

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: INTERNAL AUDIT REVIEW: LEADER PROJECT

**Prepared by: LISA MacDONALD, DELOITTE
DAVID CAMERON, HEAD OF CORPORATE SERVICES**

Purpose

To present Deloitte's internal audit findings on their review of the Authority's LEADER project.

Recommendations

The Committee is asked to:

- a) Consider the internal auditor's findings on the operation of the Authority's LEADER project, as set out in Annex I;
- b) Endorse or amend the management responses to the recommendations for action.

Executive Summary

Deloitte, the Authority's internal auditors, have undertaken a review of the Authority's LEADER project at the request of the Head of Corporate Services. The Authority agreed a new Service Level Agreement (SLA) covering the operation of the LEADER programme between Scottish Government and funded bodies in 2008. The SLA requires that lead bodies in receipt of LEADER funds undertake an internal audit of their LEADER systems each year. As the first internal audit review of the area, this has been a relatively substantial piece of work, to familiarise auditors with requirements and the Authority's business processes in this area of operation. The head of Corporate Services anticipates that ongoing reviews may be smaller in scale, with perhaps a further, fuller review in year 4 of the 6 year programme. Costs of the audit have been allocated to the LEADER budget, and element of which will be reclaimed from the administration support element of LEADER funding.

The review finds that in 2 of 6 areas of control, arrangements in place accord with good practice. In 3 of the remaining 4 areas, adequate arrangements for financial control are in place while there is scope for improvement in certain matters. The final area of control, management of this new SLA, is assessed as offering scope for improvement. Five recommendations for action are highlighted (3 at priority 2 and 2 at priority 3).

All recommendations have been accepted by the Head of Corporate Services and Finance Manager. The Deloitte report set out at Annex I includes draft management responses to these recommendations, including suggested responsibility and timescale for action where appropriate. In some cases, action has already been taken.