

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

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held in The Garry Room, Blair Castle, Blair Atholl
on 27 March 2015**

Present:

Gordon Riddler (Convenor)
Jeanette Gaul
Fiona Murdoch

Dave Fallows
Gregor Hutcheon

In Attendance:

Kevin Boyle, Audit Scotland
Andy Shaw, KPMG
Grant Moir, Chief Executive
David Cameron, Corporate Services Director
Alix Harkness, Clerk to the Board
Brian Wood, CNPA Board Member

Apologies: Danie Ralph, Finance Manager

Welcome and Apologies

1. The Convenor welcomed everyone to the meeting and the apologies were noted.

Minutes of Previous Meeting

2. The draft minutes of the 13 February 2015 meeting were approved with no amendments.
3. The draft confidential minutes of the 13 February 2015 meeting were approved subject to the following amendments:
 - At Paragraph Governance and Accountability – the removal of bullet point (e).
 - At Paragraph 4 – The addition of the words ‘or issues arising’ in the last sentence of the paragraph.

Matters Arising

4. David Cameron reported that movement on the three outstanding actions listed at the bottom of the 13 February 2015 Audit Committee Minutes are:
 - a) Open.
 - b) Closed as appears on today’s Agenda
 - c) Closed as appears on today’s Agenda

Internal Audit Review: Project Management (Paper 1)

5. Andy Shaw introduced the Paper which presents the internal auditor's review of the Authority's project management processes, conducted as part of the agreed 2014/15 internal audit programme. He drew the Audit Committee's attention to the following point:
 - The risks identified: 1 of moderate risk and 2 classed as low risk.
6. David Cameron advised in reference to the moderate risk that it had been recognised that at that time the project management project was in its infancy where staff were still being trained whereas now the process had been completed and documents had been approved and were in place.
7. Grant Moir informed the Audit Committee that the most frequent complaint from staff when he first came into post was the quality of the filing system. He advised that a good system was now in place and was being viewed positively by staff.
8. **The Audit Committee:**
 - i. **Considered the internal auditor's report on the Authority's project management processes;**
 - ii. **Endorsed the management responses to the recommendations for action raised by the internal auditor.**
9. **Action: None.**

Draft Governance Statement (Paper 2)

10. David Cameron presented a Paper which present the draft Governance Statement for incorporation into the 2014/15 final accounts. David reminded the Audit Committee that it was good practice to consider this before the end of the financial year to which the statement relates.
11. Discussion took place around the following:
 - a) Concern was raised regarding the changes from active to passive voice throughout the draft governance statement; the lack of clarity surrounding who 'I' and 'we' was; the sudden change of tense in the document;
 - b) Concern that the draft governance statement would not give out a positive view of the Cairngorms National Park Authority;
 - c) Concern that the Audit Committee was not mentioned until paragraph 9 of the draft governance statement when it could be mentioned in paragraph 5;
 - d) Concern that this was a redraft of the document that had undergone many amendments over the years and no longer flowed. David Cameron confirmed that sections of it had been updated over the years and that it had been approved by Committee in broadly this form in recent years. Grant Moir advised that it was important to consider that the Governance Statement sits in front of the Annual Report and Accounts and therefore should not be taken on its own but as an extract from a larger set of documents;
 - e) Concern that there was no mention of best practise in the Governance Statement. David advised that best practise in this sense referred to the best value review and would be referenced frequently in the accompanying Annual Report and Accounts within which this statement sat;

- f) The need to include explicit reference to internal control checklist to be added to paragraph 22 of the Governance Statement.

12. The Audit Committee agreed to:

- i. **Endorse the draft Governance Statement in principle, however the revised draft to be circulated and reviewed by the Audit Committee by correspondence.**

- 13. Action: David Cameron to make the requested amendments to the draft Governance Statement and to circulate it to the Audit Committee for approval by 3rd May 2015.**

External Audit: Key Controls Report (Paper 3)

14. Kevin Boyle presented a paper which presents the external auditor's report on the key control systems operating within the Authority, that was undertaken as part of the 2014/15 accounts external audit process. The following main points were highlighted:
- Thanks to Danie Ralph and Finance team for their help with the Audit in February this year;
 - No significant risk exposure or major weaknesses in the internal controls during the review were identified however there were 4 areas for improvement;
 - The 4 areas for improvement had been moved into the Action Plan detailed on page 8 of the Annex;
 - Contentment that the internal audit process complies with Scottish Government best practice.
15. The Audit Committee discussed the Paper.
- 16. The Audit Committee agreed the recommendations as set out in the Paper.**
- 17. Action: None.**

Update on Health and Safety Activity (Paper 4)

18. David Cameron presented an update of progress made by officers on recommendations made in the Regulatory Compliance internal audit report of March 2014, focusing on H&S activity. David advised that the only remaining piece of work was reviewing the lone working arrangements by trialling a lone working log to enhance lone working practices.
19. The Audit Committee participated in a full discussion and the following points were made:
- a) Praise for the comprehensive document and appreciation that the staff had signed up to the health & safety arrangements as this had been a previous concern of the Audit Committee.
 - b) With reference to paragraph 15 of the Paper where the production of a health and safety leaflet for staff is proposed, a suggestion was made to extend the leaflet's audience to include the Board. David agreed to this.

Audit Committee: Outstanding Actions

Action	Status
Submit Sustainable Procurement Policy for Committee's consideration once drafted, to support actions around local procurement where possible within agreed procurement strategy (March 2012 meeting)	Open – a Sustainable Procurement Bill is currently being progressed and this action is deferred pending its enactment.
Draft Governance Statement to be redrafted and electronically circulated to Audit Committee for approval in advance of signing off of Final Accounts on 9 May 2015.	Closed – circulated 23 April 15

**CAIRNGORMS NATIONAL PARK AUTHORITY
AUDIT COMMITTEE
APPROVED MINUTES 27/03/15**