

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY**

**held at Braemar Village Hall, Braemar  
on 27 June 2014**

**Present:**

Gordon Riddler (Convenor)	Gregor Hutcheon
Jeanette Gaul	Fiona Murdoch
Brian Wood	

**In Attendance:**

Asif Haseeb, Audit Scotland  
Andrew Shaw, KPMG  
Eleanor Mackintosh, CNPA Board  
Grant Moir, Chief Executive  
David Cameron, Corporate Services Director  
Daniel Ralph, Finance Manager  
Alix Harkness, Clerk to the Board

**Apologies:** None.

**Welcome and Apologies**

1. The Convenor welcomed everyone to the meeting and noted that there were no apologies for the meeting.

**Minutes of Previous Meeting**

2. The draft minutes of the 7 March 2014 meeting were approved with the following amendments:
  - At Para 10, page 2: replace the word 'scare' with 'scarce' and to remove the extraneous 'n' in the last sentence.

**Matters Arising**

3. David Cameron reported that movement on the three outstanding actions listed at the bottom of the 7 March 2014 Audit Committee Minutes are still open and would be scheduled for the next meeting of the Audit Committee.

**Internal Audit Annual Report 2013/ 14 (Paper 1)**

4. Andrew Shaw introduced the internal audit annual report that presents KPMG's findings for the four-year plan of the Authority's arrangements for ensuring compliance with key regulations and changes to those. Andrew Shaw highlighted to Members that the internal auditors conclude that the reviews indicate that the

Cairngorms National Park Authority's systems provide a reasonable basis for maintaining control and that the control framework provides reasonable assurance regarding the effective and efficient achievement of strategic objectives.

5. In discussion David Cameron, Director of Corporate Services, provided Members with assurance that a Health and Safety review had been undertaken by the Authority in early June on both the Grantown and Ballater offices. David informed Members that Kate Christie, Head of Organisational Development had been tasked with going through the outcomes detailed in the review. David added that the follow up report would be brought before Audit Committee at their next meeting.
6. David Cameron advised Members that the revised Health & Safety Policy had been re-circulated to staff and had taken the form of a compulsory online training module.
7. As a point of clarification around the Audit Committee's ability to select the topics scheduled for discussion at their meetings and the Planning Audit subsequently being dropped, members were reassured of the following points:
  - a) Initially it had been raised by Management but then brought before Audit Committee to agree that it had been dropped;
  - b) The Plan is approved by Audit Committee and therefore changes to it are made by Audit Committee;
  - c) A management review was undertaken of outstanding audits specifically the Planning Audit was identified part way through the year;
  - d) The Management team made a proposal to the Audit Committee to defer the Planning Audit to this year 2014/15; the Audit Committee subsequently cleared it;
  - e) The 2014/15 Audit Plan will be considered by the Audit Committee at their next meeting.
8. **The Audit Committee:**
  - i. **Considered the internal auditor's annual report on their activities during 2013/14;**
  - ii. **Agreed the report as an appropriate support for the Governance Statement as set out in the draft accounts for 2013/14.**
9. **Action: Health & Safety Review Report to be brought to Audit Committee meeting on 5 September 2014.**

### **Internal Audit: Review of LEADER 2014 (Paper 2)**

10. Andrew Shaw introduced the internal audit review of the Authority's review of the Authority's support to the Cairngorms LEADER programme. The review seeks to provide assurance over key processes and controls surrounding the cycle from claims processing through to final payment and project closure. Andrew Shaw highlighted to Members that the audit trail for grants and, on a sample basis, the adequacy of supporting documentation, as well as processes for project on-the-spot and ex spot inspections had also been considered.
11. David Cameron advised that the reference to the different funding arrangements for small projects which can be found within the recommendations on page 2 of the report had not yet been tackled. He went on to explain that the new LEADER

Programme is currently being designed which will incorporate a one-stop shop for grant applications in the Cairngorms National Park.

12. In discussion, members agreed that the LEADER Staff are to be congratulated for the clean bill of health the report portrays.

**13. The Committee agreed to the recommendations as set out in the paper.**

**14. Action: None.**

### **2013/ 14 Final Accounts (Paper 5)**

15. The Committee agreed to take Item 9 (Paper 5): 2013/14 Final Accounts next in order to inform the committee regarding decisions on Items 7 and 8 (Papers 3 and 4).

16. David Cameron introduced the final accounts for 2013/14 prior to their being submitted to Audit Scotland for final certification.

17. Members discussed the following points:

- a) The meaning of tax payer's equity in relation to NDPB's;
- b) The ownership of a bridge which was constructed by COAT using a capital grant from CNPA which is located in Strathdon;
- c) The success of payment performance;
- d) The noticeable reduction in staff sick leave.

18. Members agreed that for future years, it would be good to update the Members' Attendance at Meetings table on page 39 of the Final Accounts to better reflect the time spent by the Board representing the CNPA on both its own Committees and other forums. It was agreed to drop the percentage figures on the table and continue to record only the number of meetings attended.

**19. Members agreed to approve the final accounts prior to submission to Audit Scotland for final certification subject to the following amendments:**

- i. Gregor Hutcheon name being spelt correctly on page 27 of the Final Accounts 201-14**
- ii. The percentages in Appendix I on page 39 to be removed**

**20. Action: Audit Committee Members to review layout and contents of Members' Attendance at Meetings table which forms an appendix of the Final Accounts of the year.**

### **Audit Scotland Key Controls Report (Paper 3)**

21. Asif Haseeb presented the report which focuses on the key control systems operating within the Authority, undertaken as part of the 2013/14 accounts external audit process. Asif explained that broadly the current controls are good subject to the three minor issues detailed at paragraph 9 on page 5 of the report.

22. In discussion, it was agreed that there is no plan to introduce new codes this financial year however that in the future new codes could be added as and when required.

23. **Members thanked Asif for the comprehensive report, and agreed to the recommendations.**

#### **Proposed Annual Report on 2013/14 Audit (Paper 4)**

24. Asif Haseeb presented this paper, which set out Audit Scotland's report to those charged with governance on the 2013/14 final accounts audit. Asif highlighted the following:
- a) The working paper was completed to a very high standard;
  - b) The audit process went smoothly;
  - c) There were no significant issues to report on and the only minor issue was in relation to the Risk Register which has now been addressed;
  - d) The whole process was efficient.
25. Members were invited to ask questions of Asif in relation to Audit Scotland's report, the following points of clarification were raised:
- a) Paragraph 32 on page 10 of Paper 4, Annex I has failed to mention the 5 directly elected Board Members. It was agreed this would be added.
26. Members discussed the following:
- a) The possibilities for Shared Services in the future;
  - b) The focus of the Asset Register on individual assets that are over £500 in value.
27. **Members thanked Asif for the report, and agreed to the recommendations.**
28. **Actions: At paragraph 32 on page 10 of Paper 4, Annex I the addition of the mention of the 5 directly elected Board Members.**

#### **Any Other Competent Business**

29. David Cameron advised Members of the Internal Audit position and proposed to Members that they continue to use KPMG during the coming year. This was agreed by Members.
30. Daniel Ralph suggested a move to paperless Audit Committee meetings. This was discussed by Members and it was agreed that this should be discussed at full Board level and then filtered down to sub-committees if and when agreed. David Cameron added that a review was currently being co-ordinated which includes a survey of views on this suggestion at Board level.
31. The Convenor reminded Members that at the last Board Meeting it was agreed that the Audit Committee would have a role in monitoring the UK National Parks subsidiary. The Convenor asked Members to note that at a future date discussions would need to take place to clarify the role of Audit Committee in this. David Cameron advised that the review of the risk register would take place at the next Audit Committee meeting and during these discussions; the Audit Committees role in monitoring the UK National Parks subsidiary could form part of this discussion.
32. The Convenor on behalf of the Audit Committee gave special thanks to all the staff involved in producing a clean annual report. He extended his thanks to Asif and Andy.

## Date of Next Meeting

33. 5 September 2014

## 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.
Best Value – at least annual review of progress against Best Value improvement actions, with overall programme plan to also be presented to Committee when available.	Open – scheduled for September 2014 Audit Committee
Outstanding Audit Recommendations – review by Management Team prior to consideration by Committee in August 2014	Open – scheduled for <a href="#">September 2014</a> Audit Committee

**CAIRNGORMS NATIONAL PARK AUTHORITY  
AUDIT COMMITTEE  
Approved MINUTES 27/06/14**