

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

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at Community Hall, Boat of Garten,
on 10 December 2010**

Present:

Ian Mackintosh (Chair)
Angela Douglas
Gregor Hutcheon

Brian Wood
Gordon Riddler

In Attendance:

Jane Hope, Chief Executive
David Cameron, Director of Corporate Services
Martin Doherty, Deloitte

Apologies:

Stephen O'Hagan, Audit Scotland
Lisa Macdonald, Deloitte
Alistair Hight, Finance Manager

Election of Committee Chair

1. As Proper Officer, David Cameron informed members that they required to elect a Chair of the Committee as this was the first meeting following the Board's agreement of revised Committee membership. Accordingly, David asked for nominations for Chairperson. Ian Mackintosh was nominated and agreed by all other members as Chair.

Welcome and Apologies

2. The Chair welcomed members to their first meeting of the Audit Committee and thanked members for their nomination. Apologies were noted as above.

Minutes of Previous Meetings

3. Minutes of the meetings held on 20 August 2010 and 3 September 2010 were agreed without amendment.

Matters Arising

4. David Cameron reported back on the levels of sickness absence compared with National rates, raised as part of the Accounts closure discussion in August. The

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Authority's annual report for 2009/10 disclosed average staff days lost through sickness in the CNPA of 6.1 days. This compares with a Chartered Institute of Personnel and Development (CIPD) survey for 2009 calendar year of 9.6 days in the public sector and 6.6 days in the private sector, with a 7.7 days absence overall rate.

5. Members noted that the CIPD survey was a UK national survey and understood that prevalent rates for Scotland may be higher. Members thanked David for the clarification and welcomed the excellent performance of the Authority and its staff.

Internal Audit Review: National Park Plan Delivery (Paper 1)

6. Martin Doherty introduced this paper, which set out the results of Deloitte's internal audit review of arrangements put in place by the Authority to support delivery of the National Park Plan.
7. The report highlights 4 recommendations for improvements three of which are at priority 2 and 1 at priority 3.
8. In discussion, members noted that the management responses to the recommendations raised highlight that issues raised will be considered as part of the development process around the next National Park Plan, to cover 2012 to 2017. As such, this was a timely review to help inform consideration of any revision to structures required for 2012 to 2017.
9. Members also noted that a balance must be struck between implementing appropriate control processes to allow staff and Board to maintain a level of knowledge around implementation of the Park Plan by a wide range of partners, while keeping the levels of bureaucracy or additional paperwork involved to a minimum.
10. In discussion, members highlighted the need to consider the Authority's oversight of National Park Plan Delivery. As the processes were relatively new to a number of members of the Committee, Jane and David explained that an oversight report was currently presented to Board 3 times each year, including an assessment of progress being made across priorities for action in general and on individual lines of activity. These processes would be reviewed again prior to the implementation phase of the new National Park Plan.
11. There was discussion around the desirability of developing "SMART" targets for every action or project. Members recognised that while this brought the merits of very clearly measurable and demonstrable progress against targets, in some occasions there is also a risk that the target can become the objective and the ultimate goal being worked towards is lost sight of.
12. **After discussion, the Committee noted the report and endorsed the management responses.**

Internal Audit Review: Governance (Paper 2)

13. Martin Doherty introduced this paper, which set out the results of Deloitte's internal audit review of adequacy and effectiveness of the internal control environment in place over the CNPA governance and accountability arrangements. A total of 4

recommendations for improvement are made, two of which are graded of “medium” importance and two with “low” priority.

14. Members noted that governance policies and internal control frameworks were increasingly being developed and implemented jointly with Loch Lomond and the Trossachs National Park Authority.
15. **After discussion, the Committee noted the report and endorsed the management responses.**

Internal Audit Review: LEADER Review (Paper 3)

16. Martin Doherty introduced this paper, which set out the results of Deloitte’s internal audit review of arrangements put in place by the Authority to support the Cairngorms Local action Group in its administration, disbursement and claim of LEADER funding and grants.
17. No recommendations for improvement were raised following the review.
18. Members highlighted the success of the LEADER and Finance teams in implementing comprehensive arrangements and congratulated staff, noting that it was very rare for an audit review of any process to result in no suggested areas of improvement. The Chair asked David to draft a letter from him to relevant staff to thank them for their efforts.
19. **The Committee noted the report.**

Internal audit Activity Update

20. Martin updated the Committee on ongoing activity. It was expected that reports on Planning Service Enforcement and pensions service provision would be presented to the next meeting. Other internal audit review work on financial systems, project management and follow-up review would be completed by the end of the financial year.
21. The project review would focus on delivery of access projects through the Cairngorms Outdoor Access Trust (COAT).
22. **The Committee noted the update.**

2010/11 Accounts Closure Plans

23. In Stephen O’Hagan’s absence, David Cameron updated the Committee on plans for accounts closure and audit processes for 2010/11 accounts.
24. Discussions had been held between David and Stephen on proposed timetables, with agreement in principle that the Authority would supply a draft set of final accounts and associated working papers by the start of May. Audit fieldwork would take place over the second and third weeks in May, with a view to bring the process to conclusion at the Audit Committee on 24 June 2011. The final goal once again is to have clear accounts laid before Parliament by 31 July 2011.
25. **The Committee noted the update.**

Corporate Services Benchmarking 2008/09 (Paper 4)

26. David Cameron introduced the paper, highlighting that the Corporate Services Benchmarking process collected data from the Scottish Government, its Executive Agencies and NDPBs to allow the analysis of the relative efficiency and effectiveness of their corporate services. Thirty-five bodies were benchmarked with bodies being divided into 4 Peer Groups of similar organisational characteristics. The results for 2008/09 were published in October 2010.
27. Overall, the results of the exercise show the Authority's corporate services functions as operating at or ahead of benchmarked averages, confirming the relative efficiency and fitness for purpose of the services in place.
28. **The Committee welcomed this update.**

Update on Outstanding Audit Recommendations (Paper 5)

29. David Cameron updated members on action underway in addressing some of the outstanding IT recommendations in this report. David explained that the schedule of audit recommendations and internal best value recommendations is presented as a standing item to the Committee to allow members to have oversight of progress in implementing improvements identified. Items implemented are removed from the schedule following confirmation of action in Deloitte's follow-up review.
30. **The Committee noted the update.**

Standing Item: Strategic Risk Register (Paper 6)

31. David Cameron explained that the risk register set out the range of strategic, high-level risks that had been identified by a combination of Board, audit Committee and Senior Management Team members as potentially impacting on the delivery of the Authority's Corporate Plan and the Corporate objectives and target achievements set out in that plan. The risk register had been adopted in 2009 and was reviewed 3 times each year by both Audit Committee and Management Team.
32. In response to questions, David explained that the register would normally be completely overhauled following adoption of a new Corporate Plan, or following identification of a highly significant alteration in the organisations operating environment. It was open at any time for members or Senior Management Team to add in new risks or to propose that existing risks were adequately controlled and may consequently be removed.
33. David highlighted that a current, updated risk register was a key management tool in prioritising activity to ensure delivery of key objectives.
34. Members thanked David for the explanation and noted that they would prefer to have some additional time to be able to consider this and other Committee business more fully. David agreed to email members following the meeting to determine their preferences for meeting arrangements, with a view to giving extra time for meetings.

Date and Time of Next Meeting

35. Next meeting to be held on 18 March 2011, Albert Halls, Ballater.

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Actions Log

Meeting	Summary of Actions	Responsible / Status	
20 Aug 10	Audit Scotland National Study – Protecting and Improving Scotland’s Environment. Feed back to Audit Scotland relevance of National Parks to work in this subject area.	S O’H	Complete
20 Aug 10	Feedback on comparative sickness absence rates.	DC	Complete
10 Dec 10	Draft letter to LEADER and Finance Staff for Chair	DC	Open
10 Dec 10	Consider Committee meeting arrangements to provide additional time for discussion.	DC	Ongoing