

**MINUTES of MEETING of the
AUDIT COMMITTEE of**

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at Albert Hall, Ballater
on 25 June 2010**

Present:

Eric Baird (Chair)
Lucy Grant

Sue Walker
Ian Mackintosh

In Attendance:

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

Apologies:

Fiona Murdoch
Jane Hope, Chief Executive

Minutes of Previous Meetings

1. David Cameron reported that there were no minutes presented to this meeting, which had been arranged specifically as part of the final accounts clearance process. David would ensure that minutes of the previous meeting on 22 April were presented to the August meeting of the Committee, together with minutes of today's meeting.

Matters Arising

2. The Chair noted that the Chief Executive was clearly absent from today's meeting. The Chair drew members' attention to the Chief Executive's letter explaining that the accounts had been signed on the understanding from closure meetings with both external and internal audits that there were no significant matters outstanding. The Chief Executive had authorised the Director of Corporate Services, under delegation provisions previously agreed by the Audit Committee, to consider the Committee's views on the final accounts and reports from the auditors, and to determine whether to pass the final accounts on to Audit Scotland for sign-off accordingly.
3. Members confirmed these arrangements were in order.

Audit Scotland Report on the 2009/10 Audit (Paper I)

4. Stephen O'Hagan presented Audit Scotland's report on the 2009/10 audit. Stephen highlighted that a clear opinion on the accounts was proposed. There were no

unadjusted errors in the accounts and while a number of minor changes had been required over the course of the audit, all such changes had now been implemented.

5. Stephen also reported that some work on review of internal controls had been undertaken to complement that undertaken by internal audit over the course of the year. No material internal control issues had been identified.
6. Stephen concluded that the commission had been a very clean audit to undertake and thanked the Finance Manager and his team in particular for their assistance and cooperation.
7. **The Committee noted the report, thanked Stephen for the work by his Audit Scotland team, and warmly welcomed the achievement in completing the audit and reporting to timetable.**

2009/10 Final Accounts (Paper 2)

8. Alistair Hight presented the final accounts following completion of the external audit work. As presented previously to the Committee, accounts had been prepared on the basis of the International Financial Reporting Standards (IFRS).
9. Alistair reported that in summary the Authority's expenditure over the course of the year exceeded income by £55,000 or around 0.9% of total income. Some years ago the Authority had agreed a financial management year end net expenditure target of between -2% to +1% and the result for the year is once again within that range.
10. Members discussed the accounts in detail, with the following main areas arising from discussions.
 - a. While creditor payment performance had improved from 12.4 to 11.3 days, members noted that the Scottish Government target of 10 days was still not being achieved. Officers highlighted that the reporting mechanism was based on the most prudent calculation – time was recorded from the invoice date rather than the date received to avoid additional operator data input, while the target was from date of receipt. Allowing for 1 to 2 days for postage would therefore bring the result closer to, or within target. David Cameron highlighted that internal control requirements did on occasion make a 10 day target difficult to accomplish – at popular leave times it was still necessary to have the lead officer sign-off that goods and services had been received to the quality expected prior to invoice payment, and it was very difficult to provide back up for this process in some instances. Members also noted invoice payment of 11 days remained excellent performance and should certainly support business cash-flow management, with standard credit terms for many suppliers being 30 days.
 - b. Absence levels of 6.1 days per person were discussed, with some members concerned that this appeared a high figure although in keeping with the prior year figure of 6.2 days. David Cameron reported that he understood this figure was at least in keeping with current national averages, if not better than current averages. David undertook to review this further. David also indicated that he understood the figure to include all absences, including any special leave granted, and was not only a result of sickness.

- c. Employee benefit allowance accrual was noted. Alistair Hight confirmed this figure was a provision and did not represent a cash transaction to staff.
 - d. While members appreciated the need to present the segmental analysis in the format set out in the accounts, there was some concern that this could lead to representations being made around investment levels in particular areas such as planning and communications.
11. **Members approved the accounts and advised David that they saw no issue that should stop their release to Audit Scotland.**
12. **Members thanked internal and external audit teams and Alistair and the Finance Team for their work in bringing the final accounts together.**

Date of Next Meeting

13. 20 August, 9:00am, Boat of Garten.
14. Members noted a further meeting would be arranged to consider the internal audit report on Planning Services prior to end of September. Members indicated that if need be they would be willing to meet at a date other than a Friday in which a Board or Planning Committee was already scheduled. David would take forward arrangements for this additional meeting.