

**MINUTES of MEETING of the
AUDIT COMMITTEE of
THE CAIRNGORMS NATIONAL PARK AUTHORITY**

**held at Albert Hall, Ballater
on 21 August 2008**

Present:

Eric Baird
Nonie Coulthard

Sue Walker
Fiona Murdoch

In Attendance:

David Cameron, Head of Corporate Services
Lisa MacDonald, Deloitte
Stephen O'Hagan, Audit Scotland

Apologies:

Jane Hope, Chief Executive
Ross Watson,

Minutes of Previous Meetings

1. Minutes of the meeting of 19 March 2008 were approved, subject to the following amendment:
Paragraph 11 typing error: thanks should read thanked.
Paragraph 19: add, when there is a genuine reason that recommendations cannot be implemented.
Paragraph 26 typing error: "the aimed" should read this aimed.
2. Minutes of the meeting of 25 July 2008 were approved, subject to the following amendment:
Paragraph 3 typing error: "not" should read no.
Paragraph 4: should read appreciated that there had been no time to incorporate these changes prior to their circulation to the Committee as a result of leave commitments.

Matters Arising

3. David Cameron provided an update to the Committee on the accounts closure process. Signed accounts had been passed from the Auditor General's office to the sponsor team in Scottish Government and were

now ready to be laid before Parliament. The sponsor team was currently waiting for a final printer's proof of the accounts and annual report to use for laying.

4. The Chair asked about the process through which future projects would be identified on which to undertake post-implementation reviews. Lisa MacDonald indicated that the forthcoming strategic risk workshop would be likely to be a key factor in determining the significant aspects for inclusion in forthcoming internal audit plans. While the risk workshop would not be held until relatively late in the year, Lisa was confident that work could still be completed in the year.
5. In discussion, members noted that there may be merit in taking forward some review of projects prior to the risk management workshop as a number of reasons for post-implementation review would be very likely to remain valid: specifically the test of final project outputs and outcomes against those established in the rationale for the project; and the ongoing management of projects to ensure that project delivery remained guided by the agreed project rationale. Potential areas for review highlighted in discussion were the Point of Entry Marker Project; the management of the National Park Brand; the Heather Hopper service and perhaps a newer project to test the ongoing management of live projects against objectives.
6. Lisa and David Cameron agreed to discuss further potential project reviews to be undertaken in the interim period, prior to completion of a revised strategic risk register.

Internal Audit Annual Report 2007/08 (Paper 1)

7. Lisa highlighted that Deloitte's annual report for 2007/08 had previously been circulated to Audit Committee members as supporting information for their consideration of the Annual Report and Accounts at the extra Committee meeting in July 2008.
8. In discussion, members noted good progress was being made on addressing audit recommendations with only one of the outstanding recommendations remaining outstanding, with no action to date. Lisa reported that this related to a recommendation to establish and review a journal audit and aged creditors report regularly. It was understood that this was to be taken forward by the Finance Manager over the next few months as part of revisions to month end financial processes.
9. Members welcomed the report and noted the finding that the Authority generally has an adequate framework of control.

Internal Audit Review: Best Value (Paper 2)

10. Lisa MacDonald introduced the internal audit report on the Authority's arrangements for securing Best Value. This audit linked to planned activities on the Authority's arrangements for procurement, governance and delivering efficient government.
11. Overall the review found that arrangements accorded with good practice and were working satisfactorily in all three areas of control tested. Four recommendations for future improvement were identified, 1 of which at priority 2 and 3 at priority 3. Overall, the findings highlighted that the Authority's Best Value activities do not link back as clearly as they might to the Strategic Risk Register and Corporate Plan.
12. David Cameron pointed out that, on the latter point, management responses highlighted that the Best Value work was now one of the 46 key objectives (achievements) set out in the new Corporate Plan. High level linkage between the best value work and corporate plan had, therefore, already been established.
13. Lisa also highlighted that a background factor found in this work, which related to one of the "in progress" previous recommendations, was the difficulty in determining that Best Value had been considered by Management Team as minutes were not always available. David Cameron confirmed that this action had now been fully acted on, with minutes of all Management Team meetings being issued promptly after meetings.
14. **The Committee noted the recommendations for action and endorsed the management responses to the report.**

Internal Audit Review: Pensions Processes (Paper 3)

15. Lisa MacDonald highlighted that this review had been undertaken at the request of the Head of Corporate Services. While there had been no evidence of errors in pensions administration arising within the organisation, the Head of Corporate Services felt it timely to arrange for an independent review following some four years of pension arrangements being in place.
16. The review finds that in overall terms, the control environment over pension processes is adequate. The report highlights three recommendations for action (all at priority 3).
17. **Members noted the recommendations for action and endorsed the management responses to the report.**

Standing Item: Strategic Risk Register (Paper 4)

18. Members noted that the risk register would be completely updated following the risk management workshop later in the year.
19. In terms of presentation, members agreed that the register should include a review date for each risk, rather than the current timescale for action, given that a number of risks were subject to ongoing monitoring rather than specific management action.
20. Members agreed that the Strategic Review represented a significant issue in its own right, and should be recorded separately as a strategic risk rather than included as part of the risk around external initiatives. The risk here is two-fold: around the diversion of resource away from core Corporate Plan objectives, and also around the potential for significant alteration to the Authority's role and responsibilities, requiring fundamental review of the Corporate and Operational Plans.

Standing Item: Update on Internal Audit Recommendations (Paper 5)

21. Members noted progress to date on previous internal audit recommendations.
22. Members noted a follow up report from the internal auditors would be brought to the next meeting of the Committee.

AOCB

23. No other business was raised.

Date of Next Meeting

24. Next meeting scheduled for 11 December 2008, 10:30am, Ballater.