



Approved Minutes of the Audit and Risk Committee

Held at Cairngorms National Park Authority office, Grantown on Spey
24 November 2023 at 3.00 pm

Present

Fiona McLean (Chair)

Bill Lobban

Hannah Grist

Paul Gibb

Duncan Miller

In Attendance

Grant Moir, CEO

David Cameron, Director of Corporate Services and Deputy CEO

Louise Allen, Head of Finance, and Corporate Operations

Tom Reid, Mazars

Gregory Oduor, Mazars

Alfred Mugani, Mazars

Stephanie Hume, Azets

Neil Belton, Azets

Mariaan Pita, Executive Support Manager

Apologies

Geva Blackett

Pete Cosgrove

Welcome and introduction

1. Fiona McLean, the Chair, welcomed everyone to the meeting. Apologies were noted.

Approval of minutes of previous meeting



2. The draft minutes of the meeting on the 22 September 2023 were approved with no amendments.

Action Points

Ref	Action Detail	Who	When	Status
29/10/2021 (Para 8i)	Bring lessons learned on LEADER back as Agenda item to a future AR Committee.	David Cameron	Review will come to meeting In April 2024	Open
29/10/2021 (Para 4i)	Complete a detailed VAT review.	Louise and Stephanie	Complete in next 6 months. delayed due to HH project	In progress
21/06/23 (Para 20)	To produce timeline for scheduled board time to develop the strategic risk register alongside the new Corporate Plan	David Cameron	To be scheduled as Board Business Session February 24	Open
24/11/23	Review accounts figure for consultancies (page 68)	Louise and David		

Matters arising not covered in agenda.

3. No matters raised.

Declarations of interest

4. Fiona Mclean noted interest on item 7 for transparency. She sits on the Scotland committee of the National Lottery Heritage Fund which funds Heritage Horizons.



2022/23 Final Accounts

Louise Allen, Head of Finance and Corporate Operations introduced the paper that presents the annual report and accounts for the year from 1 April 2022 to 31 March 2023 in accordance with The National Parks (Scotland) Act 2000.

5. The Audit and Risk Committee discussed the report and made the following comments and observations:
 - a) The team was thanked for work done on the document and to get it to this stage. Members welcomed the comprehensive coverage of finance and performance set out in the report.
6. The Audit and Risk Committee agreed the final accounts.
7. **Action** - none.

External Audit Update

8. Gregory Oduor, Mazars presented the report on the audit of the annual report and accounts for 2022/23 prepared by Mazars.
 - b) A member asked if the consultancy fees as noted on p68 was correct, Director of Corporate services will look into this and get back to committee.
 - c) It was also noted that operation costs have increased due to people being unable to travel in 2022 we would anticipate this will increase year on year with less home working and more traveling for meetings.
 - d) The Chair thanked the finance team again for all their work as the external auditors also gave their thanks in good working relationships.
 - e) Members noted that the cyber security risk is an ongoing matter and we need to keep an eye on this important area of work. The external audit recommendations in this area mirror the outstanding internal audit recommendations and updates will be available through progress reports on outstanding internal audit recommendations.
 - f) Director of Corporate Services confirmed that we have our new Information Manager in post who has started our transfer to SharePoint. Once this is complete, we can look at the wider cyber security environment and IT risk management. He assured the Committee that this work is firmly on the radar.



- g) We have also moved our IT network onto the Scottish Wide Area Network in parallel with the SharePoint move. This gives added security protection to our systems together with access to managed support services.
 - h) A question was raised on project expenditure and the finance system that is used. Head of Finance and Corporate Operations confirmed that we use five different companies in organising our internal accounting systems, and we are looking at an approach to change and simplify this in the future.
9. The Audit and Risk Committee agreed the final accounts and management representation letter.
10. **Action** –
- i) Director of Corporate Services to check the consultancy fees noted on p68 and get back to committee.

15:49 Tom Reid left the meeting.

Internal Audit Report 2023/24: Heritage Horizons

11. Stephanie Hume, Internal Auditor, Azets, provided the overview of the internal audit review of the Park Authority's governance and reporting arrangements for the Cairngorms 2030 (Heritage Horizons) Programme.
12. The Audit and Risk Committee discussed the update and made the following comments and observations:
- a) It was noted that the knowledge exchange on lessons learned and recommendations on how to take the work forward is welcomed.

Recommendations

The Audit and Risk Committee is asked to:

- b) Review the findings of the internal audit report.
 - c) Endorse the management responses to the internal audit recommendations for improvement to controls.
13. The Audit and Risk Committee noted the paper.
14. **Action:** - none.



Internal Audit Report: Management Action Follow up 2022/23

15. Stephanie Hume, Internal Auditor, Azets presented the paper that provides an overview of management action taken on previous internal audit recommendations raised and agreed. The follow up review work reported here is part of the internal audit programme agreed for 2023/24.
16. The Audit and Risk Committee discussed the update and made the following comments and observations:
- a) Members asked for Management's thoughts on the risks posed by the outstanding audit recommendations where work has not as yet been commenced or completed. The Director of Corporate Services confirmed that management has been focusing on the higher graded recommendations and some good progress has been made on these higher risk areas of improvement to internal controls. He was reluctant to suggest lower graded recommendations should be removed from the list and associated risks accepted as these items remained valid improvements to our control systems. The Chair agreed that there was merit in retaining the lower risk recommendations for the time being.
 - b) The Park has also agreed to outsource business continuity plan review and development as this is a key piece of work that needs to be carried forward and there isn't any staff resource currently in place to progress this work.
 - c) A member asked if some of the common area work could be done between the park and LLTNP. It was agreed that we do have a good relationship with them and we are collaborating on some activity at the moment and we will look to continue that in the future.
 - d) It was agreed that a lot of ownership sits under the Information Manager and now that the post is filled many of these things can progress.

Recommendations

The Audit and Risk Committee is asked to:

- e) note the progress made by management in implementing agreed management actions; and
 - f) note the revised due dates attributed to actions that remain outstanding.
17. The Audit and Risk Committee noted the internal audit report on management action follow up for 22/23 update.



18. **Action** - none.

Internal Audit Report 2023/24: Health and Safety

19. Stephanie Hume, Internal Auditors, Azets, presented the paper that presents the internal audit review of the Park Authority's Health and Safety processes, procedures, and internal controls.

20. The Audit and Risk Committee discussed the update and made the following comments and observations:

- a) The report was welcomed by officers as they felt previously the procedures in place were working smoothly but due to the organisational changes a review was needed, and they will work through the health and safety committee on these recommendations.
- b) Training was highlighted and will be considered by Management on how best to balance the induction process with training once in the role and getting to grips with the new job. We will be keen to follow up the recommendation of regular communication with the line managers on how to take this forward and prioritise it.
- c) A member asked if the organisation recognises previous training for new staff members joining. Director of Corporate Services said that we haven't looked into that, but we can note the point.

Recommendations

21. The Committee is asked to:

- a) Review the findings of the internal audit report.
- b) Endorse the management responses to the internal audit recommendations for improvement to controls.

22. The Audit & Risk Committee noted the paper.

23. **Action** - none.



Internal audit progress report

Stephanie Hume, Internal Auditors, Azets provided an overview of the internal audit progress report, informing the Committee that Azets are on track to deliver the annual report in April.

24. The Audit & Risk Committee noted the paper.

Strategic Risk Management

25. Louise Allen, Head of finance and corporate operations presented the paper, following the review of risk management carried out by Internal Auditors we have reconsidered our approach to the management of risk and taken the opportunity to build on the recommendations made by the Internal Auditor.

26. The Audit and Risk Committee discussed the update and made the following comments and observations:

- a) Members commented saying that the document is clear and concise with good guidance on how to manage these risks.
- b) It was noted that there are several new risks on the register, Head of Finance and Operations commented that this is still a working draft, and we are hoping to draw up a final proposal and bring it back as a draft to the full Board for review and board input prior to finalisation and adoption.
- c) Members suggested to include a chronology where you can see the risks moving down or highlighting progress in implementing mitigation action.
- d) It was noted that the draft risk register needs to be focused down onto fewer, key risks.

16: 34 Neil Belton joined the meeting.

Recommendations

The Audit and Risk Committee is asked to:

- e) Consider the revised risk management policy, together with the new format of the risk register.
- f) Advise on their suitability for our refreshed approach to risk management. the Health and Safety Committee.



27. The Audit & Risk Committee agreed the new approach to risk management and the format of the register.

28. **Action** - none.

AOCB

29. Director of Corporate Services thanked the external audit team along with the finance team for their work on the audit this year.

Date of next meeting

30. Scheduled date is 19 April 2024.

31. The Committee Chair raised a motion to move to a confidential session due to commercial sensitivity regarding future procurement exercises.

32. The public business of the meeting concluded at 4.48 pm.