

MINUTES of MEETING of the
AUDIT COMMITTEE of

THE CAIRNGORMS NATIONAL PARK AUTHORITY
held at Logie Coldstone Hall
on 13th August 2004

Present:

Eric Baird
Duncan Bryden
Sally Dowden
Sheena Slimon
Bob Wilson

In Attendance:

Jane Hope, Chief Executive
Andy Rinning, Interim Head of Corporate Services
Robert Clark, Audit Scotland

Apologies:

None

Welcome

1. Eric Baird welcomed everyone to the meeting.

Minutes of Last Meeting

2. The Minutes of the last meeting were approved with no changes, moved by Sheena Slimon and seconded by Duncan Bryden. Action Points 5a and 8a to be discussed under items 5 and 6 respectively of the current agenda.

Internal Audit Needs Assessment Outline Plan – (paper 1)

3. The Interim Head of Corporate Services confirmed that Deloitte had been formally appointed as the Park Authority's internal auditors. The committee's

attention was drawn to the Audit Needs Outline Plan set out in the paper. It was explained that the outline plan was based on initial discussions between the auditors and the Interim Head of Corporate Services. It is designed to address the main systems and areas of control as required by the Park Authority's Management Statement and Financial Memorandum. The main priority will be a risk assessment workshop which will inform the compilation of a risk register. The outline plan needs assessment will be reviewed in light of the risk assessment and register to firm up the plan. It is anticipated that the risk workshop would be held in October or November.

4. In response to a question on whether the auditors would be taking account of the core values proposed in the Operational Plan paper, it was explained that the auditors had wide experience of working with public bodies and their audit needs. Copies of the corporate plan and draft operational plan had been sent to the auditors to allow them to consider the specific needs of the Park Authority in their needs assessment plan.
5. In response to a question on what reports would be submitted to the committee following the workshop, members were advised that following the workshop a risk register would be prepared and this would be submitted to the committee for consideration and approval as appropriate. An oral update would be given at the next meeting.
6. In response to a question on whether any additional work would be required by the auditors, it was confirmed that no additional work had been proposed by the auditors and that audit needs outline plan should provide sufficient cover.
7. The committee noted the paper and agreed the recommendations.

External Audit Reports: Main Accounting System and Corporate Governance (paper 2)

8. Bob Clark, Audit Scotland was invited to comment on the reports presented to the committee. He mentioned that he was pleased with the amount of work that had been accomplished by the Park Authority in the relatively short time of the organisations existence.

Main Accounting System

9. During examination of the Authority's records and systems he had found the main accounting system to be working well, with some examples of good practice. One such practice he highlighted was the audit trail built into the accounting software that allowed transactions to be followed from beginning to

their final resting place. He pointed out that the accounting software used by the Authority did not identify individual users on the audit trail and suggested that this be looked at to find out if the system has such a function. He also mentioned that whilst there were a number of good procedures in place these had not been documented and should be so done to confirm systems were being followed. In conclusion he was satisfied there were no major weaknesses in the system.

Corporate Governance

10. During this part of the audit he had reviewed the Authority's key documentation, including policies, reports, minutes of meetings and terms of reference. He found appropriate structures and processes in place to allow for effective decision making, including standing orders for the Board and remits for committees. He was content that the remit of the audit committee would ensure economic, efficient and effective use of the Authority's resources. He did mention that CNPA required to develop a risk management strategy and undertake a risk assessment. He acknowledged that there was a need to get this right and accepted there might need to be some slippage in setting this in place. He also pointed out the need to put in place a fraud policy and procedures for investigating fraud and irregularities. In conclusion he was pleased with the progress the Authority had made to meeting the corporate governance requirements.

11. The committee noted the contents of the reports and the action plan timetables to implement recommendations.

12. Action

- a) **To report at the next meeting of the Audit Committee the action taken to implement the recommendations contained in the audit reports.**

AOCB

13. None

Date of Next Meeting

14. 19th November at Glenlivet