



# Minutes of the Performance Committee

Held at Cairngorms National Park Authority office, Grantown on Spey

Hybrid

8 March 2024 at 2.30pm

## Present

Kenny Deans (Convener)

John Kirk

Chris Beattie

Ann Ross

Steve Micklewright

Sandy Bremner

Eleanor Mackintosh

## In Attendance

Grant Moir, CEO

David Clyne, Head of Cairngorms 2030

Andy Ford, Director for Nature and Climate Change

Catriona Strang, Clerk to Board

## Apologies

None

## Welcome and introduction

1. The Chair welcomed everyone to the meeting of the Performance Committee.

## Minutes of Previous Meetings

2. The minutes of the previous meeting, 8 December 2023 held in person, were approved.

## Matters Arising

3. Action points arising from previous meetings:
  - a) 11 February 2022
    - i. Para 19ii) - Report relating to Visit Scotland funding to be brought to the Committee. In Hand



- b) 9 June 2023
- ii. Para 16i) The Director for Nature and Climate Change to feedback to the festival steering group members comments on timing. Completed
- c) 8 december 2023
- iii. Para 16d) an agriculture advisory group took place on Tuesday 5 March, suggested revisit current beaver reintroduction group and amend the terms of reference to be a practical, beaver mitigation group
- iv. Para 16l) discussion took place on the process and lesson learnt. There were lots of different opportunities to engage, which is different to how much those opportunities were taken up. Recognise need to be thorough as possible so as many people can engage, including using social media which has shown greater engagement. Agriculture advisory group will enable early engagement in future.

## **Declarations of interest**

- 4. None

## **Cairngorms 2030 delivery phase inception (Paper 1)**

- 5. David Clyne, Head of Cairngorms 2030, introduced the paper which update the Park Authority Performance Committee on the risks under management. This paper presents the delivery phase inception period from January to February 2024 and the planned development work to end April 2024.
- 6. The Performance Committee discussed the update and made the following comments and observations:
  - a) A member asked about the challenges with Sustrans Funding. Head of Cairngorms 2030 confirmed that Sustrans is funded by Transport Scotland and they are a committed partner with the project however match funding is not guaranteed as all funding is approved by a committee.
  - b) A member asked if any other partners were in the same situation regarding funding. Head of Cairngorms 2030 confirmed that Sustrans is the only funding that is being applied for currently but the Park Authority is aware that public sector partners only have one year funding settlements and we will need to continue to work closely with them on match funding.
  - c) The chair noted the work on recruitment of staff for the project
- 7. The Committee noted the paper.
- 8. Action Point Arising: none.



## **Cairngorms Peatland ACTION programme (Paper 2)**

9. Andy Ford, Director of Nature and Climate Change presented an update on the delivery of the Cairngorms National Park Authority's Peatland ACTION programme. Highlighted that there has been an overall budget reduction at a national level from Scottish Government. There is a commitment to maintain current levels of funding in the Cairngorms for the '24/25 delivery profile, allied to Cairngorm2030 match funding. It is not known if this will be the case in future years. Budget reductions could have a negative impact on confidence in the sector. The opportunity presented by a budget reduction is to drive forwards private investment faster than it might otherwise have happened.
  
10. The Performance Committee discussed the update and made the following comments and observations:
  - a) A member asked who would make decision on Green Finance partner. Director of Nature and Climate Change confirmed the Park Authority have a charter for responsible investment in place for the agreement with Palladium, and criteria for private finance proposals already agreed. The Scottish Land Commission has published principles for responsible investment in natural capital.
  - b) A member asked about funding ahead of 24/25 what concern should we have over the effect of 40% reduction in funding. Director of Nature and Climate Change stated that this year will be a test of any future models for increasing private investment and delivering more value for money.
  - c) A member asked about procurement and if the charter would allow us to accept a green finance deal and therefore not compromise delivery targets and not expose the Park Authority to financial risk. And what would happen to the carbon credits if sold, or the company holding them is sold. Director of Nature and Climate Change stated that due diligence is undertaken to ensure that any investor meets the criteria set out in the ethical charter. There is no financial risk to the Park Authority. Carbon credits is currently a voluntary market and not a tradeable commodity.
  - d) A member asked about business confidence with contractors and reassuring them that the Park Authority is helping keeping momentum on going. Director of Nature and Climate Change stated that the large contracting companies completing works throughout Scotland will get reassurance with national level activity from the central Peatland ACTION team. The smaller contractors operating in the Park have a commitment from the budget for the pipeline for '24/'25. Beyond that, the Park Authority will continue to demonstrate support



through operating the new entrants' scheme and investing in capacity building in third parties.

- e) Grant Moir, CEO that a board business session will be taking place on the 10 May around Green Finance

11. The Committee noted the paper.

12. Action Point Arising:

- a) Grant Moir will ask board members to provide any key questions or views and provide a simple process of how the peatland funding works for 10 May Board Business session.

### **2024 Performance Committee Items (Paper 3)**

13. The chair asked David Cameron, Director of Corporate Services and Deputy CEO to prepare the paper with proposed agenda items for committee business until December 2024.

14. The Performance Committee discussed the update and made the following comments and observations:

- a) Members confirmed that this was really helpful and there is opportunity to add agenda items.
- b) A member asked if the Cairngorm2030 project would be broken down into Theme areas rather than updated the committee with the whole project. The CEO wants to give the committee a strategic overview of the project as we are at the start of delivery, this may develop during the delivery phase. Papers will also be presented at the Audit and Risk committee.

15. The Committee noted the paper.

16. Action Point Arising: none.

### **AOCB**

17. Date of net meeting 14 June 2024

The meeting closed at 03.25pm



# Draft Minutes of the Audit and Risk Committee

Held at Cairngorms National Park Authority office, Grantown on Spey

19 April 2024 at 2.35 pm

## Present

Fiona McLean (Chair)

Geva Blackett

Duncan Miller

Pete Cosgrove (Vice Chair)

Bill Lobban

## 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

Stephanie Hume, Azets

Elizabeth Young, Azets

Alan Glen, Azets,

Alix Harkness, Clerk to the Board

Karen Johnstone, Clerk to the Board

## Apologies

Paul Gibb

## Welcome and introduction

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

19. Following a discussion the Chair decided to take Paper 3 internal audit VAT review first to allow Alan Glen, Azets to leave and to also give time for Tom Reid, Mazars to arrive to the meeting.



## Approval of minutes of previous meeting

20. The draft minutes of the meeting on the 24 November 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 Audit and Risk Committee.	David Cameron	On today's Agenda	Closed
29/10/2021 (Para 4i)	Complete a detailed VAT review.	Louise and Stephanie	On today's Agenda	Closed
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	March Board	Closed
24/11/23	Review accounts figure for consultancies (page 68)	Louise and David	Look when finalise the 23 / 24 accounts, highlight to the Committee at that point	Open

## Matters arising not covered in agenda.

21. No matters raised.

*Tom Reid joined the meeting.*

## Declarations of interest

22. There were no interests declared.



## **Internal audit VAT review (Paper 3)**

23. Alan Glen, Internal Auditor, Azets, provided the review of the Value Added Tax (VAT) status of activities within the Cairngorms 2030 programme, and the potential need for the Park Authority to register for VAT.

1. The Audit and Risk Committee discussed the review and made the following comments and observations:
  - a) The Chair praised Alan for the comprehensive report.
  - b) Director of Corporate Services and Deputy CEO reported that management agreed the direction of travel that had been recommended in the report. He went on to say that through the development of the Cairngorms 2030 programme, nuances not only VAT related but also to other potentially novel approaches would be highlighted on a project-by-project basis. He provided reassurance that there would be a VAT based checklist that would evolve into a wider health check assessment of each of the 20 projects. With the intention being that the Senior Management team would carry out a sense check on project plans to determine if it would involve a grant relationship or otherwise an arrangement which may establish a contract for service supply.
  - c) A member asked about the possibility of using the Cairngorms Trust as a vehicle for overcoming VAT barriers. Director of Corporate Services and Deputy CEO advised that the governance would have to be checked on a case by case basis and in addition a further check to ensure that displacement of responsibility would not occur as a result. The Trust is also not considered to offer any specific VAT advantages.
2. The Audit and Risk Committee noted the risks identified in the report and considered the advice provided by Azets.
3. **Action:** - none.

*14.50 Alan Glen left the meeting.*



## **Annual audit plan 2023 / 24 (Paper 1)**

4. Tom Reid, Mazars introduced the paper that presents the external auditor's plan for the forthcoming audit of the 2023/24 Annual Report and Accounts.
5. The Audit and Risk Committee discussed the report and made the following comments and observations:
  - d) Director of Corporate Services and Deputy CEO reminded the committee of the underlying situation where a member of the finance team continue to be absent on a medium term basis following an operation.
  - e) The Chair raised concerns around the next Audit and Risk Committee meeting being scheduled for 27 September 2024 as it seemed late to allow for the resolution of matters. Director of Corporate Services and Deputy CEO provided reassurance that he was confident the committee would be signing off the accounts, as it allows time for the fieldwork to have taken place and anything found on that to be resolved in advance. The schedule is also considerably in advance of the November 2023 meeting at which the prior year accounts were planned to be presented.
  - f) Director of Corporate Services and Deputy CEO added that if from either officer or auditor perspective changes were needed to be brought before the committee this could be done so in June. The Chair confirmed she was happy with this.
  - g) Tom Reid confirmed that he is comfortable with the September date and by way of context the deadline for Audit Scotland is the end of October, so the September deadline fits with that.
6. The Audit and Risk Committee agreed external auditors audit plan.
7. **Action – None.**

## **Governance statement (Paper 2)**

8. Louise Allen, Head of Finance and Corporate Operations presented the draft Governance Report, which forms part of the Annual Report and Accounts, to the Committee for review and comment prior to inclusion in the draft papers submitted for external audit.
9. The Audit and Risk Committee agreed the governance statement.
10. **Action – none.**





## **Internal audit report: management action follow up 2023 / 24 (Paper 4)**

11. 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.
12. The Audit and Risk Committee discussed the update and made the following comments and observations:
  - a) Director of Corporate Services and Deputy CEO reported that he was pleased to make a good start in reducing the total outstanding actions down to 28. He highlighted to the committee that a few recommendations have a long timeline associated with them and will take time to progress to completion.
  - b) Director of Corporate Services and Deputy CEO advised that there has been upscaling of the organisation; the Corporate Services team are busy with changing the internal control systems, addressing historical issues, while also supporting the increased breadth of operations and this wide range of priorities continued to impact the capacity to wholly focus on addressing improvement recommendations. The management team are bringing in more resources in relevant areas to help resolve issues.
  - c) A member raised the recent email breach, and a discussion was had about the lessons learned arising from that experience. Director of Corporate Services and Deputy CEO advised that it showed that the Park Authority were able to escalate it quickly, the Information technology (IT) team acted quickly, management had been involved, and the whole incident resolved within 12-14 hours.
  - d) Head of Finance and Corporate Operations added that the board email addresses are on a different domain from Cairngorms National Park Authority staff which helped to protect core systems.
  - e) Head of Finance and Corporate Operations explained that the old server that was being used was coming to the end of its life and this was why everyone was being moved onto SharePoint. This stage had now been reached; the old server would house the Rdrive which could still be accessed by staff on a read only basis. This meant that cyber security plus accreditation could now be progressed.
  - f) A comment was made that the security of systems would be dependent on vigilance of individual colleagues, and it was the IT team's intention to test this using fake phishing emails in the future.



- g) The Chair asked for reassurance that 2 of the actions that had been removed had indeed been superseded? Director of Corporate Services and Deputy CEO provided that reassurance.
- h) The Chair referred to the actions with revised timelines, grant funding March 2024 partially complete, cyber security review and one other do not have dates assigned to them – could that be clarified for next time? It was agreed that they could.

13. The Audit and Risk Committee noted the internal audit report on management action follow up for 23/24 update including the revised dates attributed to actions that remain outstanding.

#### 14. Action

- i. Dates to be assigned to the management actions which do not have dates and brought to the next meeting.

### **Internal audit: internal audit plan 2024/25 (Paper 5)**

15. Elizabeth Young, Internal Auditors, Azets, presented the proposed internal audit plan including the proposed internal audit work for the 2024/25 financial and operational year.

16. The Audit and Risk Committee discussed the plan and made the following comments and observations:

- a) With reference to page 14 no timetable had been assigned? When would mitigation be delivered for that risk?
- b) Head of Finance and Corporate Operations commented that it was recognised that IT is a fast changing situation and in addressing those risks it was vital to have a team inhouse and a need to retain a team inhouse to deal with user problems and kit. She added that there is also support at Loch Lomond and Trossachs National Park Authority (LLTNP) to share costs, software and staff time. The question would be whether the Park Authority are providing a cost effective approach.
- c) Director of Corporate Services and Deputy CEO added that in way of preventative mitigation a daily review of cyber security threats is carried out. The Senior Management Group were taking forward wider discussions with LLTNP, with similar conversations with NatureScot planned too, which will identify areas for potential collaboration. The operational plan for IT team going forward are being



drawn up, ensuring the workplans of the IT team are included within this, so mitigation is clearly visible.

- d) Suggestion made to change the language of the IT risk mitigations in the risk register as it is misleading suggesting that only monitoring rather than proactive work is being undertaken. This was agreed.
- e) The Chair added that the pressure for shared services was only going to increase.

17. The Audit & Risk Committee agreed the internal audit plan for 2024 / 25 subject to the language in paragraph 14 being made clearer to reflect the situation.

#### **18. Action**

- i. The language on page 14 to be made clearer to better reflect the situation.

### **Internal audit: progress report**

19. Elizabeth Young, 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.

20. Director of Corporate Services and Deputy CEO reported that he agreed with the broad sentiment of the report. He noted the procurement audit was identifying a number of high risk areas requiring action and highlighted action was already underway in a number of relevant areas. He suggested that once the procurement audit report was drafted, it and the indicative action plan could be shared with the committee Chair and taken to the Committee in June or if it was felt necessary a new additional meeting could be scheduled before June. It was agreed that the Director of Corporate Services and the Chair take that decision once the audit report is drafted.

21. The Audit & Risk Committee noted the paper.

#### **22. Actions**

- i. Draft internal progress report once drafted to be shared with the Chair.
- ii. Together the Director of Corporate Services and Deputy CEO and the Chair to decide whether the report could go before the committee at their June meeting or if an additional earlier meeting of the committee would need to be scheduled.



## Strategic risk register

23. 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. She drew the Committee's attention to the fact that risk 11 had fallen off the circulated meeting papers.
24. The Audit and Risk Committee discussed the update and made the following comments and observations:
- a) Director of Corporate Services and Deputy CEO advised that he would arrange for the annex to be recirculated to the committee, with risk 11 included, along with revised ratings and wording.
  - b) A member asked that if there was a risk that project funds could be clawed back by Scottish Government, were program managers aware of that too? CEO advised that Senior Management Team members with budgets were aware, and it had become a regular annual risk. He added that while he was not that concerned about it, we have to ensure as much expenditure is committed as early as possible.
  - c) Director of Corporate Services and Deputy CEO added that staff are used to the annualised budget allocation including the threat of claw back. He made reference to risk number 8 on the Strategic risk register and explained that it would be the first year of its delivery of the Cairngorms2030 program and recognising workload pressures on staff delivering this and the Operational plan. He advised time and resource can be used to get the Operational plan projects up and running now then focus on the Cairngorms2030 projects after to help manage staff workloads.
  - d) A brief discussion took place on procurement processes where the Director of Corporate Services and Deputy CEO stated that it was recognised that the Park Authority need specialist support on procurement particularly with infrastructure projects, ensuring the staff group have the knowledge and capacity inhouse or through appointed advisors. More information on that will come to the Committee in due course.
  - e) Director of Corporate Services and Deputy CEO advised that in the past officers have brought the programme risk register for Cairngorms 2030 for the Committee to have sight of the overall risk management approach being taken. He proposed



that officers would bring it back before this Committee as a regular item. The Chair agreed.

25. The Audit & Risk Committee considered the coverage and adequacy of the Park Authority's strategic risk management position and advise on any gaps or amendments required to the current strategic risk register.

#### **26. Actions**

- i. Annex to be recirculated to the committee, with risk 11, revised ratings and wording to be included.
- ii. Cairngorms2030 project Strategic risk register to be brought to this Committee at the next meeting.

### **LEADER grant funding – lessons learned**

27. David Cameron, Deputy CEO Cairngorms National Park Authority and Vice Chair of Cairngorms Trust presented the paper which sets out the lessons learned and wider reflections of running a Community Led Local Development (CLLD) grant scheme under the umbrella of the Scottish Government's LEADER Programme. He went on to say that the intent of this paper is to help consideration in establishment of future CLLD and grant funding initiatives supported in some way by the Park Authority.

28. The Audit and Risk Committee discussed the paper and made the following comments and observations:

- a) Comment made that the paper was well written, coherent and clear. Suggestion made to make the paper available to the rest of the Board.
- b) Director of Corporate Services and Deputy CEO agreed and added that he would seek to work with the Clerks to ensure that the papers concerning other board committees that the Board members did not sit on, would still be made readily available to them should they wish to have sight of them.
- c) Suggestion made that linkages to policy could be made between partners as seen recently with Historic Scotland and NatureScot, Suggestion made that there was potential for National Parks to get together to do similar.
- d) Director of Corporate Services and Deputy CEO advised that it would be good to develop a document which helps an applicant navigate the plethora of grant funding available.



29. The Audit & Risk Committee noted the paper.

**30. Actions**

- i. Paper to be circulated around the Board and brought to their attention.
- ii. Director of Corporate Services and Deputy CEO to work with Clerks to ensure Board members can access papers for all board committees whether they sit on that committee or not.

**AOCB**

31. There were no items of competent business.

**Date of next meeting**

32. Scheduled date is 21 June 2024.

33. The public business of the meeting concluded at 3.50 pm.