

CAIRNGORMS NATIONAL PARK AUTHORITY AUDIT & RISK COMMITTEE

FOR DECISION

Title: INTERNAL AUDIT REVIEW: PROJECT FINANCING

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Purpose

To present the internal auditor's report on project financing.

Recommendations

The Audit & Risk Committee is asked to:

- a) Consider the internal auditor's findings.
- b) Endorse the management responses to the recommendations for action raised by the internal auditor.

Executive Summary

1. The Park Authority's internal auditors, BDO, have undertaken a review on Project Financing as part of the agreed 2016/17 internal audit plan. This review has a direct relevance to the Authority's mitigation and management of strategic risk AI1 on the Authority's strategic risk register:

"Resourcing: Role as Lead / Accountable body for major programmes (e.g. LEADER, Landscape Partnership) has risk of significant financial clawback should expenditure prove to be not eligible for funding, while CNPA carries responsibilities as employer for programme staff".
2. The review also has an indirect reference to mitigation of strategic risk AI, where the Authority identifies the need to seek to continue to support diversified income streams to deliver National Park Partnership Plan objectives. This review helps substantiate our robustness in financial management and stewardship of significant, diverse income streams being handled by the Authority as a lead partner.
3. The full report arising from the review is included as Annex 1 to this paper.
4. The report grades both the design and operational effectiveness as "substantial" – definitions of the grading system are set out in Appendix 2 to the attached report. The report highlights 2 low priority recommendations for improvements. The recommendations have been accepted by management. The management responses are noted within the report.