

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

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held via Video/ Telephone Conference
on 27 March 2020**

Present:

Judith Webb (Chair)
Peter Argyle
Pippa Hadley

Janet Hunter
John Latham
Gaener Rodger (Vice Chair)

In Attendance:

Tony Barrie, BDO via Telephone Link
John Boyd, Grant Thornton
Grant Moir, Chief Executive
David Cameron, Corporate Services Director
Danie Ralph, Finance Manager
Alix Harkness, Clerk to Board

Apologies: None.

Welcome and Apologies

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

Minutes of Previous Meeting

2. The draft minutes of the 6 December 2019 meeting were approved with no amendments.

Matters Arising

3. David Cameron, Director of Corporate Services reported that movement on the outstanding actions listed at the end of the 6 December 2019 Audit & Risk Committee Minutes were:
 - a) At Para 10i): - **In Hand** - Careful consideration and thought on how to market the potential investment opportunities and how to communicate it on our corporate website.
 - b) At Para 10ii) – **Closed** - Director of Corporate Services had set out rationale for each criteria and tweak the criteria as per the Audit & Risk Committee's comments and circulated it electronically by the 20th December 2019.
 - c) Paper on risk appetite for discussion by Committee – **Open** – Director of Corporate Services reported that he had not yet had the chance to, but would do so by circulation prior to next meeting.

Internal Audit Review: Appraisal Objective Setting (Paper 1)

4. Tony Barrie, BDO presented a Paper which presents the internal auditor's report on the Authority's approaches and procedures for staff appraisal and objective setting.
5. Staff made the following points:
 - a) Grant Moir, CEO explained that it was a new appraisal system that had been introduced during the last year. He commented that it had been a useful report.
 - b) David Cameron, Director of Corporate Services contextualised and advised that both he and the Head of Organisational Development were happy with this report. He added that the report had been helpful and the findings that are of a moderate level shows it is embedded well across the organisation and a good fit with the culture of organisation which is backed up by the feedback received by the Staff Consultative Forum (SCF).
6. The Audit & Risk Committee made the following observations and comments:
 - a) The Chair praised the positive cultural shift to accommodate younger members of staff.
 - b) Comment made that it was important to see this process continuing with the same level engagement during these current difficult times.
 - c) Suggestion made that automated reminders are set up to be sent by Human Resources, to save the team time. Director of Corporate Services agreed to look into it.
 - d) Was there an opportunity to link staff wellbeing with the appraisal process? Director of Corporate Services provided reassurance that staff wellbeing was an integral part of the whole process, it was about ensuring staff were feeling well in the delivering the role for the organisation.
 - e) The Chair thanked BDO for the report.
7. **The Audit & Risk Committee:**
 - a) **Considered the internal auditor's findings.**
 - b) **Endorsed management responses to recommended actions.**
8. **Action Point Arising:**
 - i. **Director of Corporate Services to investigate if automated reminders to managers to carryout performance conversations would be possible.**

Internal Audit Review: Handling Freedom of Information Requests (Paper 2)

9. Tony Barrie, BDO presented a Paper which presents the internal auditor's review of the Authority's processes and controls in place for handling requests of information made until the Freedom of Information (Scotland) Act 2002 (FOISA).
10. Director of Corporate Services provided the Committee with the background, he made the following points:

Strategic Risk Register Update (Paper 6)

27. David Cameron presented an update of the Authority's strategic risk management and a commentary on management's review of action taken and current risk status. The paper also supports a discussion on the risk management approach to be taken around the management of the current Coronavirus pandemic.
28. In discussion the Audit & Risk Committee made the following comments and observations:
- a) CEO advised that they were pulling together a second risk register for COVID-19. He reported that the move to working from home had gone smoothly and that video conferencing was going relatively well too. He explained that the next thing is that the National Health Service (NHS) and Scottish Government (SG) may ask the Authority to help with plugging gaps. He added that Management were doing some work around modelling what the next year may look like given so many unknowns including what the NSH and SG may want the Authority to focus on. He warned that there would be re-budgeting by Scottish Government and the Authority's grant and aid allocation would change as a result of the implications of COVID-19.
 - b) Suggestion made to include a generalised risk to cover any future pandemics, in drawing up for future pandemics which may or may not be likely. Are we looking at safe working practises, protecting the business, linked to things that feature in the Authority's business continuity plan? CEO advised that Management team and Heads of Service were currently reviewing the lines detailed in the Operational Plan, looking at what could be delivered in blocks of 4 months and what could be pushed back to later in the year. He warned that this did not take into consideration any change in grant and aid funding allocation. He explained that the Business Continuity Plan seemed to be working well, 80 staff now working from home, VM Ware and having only 10 licences for the whole organisation was proving a bit tricky however this was being looked at and solutions would be found.
 - c) A Member sympathised with the uncertainty of grant and aid allocations going forward.

Janet Hunter left the meeting momentarily and returned.

- d) Director of Corporate Services commented that the current COVID-19 crisis was the biggest Business Continuity Planning test the Authority had faced.
- e) The Chair commented that a few of the risks in the register had a downward trend and suggested the Committee discuss the removal of some of these. Director of Corporate Services advised that he would like to see risk A14 remain due to ongoing media activity surrounding capercaillie and Carrbridge. He advised that he's be content to remove risk A19 as there is evidence in the Operational Plan and Budget paper going before the Board at their meeting that staff numbers have been adequately dealt with.

- 29. The Audit & Risk Committee:**
- a) Considered the update presented on the Authority's Strategic Risk Register**
 - b) Considered whether members have any further updates which should be incorporated into the SRR, including any additional risks not currently incorporated.**
 - c) Agreed to remove Risk A19 from the Strategic Risk Register.**
 - d) Agreed that the Director of Corporate Services should develop a draft risk register around management of the current Coronavirus and circulate that to the Committee for consideration.**

30. Action:

- i. Risk A19 to be removed from the Strategic Risk Register.**

Update on Internal Audit Services and 2020/21 Planning

- 31. David Cameron provided an oral update on the Internal Audit Services and 2020-21 Planning. He made the following points:**
- a) Scott Moncrieff had been appointed.**
 - b) It was not a reflection on the service provided by BDO, the Authority were tied into a joint procurement process with partners.**
 - c) Will be arranging a meeting together with the CEO and the newly appointed auditors.**
 - d) Arrangements will be made to invite a representative of Scott Moncrieff to attend the next Audit & Risk Committee meeting.**
 - e) A draft of the Internal Audit Plan would be circulated to the Committee in advance of the next meeting and discussed in full at the next meeting.**
- 32. The Chair thanked BDO for their good natured and positive working relationship they had experienced.**
- 33. The Chair expressed a willingness to be involved in initial discussions with Scott Moncrieff. This was noted.**
- 34. Director of Corporate Services suggested that the Chair meet with Tony of BDO to close off any business and then report back to Committee at the next meeting. The Chair agreed to this.**
- 35. John Boyd, Grant Thornton provided an update on the external audit plans for the current financial year. He made the following points:**
- a) They have the systems and processes in place to be able to audit remotely as agreed with the Finance Manager.**
 - b) The Audit process will however be prolonged due to the restrictions on when they can carry out a site visit.**
 - c) IRF16 was supposed to be implemented next financial year which impacts on the lease and therefore would have had to be recognised this year however the HM Treasury had announced that they were postponing this for another year.**
 - d) Timelines proposed and agreed from the outset do not look likely to change, just a different approach to auditing (video conferencing) would be carried out.**
- 36. The Committee made the following comments and observations:**

- a) Finance Manager advised that the biggest issue for the team would be pulling out samples for the audit.
- b) The Chair commented that the video conferencing seemed to be working well and thanked John Boyd for his update.

37. The Committee noted the update.

38. Action Points Arising:

- i. **Chair to meet with BDO to close off any loose ends and then to report back to the Committee at their next meeting.**

AOB

- 37. The Chair asked if the next meeting would be likely to be held via video conferencing given the current restrictions imposed as a result of the coronavirus pandemic. It was agreed that this would be likely.
- 38. The Chair requested a paper on the reputational risk to the Authority on the capercaillie project to be brought to the next meeting. Director of Corporate Services agreed and asked that the Chair drop him an email detailing the points of reference so he can ensure all points are covered.

39. Action Points arising:

- i. **Chair to email Director of Corporate Services detailing the point of reference needing answered surrounding the reputational risk to the Authority on the capercaillie project to enable a paper being drawn up for the next meeting.**

Date of Next Meeting

- 40. 12 June 2020, Cairngorms NPA Offices, Grantown-on-Spey, (Venue TBC).
- 41. Meeting closed 10.33 hours

Audit & Risk Committee: Outstanding Actions

Action	Status
Audit and Risk Committee induction pack	Open
Risk mitigation for LEADER Accountable Body role	Open
Private Finance Process and criteria for accepting proposals	Open