

**Draft MINUTES of MEETING of the
AUDIT & RISK COMMITTEE of**

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at The Lounge, Community Hall, Boat of Garten
on 12th May 2017**

Present:

Dave Fallows (Convener)	John Latham
Becky Badger	Fiona Murdoch
Jeanette Gaul	

In Attendance:

Claire Robertson, BDO
Andrew O'Donnell, BDO
Gareth Kelly, Grant Thornton
Grant Moir, Chief Executive
David Cameron, Corporate Services Director
Danie Ralph, Finance Manager
Emma Grant, Business Administration Apprentice
Eleanor Mackintosh, CNPA Board Member

Apologies: Alix Harkness, Clerk to the Board

Welcome and Apologies

1. The Convener welcomed everyone to the meeting and the apologies were noted.

Minutes of Previous Meeting

2. The draft minutes of the 10th March 2017 meeting were approved with no changes.

Matters Arising

3. David Cameron reported that movement on the outstanding actions listed at the bottom of the 10th March 2017 Audit & Risk Committee Minutes are:
 - a) Joint with training LLTNP audit committee, CNPA Audit & Risk Committee and BDO to be set up. - In hand – Has been deferred until September/October 2017 as to include new board members.
 - b) Consider social media training for Board members (September 2016 meeting) – closed – scheduled for 18th May 2017
 - c) Information relating to Audit Committee Chairs meeting forward to Audit & Risk Committee Convener – Closed - Information had been received.

Declaration of Interests

4. Eleanor Mackintosh declared an interest in Paper 2 Tomintoul and Glenlivet Landscape Partnership Project Update as she is a Board Member on the Tomintoul & Glenlivet Landscape Partnership Board.

Internal Audit Review: Pensions Administration (Paper 1)

4. Andrew O'Donnell presented a Paper which presents the internal auditor's report on the Authority's pension's administration process. He highlighted that good practices had been identified in the Authority's pension's administration and noted 2 low priority recommendations for improvement.
5. Members discussed the following point:
 - a) There were concerns raised over the response given by MyCSP as to their inability to securely transfer data to support the Authority's data reconciliation work and hence ensure there were no errors in data holding. David Cameron agreed to seek the data transfers to support monthly reconciliations to resolve this.
6. **The Audit & Risk Committee:**
 - a) **Considered the internal auditor's findings.**
 - b) **Endorsed the management responses to the recommendations for action raised by the internal auditor.**
7. **Action:**
 - i. **David Cameron to seek the monthly reconciliations from MyCSP.**

Internal Audit Review: Tomintoul and Glenlivet Partnership Project (Paper 2)

8. Andrew O'Donnell presented a Paper which presents the internal auditor's report on the Authority's management responsibilities within the Tomintoul and Glenlivet Landscape Partnership Project.
9. In discussion the Audit & Risk Committee made the following points:
 - a) The Convener highlighted that this programme had introduced something new to the Park and how it works.
 - b) Concern was raised over the observations recorded on page 2 of Paper 2. The observations noted by internal auditors were previously highlighted in the December 2016 report therefore clarification was sought as to why a process has not been put in place. David advised that the findings in this report are new aspects in the leadership of Landscape Partnership by CNPA so the focus was slightly different.
 - c) Clarification was requested regarding what would be maximum exposure to the CNPA if HLF rejected any expense claims. David advised that the biggest single project claim is for the discovery centre with £502,000. David added that as the accountable body it exposes the Authority to potential financial risks but precautions were in place to reduce this. Claims are submitted quarterly instead of making one larger claim on completion of the programme to allow us to check eligibility of all costs.
 - d) David highlighted that this is a new project and therefore requires a new system in place for reporting and claiming. It was stated that this would be streamlined going forward.
 - e) It was added that the delivery period highlighted what is eligible to be claimed. This should mean that there should be no issues if we comply with the set responsibilities and keeping to agreed costs.

- f) Concern was raised over there being an under-spend or over-spend at the end of the programme. Danie advised that the larger projects are scheduled to start at the beginning of the process and smaller items could be adjusted at the end to reduce any over/under-spend. David confirmed that there was an item on the risk register for this.
 - g) Had there been a miscalculation with staffing costs which resulted in contingency money being used? It seemed that certain aspects were not included and staff salaries were not calculated correctly. The Convener agreed that this was an issue that needed highlighted in future. David agreed this should not have been an issue and agreed to look into where information sources came from in terms of staff costs.
 - h) Project staff members being recruited on a fixed term basis and at the end of the term are eligible for redundancy pay. This was agreed to be another potential issue and needs to be considered for future projects. David advised that redundancy costs of recruitment are not eligible for funding and this resourcing issue is the responsibility of the employer. David suggested that he could look into this further out with the meeting in parallel with previous projects.
10. The Convener summarised the two main issues arising from the discussions:
- a) How do we record lessons that have been learnt along the way to make sure we maintain knowledge and solutions? It was suggested that we need to record key information on lessons learning in management of each project and we need to reinforce the importance of this stage in the closure of a project with project managers.
 - b) Generally the programme cannot be made bullet proof in terms of financial risks due to nature of the project there will always be risks involved. It was highlighted that it is a great advantage to us that HLF funding still allow a contingency budget in an overall programme and there are controlling mechanisms in place but will be continuously reviewed and risk managed by the Programme Board.
11. The Audit & Risk Committee discussed the following points:
- a) Were there ways around the increase in staffing costs? It was suggested that staff could be offered shorter term contracts in future? Danie advised that the project managers are considering that and are looking into reviewing all individual projects. They are trying to fix some of the costs and trying to get a revised cash flow for the remainder of the project. This would take some time over the summer.
 - b) It was highlighted that overall this is a good project and lessons would continue to be learned along the way.
 - c) David added that in terms of learning lessons it leads back to the main recommendation report about the use of project management tool kit. The use of lessons learnt, post implementation and completion reports should allow us to see all elements to the project as a body of evidence for future programmes.
 - d) The Convener requested clarification on the recommendation (Paper 2, page 9) as to why it has an implementation date of September 30th as it seemed to be relatively straight forward to complete. David agreed that it would not be a lengthy process however the date was set for September as the finance team were currently busy working on other items, including final accounts and audit. Danie confirmed that it would be completed ahead of the September date.
 - e) With reference to Page 10 – Eligibility of TGLP project costs states that there was no guidance currently in place specifying which expenses were eligible to be

claimed. Was there the intention to produce guidance? Danie clarified that HLF do not have a list of what is liable and what is not.

12. Grant Moir, Chief Executive arrived at this point.
13. **The Audit and Risk Committee considered the report and endorsed the management responses to the recommendations.**
14. **Actions:**
 - i. **David Cameron to look into sources of staffing costs.**
 - ii. **David Cameron to investigate the redundancy pay issue**

Complaints Log (Paper 3)

15. David Cameron presented a Paper which presents information on the number and nature of complaints received by the CNPA since that last update on this subject to the Committee in December 2016. He highlighted that the second complaint closed on 5th May as stated.
16. Members discussed the following points:
 - a) The Convener highlighted that there are few complaints on the log and added there was nothing to show concern over. He suggested that in future complaint logs more information on the complaint is added to the nature of complaint column to explain the situation more but not as detailed as to identify anyone.
 - b) Grant clarified that the main purpose of adding this item onto the agenda was to meet the timescale requirements. There are statutory procedures in place on dealing with complaints which is carried out by Management Team so there should be no real issues unless there becomes a trend of complaints.
 - c) Management Team has oversight of the complaints. It was explained that the rationale for report to going to Committee is to show that all complaints are being responded to appropriately.
 - d) David suggested that next time the complaints log is brought to the Committee for review all items from the year will be added so any trends are able to be picked up on.
 - e) David is to tweak the Nature of Complaints column to add slightly more detail however some complaints may contain sensitive information so the description would be limited.
 - f) It was suggested that dates should be added for when the complaints are received along with when they are closed. This would help identify if any trends that may arise are related to a season/ certain time of year. This was accepted and will be added to future logs.
17. **The Audit & Risk Committee considered the information on complaints made to the Authority.**
18. **Actions:**
 - i. **David to slightly alter the table to add more of a description where appropriate. Also add the dates complaints were made.**

Any Other Competent Business

19. It was highlighted that the Audit and Risk Committee meeting was not scheduled on a Board or Planning meeting day and concern was raised that this was a waste of board costs. David clarified that this is only as a result of the Board meeting being cancelled and usually we would re-schedule however the arrangements for accommodation and travel for external attendees were already in place.

Date of Next Meeting

29th September 2017, Venue tbc.

20. Meeting closed 15.05 hours

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)	Delayed – Discussions to take place between David Cameron and Harper McLeod.
Joint Training with LLTNP Audit Committee, CNPA Audit & Risk Committee and BDO to be set up. (April 2016 meeting)	In hand – deferred to late Autumn to include new Board Members.