

**DRAFT MINUTES OF THE AUDIT AND RISK
COMMITTEE MEETING of
THE CAIRNGORMS NATIONAL PARK AUTHORITY**

**held via Lifesize Video Conferencing
on 13th August 2021 at 1pm**

PRESENT

Judith Webb (Chair)
John Latham
Eleanor Mackintosh

Fiona McLean
Gaener Rodger

In Attendance:

David Cameron, Director of Corporate Services, CNPA
Chris Brown, Azets
Vicky Walker, Governance and Reporting Manager, CNPA

Apologies: John Kirk,
Grant Moir, CEO, CNPA,
John Boyd, Grant Thornton,
Danie Ralph, Finance Manager, CNPA

Welcome and Apologies

1. The Chair welcomed everyone to the meeting and gave special welcome to new members.

Minutes of Last Meeting – Approval

2. The draft Minutes of the meetings on 20 April 2021 were approved with no amendments.
3. **Action points arising from previous meeting:**
 - a) **At Para 3b) Closed** - Review Risk Rating for Cyber Security went to the Board in June as part of Risk Register Update.
 - b) **At Para 3c) In Hand** - Committee to ask Convener to find board time to address risk appetite of Board as a whole. This has been raised at the

Governance group and will likely go to June board. Will pick up in more detail later in the agenda.

- c) **At Para 3d) Closed** - Committee recognised risk management implications in relation to Heritage Horizon bid and expect to see risk register at future Audit and Risk meetings.
- d) **At Para 16i) and ii) Closed** – Director of Corporate Services amended the Draft Governance Responsibility Statement in advance of the paper being brought before the Board at their formal meeting on 28th May 2021.

Declaration of Interests

- 4. There were no interests declared.

Election of Committee Vice-Chair (Oral)

- 5. David Cameron, Director of Corporate Services, invited nominations to the position of Audit & Risk Committee Vice-Chair.
- 6. Fiona McClean was nominated by Judith Webb and this was seconded by Gaener Rodger.
- 7. There were no other nominations. Fiona McLean was elected as Audit & Risk Committee Vice-Chair with immediate effect, for a period of 3 years.
- 8. Chair gave thanks to Gaener for her work as vice chair and to outgoing members; Peter Argyle, Pippa Hadley and Janet Hunter for previous service to the Audit and Risk Committee.

Terms of Reference (Paper 1)

- 8. David Cameron, Director of Corporate Services introduced the paper which presents the Terms of Reference for all Committees of the Board. He highlighted the intention to review these terms of reference after 12 months and feedback to the Governance group any issues arising from today's discussion.
- 9. The Audit and Risk Committee discussed the paper and made the following comments and observations:
 - a) A member asked for clarification on the annual committee self-evaluation and where it is included in the terms of reference. The Director of Corporate Services confirmed all committees would report annually to the Board and this annual report would include self-evaluation of the committee's effectiveness and

any points for improvement. This is included under point 4 on page 10 as generic terms of reference.

- b) Chris Brown, Azets highlighted that Committee membership and quorum is high compared to other organisations and the committee may wish to give future consideration to this. He also highlighted reference to frequency of meetings could be included.

10. The Audit and Risk Committee:

- a) **Considered the terms of reference for the Audit & Risk Committee and discussed the work of the Committee for the year ahead.**
- b) **Agreed what the Committee might find useful to aid them.**

11. Action Points Arising:

- i. **Director of Corporate Services to review incorporation of generic terms of reference for each committee in each individual committees**
- ii. **Director of Corporate Services committed to review quorum, membership and frequency of meetings as part of the annual Audit and Risk Committee review.**

Schedule of Business for the Year Ahead (Oral)

- 12. The Director of Corporate Services introduced this item which provides an overview of business for the Audit and Risk Committee over an annual cycle. This includes standing items such as; Corporate Risk Register and risk management, overview of complaints, freedom of information and subject access requests for review. Internal audit reports will be presented to the committee throughout the year and these are specific to the business they have reviewed.
- 13. The Audit and Risk Committee has scheduled the review of annual accounts with external auditors at the meeting of 10th September 2021. Future items also include oversight of the risk management of impacts associated with the Heritage Horizons project, review of the governance statement and ongoing work against internal audit actions. The following cycle of meetings will be an update of delivery against internal audit plan and any completed internal audit reports.
- 14. It is intended a pre-committee meeting with Chair will agree items of business and members can raise any items with chair for inclusion.

15. Full Audit and Risk Committee are scheduled to meet with auditors without officers present once a year to be assured of organisational governance.
16. It is intended to provide training for Audit and Risk Committee members on risk management, risk appetite, assurance mapping over the coming year.
17. The Audit and Risk Committee discussed the update and made the following comments and observations:
 - a) A member queried how the cross over with the Resources committee would be managed when considering annual account processes. The Director of Corporate Services confirmed the Resources Committee provides a focus on budget development, budget monitoring and management accounting, whereas the Audit and Risk Committee reviews the governance processes associated with accounting, closure of accounts and annual report cycle in presence of external auditors. All committees are open to any Board members to attend and members of Resources could attend audit and risk committee for discussions in relation to the annual accounts.
 - b) The Internal auditor confirmed that there is overlap between the Resources and Audit and Risk Committees and confirmed Resources Committee is responsible for monitoring spend against budget and ensuring annual accounts are consistent with work over course of the year. The Audit and Risk Committee oversees the whole process to produce the financial statement. Other organisations address this overlap by having a joint audit and risk and resources committee meeting to confirm annual accounts.
 - c) A member commented that training would be helpful for members and in particular the assurance mapping. Links to Scottish Government handbook and requirements would be included alongside a reference to how this applies to CNPA and the specific role of the Audit and Risk Committee. This may require dedicated time outside of usual board and committee meetings.
 - d) Members encouraged to suggest items for the committee as they arise in between meetings.

18. Action Point arising:

- i. **Director of Corporate Services to provide Committee with an oversight of work for the committee over the next 12 months and to include a timetable of indicative internal audit reports. Members to have opportunity to input into the internal audit plan.**

AOCB

19. There were no items raised.

Date of Next Meeting

20. The next scheduled Audit and Risk Committee meeting will take place on Friday 10th September 2021.

21. The meeting finished at 13:45 hours.