

**MINUTES of MEETING of the
FINANCE COMMITTEE of
THE CAIRNGORMS NATIONAL PARK AUTHORITY
held at Duke of Gordon Hotel, Kingussie
on 8 September 2006**

Present:

Eleanor Mackintosh (Chair) Bruce Luffman
Gregor Rimell

In Attendance:

David Cameron, Head of Corporate Services
Denby Pettitt, Finance Manager
Pete Crane, Senior Visitor Services Officer

Apologies:

David Selfridge

Welcome

1. The Chairperson welcomed all present to the meeting, and noted apologies as set out above.

Minutes of Previous Meeting

2. The minutes of the previous meeting, of 19 May 2006 were approved without amendment.

Matters Arising

3. In following up point 20 of the previous minutes on tender processes, Denby Pettitt informed members he had issued advice to staff that budget figures should not be included in tender documents, and would follow this up with adaptations to the Financial Regulations.
4. Members agreed to change the order of the agenda, to consider item 7, expenditure proposals (paper 3) first and avoid keeping Pete Crane from other business.

Ratification of New Expenditure Proposals (Paper 3)

5. Pete Crane introduced this paper, which sought the approval of the Committee to budgeted expenditure on interpretation work linked to the Point of Entry Marker Project. The expenditure justification put forward sought approval to a budget to support development of Park-wide interpretation which would be used with Entry Markers and could also be used in other publications and promotional material.
6. David Cameron's separate briefing note to members had outlined that the Board had previously approved a budget of £30,000 for development of Park-wide interpretation and installation at Dinnet, as part of the total Point of Entry Marker Project budget. Pete Crane highlighted that in progressing work on interpretation since this Board approval in September 2005, it had become clearer that it would be difficult, and would also not be cost-effective, to progress interpretation work in different phases. Best value and a more cohesive approach would be delivered by pulling all interpretation work supporting the Point of Entry Marker Project into one.
7. The budget request now put forward therefore sought an additional budget allocation of £14,000, to address Park-wide coverage in the same style as that determined most suitable for Dinnet. The increased budget allocation would allow a total of five panoramic maps to be developed, in the "Berann style", from five different perspectives across the Park, rather than the original phase one of the project to develop interpretation for Dinnet only.
8. Pete Crane presented an example of the type of panoramic map which would be produced, taken from the company's work with other national parks worldwide.
9. In discussion, members noted that the work itself was to be shared with the Visit Forum the following week. Members also asked about the risks involved in delivering the project to budget from weather conditions preventing required aerial photography. Pete Crane responded that this risk had been recognised and the contractor's planned visit to the area had been lengthened to hopefully ensure a sufficient spell of clear weather.
10. Members agreed the expenditure proposal and its submission to the Scottish Executive for final approval.
11. Members thanked Pete Crane for taking the time to present his team's proposals to the Committee.

Draft Accounts for 2005/06 (Paper 1)

12. Denby Pettitt introduced this paper, highlighting that the Committee's remit included the duty to seek the approval of the Board to the Authority's annual accounts.

Accordingly, the draft accounts had been circulated to members for their consideration.

13. Denby highlighted that a clearance meeting had been held with the external auditors, Audit Scotland, and there were no material matters outstanding.
14. David Cameron indicated that he had also circulated to members a draft report on the external audit of the 2005/06 accounts issued by Audit Scotland for consideration by the Audit Committee. The Audit Committee had accepted this draft report and noted that the matters outstanding from the audit had either been resolved or were in the process of resolution through completion of the Annual Report. This draft report from Audit Scotland highlighted their intention to issue a clean audit certificate.
15. In discussion, members noted that the costs of recruitment advertising which had previously given some cause for concern were being dealt with both through internal review of the type and quantity of recruitment advertising used, and through the Authority's participation in a partnership procurement exercise for recruitment and other advertising.
16. Members also noted that the increase in the level of debtors did not give rise to any concerns for officers present, while the surplus reported for the year would not have any effect on the availability of budgeted resources for 2006/07.
17. Members commented that in one sense the report in the accounts of varying patterns of expenditure between years on different projects was a welcome sign that the organisation remained dynamic, responding to different areas of priority. Members also noted, however, that expenditure on some areas may be seen as contentious and it was important that the expenditure undertaken was supported by the rigour of the budget and expenditure justification process that had been adopted by the Authority.
18. **The Committee agreed to recommend the draft accounts for 2005/06 to the Board.**
19. **The Committee noted that any minor alterations required would be made by the Head of Corporate Services, while the Committee's approval would be sought to any material changes should these be required.**
20. **On behalf of the Committee, the Chair thanked the Finance Team for their work in coordinating the Authority's finances over the course of the year. The Chair noted that the budget had been well managed, with final expenditure coming to only 2% under budget.**

Outturn for the Four Months to July 2006 (Paper 2)

21. Denby Pettitt introduced the paper, and highlighted that revised internal control and planning arrangements had resulted in some improvements to the overall phasing of expenditure in the early part of the year. The level of cash expenditure had increased

when compared with the same period last year, while total expenditure in the first four months as a proportion of the full year budget had improved from 22% last year to 24% this year. There was still some work to do in refining budget management and profiling, as the pattern of expenditure remained below budget expectations. However, Denby indicated that this improvement in the early part of the year was a good sign of progress being made.

22. Denby indicated that at this point in the year no adverse impact was expected on the forecast year-end position from the remaining understands against budget over the first four months. A detailed review of the position would be undertaken towards the end of September and reported to Committee in October.
23. **The Committee noted the draft outturn and actual position at the end of the period to July 2006.**
24. **The Committee thanked Denby for the work undertaken in revising the report format and for presenting a clear paper.**

Ratification of Previously Approved Expenditure Proposals

25. **The Committee approved expenditure proposals previously considered by email outwith the normal quarterly meeting cycle.**

Finance Committee Expenditure Approval Procedures

26. Denby Pettitt introduced the paper, which set out proposed new procedures by which the Committee would consider budget allocation requests and associated expenditure proposals. The proposals set out in the paper sought to follow-up the thoughts developed by Committee members during previous meetings.
27. The Chair indicated that she had previously expressed some concern to officers on the wording of paragraph 13 of the paper. The Chair indicated that this wording suggested the Chair take on responsibility for approving expenditure, while taking advice from appropriate officers. The Chair indicated that previous discussions had intended that authority for approving expenditure proposals and consequent budget allocations should be delegated to the Chair along with the Chief Executive and Head of Corporate Services and that these three people would jointly take responsibility for making the budget decisions. Other members confirmed that this had been the intention.
28. David Cameron suggested the following revised working to paragraph 13:
 - a. The Finance Committee delegates authority for approving expenditure proposals of between £10,000 and £24,999 to the Finance Committee Chair, Chief Executive and Head of Corporate Services.

- b. Expenditure Justification Forms are given to the Finance Committee Chair, Chief Executive and Head of Corporate Services for consideration and approval. Forms will be signed by one of these individuals when approved.
 - c. Expenditure proposals approved in this manner will be reported in the next set of Finance Committee papers.
 - d. In any cases where agreement cannot be reached between these three individuals, the proposal will be referred on to the full Committee for determination.
- 29. Members agreed the revised wording in point 28 above should replace that set out in paragraph 13 of the paper.**
- 30. Members agreed the proposed two-tier approval process, subject to the replacement of wording in paragraph 13 of the paper with that agreed and recorded at point 28 above.**
31. Members noted that it would be appropriate to inform the Board of these changes, although all members would also see the Committee's minutes. David Cameron indicated that it would be appropriate to do this following the next cycle of Committee meetings, when election of all Committee Chairs would also have to be ratified by the full Board.

AOCB

32. The Chair expressed thanks to Andrew Thin on behalf of the Committee for all his work and wished him well in his new role with SNH.

Date of Next Meeting

33. 20 October 2006, 9:00am, CNPA Offices in Grantown.