

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY**

**held at Community Hall, Boat of Garten  
on 13 February 2015**

**Present:**

Gordon Riddler (Convenor)  
Jeanette Gaul  
Fiona Murdoch

Dave Fallows  
Gregor Hutcheon

**In Attendance:**

Asif Haseeb, Audit Scotland  
Matt Swann, KPMG  
Grant Moir, Chief Executive  
David Cameron, Corporate Services Director  
Alix Harkness, Clerk to the Board

**Apologies:** Danie Ralph, Finance Manager

**Welcome and Apologies**

1. The Convenor welcomed everyone to the meeting with a special welcome to Dave Fallows and Matt Swan and the apologies were noted.

**Minutes of Previous Meeting**

2. The draft minutes of the 5 September 2014 meeting were approved with no amendments.

**Matters Arising**

3. David Cameron reported that movement on the three outstanding actions listed at the bottom of the 5 September 2014 Audit Committee Minutes are:
  - 1) Closed;
  - 2) Carried forward;
  - 3) Carried forward, intention to bring to next meeting;
  - 4) Carried forward, intention to bring to the next meeting;
  - 5) Closed.

## Election of Committee Convenor

4. David Cameron highlighted that according to Standing Orders agreed by the Board in September 2014 Election of Committee Convenor was due to take place. He therefore asked for nominations for the Convenor of the Committee.
5. Gordon Riddler was nominated by Committee members. There being only one nomination, David Cameron declared Gordon Riddler as appointed Convenor.

## External Audit Annual Audit Plan 2014/ 15 (Paper 1)

6. Asif Haseeb introduced the Paper which presents the external auditor's Annual Audit Plan for the audit of the 2014/15 accounts. He highlighted the following differences to previous audit plans:
  - From Para. 14 onwards: materiality, planning and performance
  - Any errors of more than £1,000 would come to Audit Committee
  - Exhibit 1 on page 6 of the Annex which details the plan and the timescales have been agreed with CNPA Management
  - Para 34: details where the external income came from
  - Para 31: is applicable to all entities
7. The Convenor asked David Cameron if he was content with the timetable set out in the Audit Plan and asked if the deferral of the Audit Committee meeting had disrupted such schedule. David Cameron confirmed that he was content with the timetable and advised that it was similar to the timetabled that was adhered to the previous year. Asif Haseeb advised that the deferral of the meeting had not disrupted the schedule.
8. The Audit Committee discussed the Paper and sought the following points of clarification:
  - a) The status of the Business Continuity Plan and the IT Strategy. David Cameron advised that the IT Strategy has been drafted and had subsequently been approved by Management Team. He added that the strategy flows out of the Organisational Development Strategy and is being applied by working groups. David Cameron advised that he and Helen Jenkins were currently working on the final draft of the Business Continuity Plan with the aim to take it to the March Management Team meeting.
  - b) Were Management content that there are no risks associated with the Business Continuity Plan and the IT Strategy in the Audit Plan? David Cameron advised that at the time as they were still in the development stage. He added that any risks would be picked up as a matter of course by Audit Committee when risk registers are reviewed.
  - c) Confirmation that the phasing of the internal and external audit process dovetails each other. Matt Swan confirmed that this was correct.
  - d) In reference to paragraph 37, was there an update on premises and budget? Grant Moir advised that the business case had been submitted to Scottish Government and subsequently approved by Scottish Government Finance and was now awaiting Ministerial sign-off. Grant advised that discussions were currently taking place with Scottish Government to cover fit out costs for both offices in Grantown and Ballater. He added that he was hoped to hear from

Scottish Government in March 2015 and at that point, would aim to progress the planning and tendering. The aim was to get into the building in September 2016.

- e) Could any problems be foreseen with pensions and LEADER? David advised that pension costs were out with the Authority's control.

**9. The Audit Committee:**

- i. **Considered the external auditor's Annual Audit Plan for the audit of the Authority's 2014/15 accounts and wider reviews of operations;**
- ii. **Agreed the Audit Scotland's Annual Audit Plan for 2014/15;**
- iii. **Agreed the external audit fee on behalf of the Board, as set out in the Plan, page 10, paragraphs 41 to 44.**

**10. Action:                   None.**

**Internal Audit Review – Payroll and Pensions (Paper 2)**

11. Matt Swann presented the internal auditor's review of the Authority's arrangements for the payroll and pension administration processes, conducted as part of the agreed 2014/15 internal audit programme. Matt highlighted that only 4 findings had been identified which related to the CNPA and these were all considered low risk.

12. David Cameron advised that he was content with the recommendations and that at least 2 of the 4 had already been implemented.

**13. The Audit Committee agreed to the recommendations.**

**14. Action:                   None.**

**Internal Audit Review: Project Management (Paper 3)**

15. Matt Swann presented the internal auditor's review of the Authority's project management processes, conducted as part of the agreed 2014/15 internal audit programme. He highlighted the following points:

- The design of the process had been looked into and had found a lack of overarching policy in the programme management structure and there was a lack of clear referencing from one project to the next.
- The other issue was that it was not clear when the completion of equality impact assessments, should be undertaken.

16. Members discussed the following points:

- a) Clarification as to what the letters 'OMG' stand for. David Cameron advised that it stands for Operational Management Group.
- b) The definition of a project? Grant Moir advised that there is set guidance and project checklist that helps to define the size of the project. It is dependent on many factors such as the number of staff, allows for consideration of equalities and state aid, the costs and helps the user to define whether it is a small, medium or large project. David Cameron added that where the project

involves multiple external partners or staff from across the organisation then the Organisational Management Group would work with the Project Manager. In addition David explained that 10 activities in the Operational Plan have been identified as being key high level projects and they would be expected to use the full suite of tools to aid in the project management. He went on to say that the lower level and medium projects are able to use toolkit if they wish.

- c) In reference to page 23 of the Annex of the Paper, was the implementation date correct? David confirmed that it was a mistake and should read 31 January 2015.

17. The Convenor asked Matt Swan if from an Auditor's point of view he was content with the Management response to Recommendation I. Matt agreed that he was.

**18. Members agreed the recommendations as set out in the Paper.**

**19. Action:                      None.**

### **Update of Outstanding Audit Recommendations (Paper 4)**

20. David Cameron presented a paper which presents an update of progress made by officers on recommendations made in previous internal audit reports.

21. In discussion, the following points of clarification were raised:

- With reference to the deadline detailed under Item 191: Quarterly CO2 emissions submissions, should this be revised? David Cameron advised that Morag James is currently working up a revised plan and the deadline date would remain until said plan had been confirmed.
- Are the March 2015 deadlines still realistic? David advised they were in respect of items 193 and 194. Grant advised that by the end of this financial year Items 185 and 192 should also be in the position to be closed off.

**22. Members noted the progress.**

### **Any Other Competent Business**

23. The Convenor thanked Asif Haseeb and Matt Swan for their input in the meeting.

### **Date of Next Meeting**

24. 27 March 2015, Blair Castle, Blair Atholl at 9.00am.

25. Meeting closed 15.20

## 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)	Open – a Sustainable Procurement Bill is currently being progressed and this action is deferred pending its enactment.
Health & Safety Final Action Plan to be presented to Audit Committee at their March 2015 meeting	Open – On track to be brought to the March 2015 meeting
The Strategic Risk Register to be brought before the Audit Committee for review, in light of the new Corporate Plan between March and June 2015.	Open – To be brought to the next Audit Committee meeting following the March 2015 Board.