

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

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at Albert Hall, Ballater
on 11 December 2009**

Present:

Eric Baird (Chair)
Lucy Grant

Sue Walker
Ian Mackintosh

In Attendance:

Jane Hope, Chief Executive
David Cameron, Head of Corporate Services
Alistair Hight, Finance Manager
Lisa MacDonald, Deloitte
Stephen O'Hagan, Audit Scotland

Apologies:

Fiona Murdoch

Minutes of Previous Meetings

1. Minutes of the meeting held on 21 August 2009 were approved.

Matters Arising

2. Members asked whether Scottish Government officers had made any progress on dealing with the issue of environmental sustainability in the LEADER application form, as recorded at item 10 of the previous minutes. David Cameron reported that Scottish Government officers had recently undertaken a review of Cairngorms LEADER processes and this issue had been reported to them at that time, along with other internal audit recommendations. David was not aware of any further feedback on this from Scottish Government at this time.
3. Stephen O'Hagan confirmed that he had reported back to colleagues on the Committee's concerns over timing and potential duplication of the Audit Scotland review of Boards and inclusion of CNPA as a case study, given that the Board had been reviewed last year as part of the Strategic Review of National Parks. Officers and members confirmed that Audit Scotland staff conducting interviews did seem informed of the situation.

Internal Audit Review: Procurement (Paper 1)

4. Lucy Grant arrived at this point. Lisa MacDonald presented Deloitte's internal audit review of the Authority's procurement policies and practices, and confirmed that the

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CNPA procurement activity generally demonstrates value for money. Issues arising from the review were more related to administration and the understanding of processes by operational staff. Seven recommendations for improvement had been identified, with 6 of these at priority 2 – important issues to be addressed by management within their area of responsibility.

5. Members asked for clarification over recommendation 2.1, and the reference to a tender which had been let on the basis of a single tender as a result of the need to appoint a supplier quickly. Lisa apologised for the wording of this part of the finding, explaining that officers had also asked for clarification of this point prior to the meeting and review of the file had highlighted that while there was a need for a quick appointment in this particular process and speed of appointment was a contributory factor, it had by no means been the determining factor behind the decision to use a single tender process.
6. Members had a wide discussion on the overall context of the procurement regulations and national policy context. The following points were raised:
 - a) The Authority was seeking to use national contracts negotiated through the Scottish Government's Centre of Procurement Expertise where possible;
 - b) The CNPA procurement policy sought to achieve an appropriate balance between ensuring best value in use of public funds while also seeking to ensure that processes were fit for purpose for the size and scale of the organisation.
 - c) Resource availability in supporting procurement processes has been an issue for the Authority and David Cameron is currently in the process of establishing a Procurement Manager role as a joint service provider for both National Parks.
 - d) Interviews were only very rarely used as part of a procurement process.
 - e) The Authority had engaged with the development of the Public Contracts website, although the use of this website would only be for higher value contracts.
7. The Chair thanked everyone for a very useful discussion and highlighted that it was vital that a balance be maintained between the need to adhere to good procurement practice and a level of proportionality in keeping with organisational need and values.
8. **The Committee noted the report and agreed the management responses.**

External Audit: Draft Annual Audit Plan (Paper 2)

9. Stephen O'Hagan introduced the draft external audit plan for the 2009/10 audit.
10. The plan had been drawn up with a view to retaining the accelerated closure process which had been managed successfully between Audit Scotland and the Authority in 2008/09, aiming to bring final accounts to Committee for approval at the end of June 2010 and allow for submission to Scottish Parliament by the end of July 2010.
11. The proposed Audit fee had once again been set at the mid-point of the range for organisations of the size of the Authority, with some increase in these fee ranges for 2009/10 having been set by Audit Scotland centrally as a result of the need to deal

with International Financial Reporting Standards (IFRS) based audit closure for the first time in 2009/10 audits.

12. Members noted a number of amendments proposed to Appendix A – the Summary Assurance Plan.
13. David Cameron reported that he felt the fee rate set at the mid-point of the range seemed appropriate.
14. **Members agreed the report in principle and noted that the final report, including amendments, would be circulated for information.**

Report on Corporate Services Activity (Paper 3)

15. David Cameron introduced this paper, which set out an update to Committee on work undertaken by Corporate Services staff on implementation of International Financial Reporting Standards (IFRS); the Scottish Government Procurement Capability Assessment; Corporate Services benchmarking activity; and development of joint working on Corporate Services with Loch Lomond and the Trossachs National Park Authority.
16. Alistair Hight reported that shadow IFRS based accounts had been completed for 2008/09 and submitted for review, and these figures would form prior year comparators for the forthcoming 2009/10 final accounts.
17. **Members thanked officers for the updates provided.**

Strategic Risk Register (Paper 4)

18. Members considered the latest update to the Authority's Strategic Risk Register, following on from its consideration by the Management Team in November 2009.
19. **Members agreed a new risk should be added: that changes to the Board size and composition may have an impact on the momentum of the organisation and on delivery of its strategic policy.**

Internal Audit Update

20. Lisa MacDonald reported that audit work was due to take place over the next 2 months on planned reviews of HR appraisal processes; budgetary controls and the management of the national park brand. Work was also progressing on the review of the Authority's coordination of the National Park Plan.
21. Lisa also reported that a review of the Authority's planning processes was being undertaken – focusing on Development Management practices – as a result of this area not being considered as part of the Scottish Government's strategic review of National Parks. This review when finalised was likely to require some time for discussion by the Committee and members agreed that David Cameron should arrange an additional meeting when appropriate to deal with this item.

Update on Outstanding Audit Recommendations

22. Members considered the standing report updating progress made against previous audit recommendations.
23. Members noted that a follow-up review would be undertaken by internal audit to confirm progress made and this was likely to be presented to Committee at the next meeting.
24. The Committee thanked officers for the ongoing progress made.

Any Other Business

25. Stephen O'Hagan reminded members that they would have to consider and approve the Authority's Accounting Policies to be used under IFRS requirements prior to consideration of the 2009/10 accounts. Members agreed that this should be an item for their next meeting.

Date of Next Meeting

26. 16 April, 9:00am, Kincaig [subsequently amended as a consequence of weight of Planning Committee business for that date].