which in turn supports their audit opinion on the financial statements.

Best Value

The Audit and Risk Committee continues to monitor the Authority's adherence to Scottish Government Best Value guidelines. We launched Phase two of our Organisational Development Strategy in 17/18, to improve the Park Authority's processes and services, and delivery has continued in 18/19.

Risk Management

All bodies to which the SPFM applies must operate a risk management strategy in accordance with guidance issued by Scottish Ministers. The SPFM also sets out the general principles for a successful risk management strategy.

The Board recognises the importance of risk management and continues to monitor the Park Authority's Strategic Risk Register. The Strategic Risk Register records risks, action taken to mitigate the identified risks and senior management's responsibility for leading on mitigation generally. The Strategic Risk Register has continued to be reviewed and updated

by Board, Audit and Risk Committee and Senior Management Team three to four times each year.

The Audit and Risk Committee with the Senior Management Team lead on embedding risk management processes throughout the Park Authority. Both groups consider the management of strategic risk in line with the Risk Strategy and seek to ensure that the required actions are appropriately reflected and incorporated in operational delivery plans. A revised Risk Management Strategy was adopted by the Audit and Risk Committee in 2016, with the Committee also receiving an internal audit report on the effectiveness of operations of risk management within the organisation in that year.

The Senior Management Team refreshed the Strategic Risk Register with reference to the new Corporate Plan, covering 1 April 2018 to 31 March 2022. The refreshed Strategic Risk Register was presented to the Board in June 2018, and monitoring and revision is ongoing.

Data Security

Procedures are in place to ensure that information is being managed in accordance with legislation and that data is held accurately and securely. The Park Authority has no reported nor recorded instances of data loss over the course of the year.

Shared services arrangements remain in place with Loch Lomond and the Trossachs National Park Authority to support the Park Authority's data back-up arrangements and work continues to enhance and improve data security.

During the year the General Data Protection Regulation (GDPR) regulations came into force. Organisational control arrangements have been reviewed and staff have been given suitable training to ensure data management within the Authority is compliant with GDPR. Also in the year the Cyber Essentials Plus accreditation was achieved with the Park Authority now on the path of annual reviews to ensure that its Information and Communication Technologies (ICT) remain fit for purpose and that all reasonable steps are taken to minimise the risk of data loss or compromise of systems due to Cyber Attacks.

Late in the year work began on introducing and implementing an Electronic Document Management System and Customer Relationship Management (CRM) system.

Conclusion

As Accountable Officer I am responsible for reviewing the effectiveness of the system of internal control. In order to do this my review is informed by:

- a) The executive Directors and Managers within the organisation who have responsibility for the development and maintenance of the internal control framework and who provide assurance on systems within regular Senior Management Team meetings;
- b) Internal monitoring of control systems by staff against SPFM requirements;
- c) The work of the internal auditors, who submit regular reports to the Audit and Risk Committee which include the Head of Internal Audit's independent and

- objective opinion on the adequacy and effectiveness of our systems of internal control together with recommendations for improvement;
- d) Comments made by the external auditors in their management letter and other reports.

I am supported by a Corporate Services Director, who in turn is supported by the Corporate Services staff group, and who provides senior management leadership on the financial management, internal controls and governance arrangements. I take assurance from the effectiveness of internal control systems, financial management and planning processes and risk management from the assurances received from the Corporate Services Director.

As Accountable Officer, I have also been advised on the implications of the review of the effectiveness of the system of internal control by the Board and its Audit and Risk Committee. Appropriate action is taken against any weaknesses identified, and to ensure continuous improvement of our systems.

[The internal auditor's annual report for 2018/19 states that, based on the work undertaken over the course of the year, the Authority's systems provide a reasonable basis for maintaining control and that the control framework provides reasonable assurance regarding the effective and efficient achievement of strategic objectives. – based on 17/18 accounts statement: to be amended prior to finalisation]