Paper 3

Annex 1

REVISED BOARD COMMITTEE STRUCTURE
TERMS OF REFERENCE

Outline of Committee Responsibilities

Note: this section seeks to explain the fit of the committees within the overall governance structure as an overview of operations. It does not form part of the specific terms of reference of the committees.

Committee	Governance Role	Main Linkages
Audit and Risk	Focus on internal control systems and processes. Organisational wide overview of risk management, internal and external audit and annual accounts.	Full Board Specific committees where overview findings suggest need for specific action.
Performance	Assurance focus. Focus on delivery / implementation of major programmes and the effectiveness of strategic communications, public engagement and stakeholder engagement activity as opposed to controls, systems and processes (ARC) or strategic management of financial and staff resources (Resources). Supporting Board corporate performance reviews and activity update by ensuring activity of major programmes and projects is supporting achievement of strategic outcomes and is not posing unmitigated corporate risks.	Audit and Risk Committee / Full Board around strategic risk management implications identified. Full Board around any significant concerns identified with corporate performance implications.
Resources	Assurance focus with specific reference to achievement of relevant corporate outcomes in this area, e.g. financial break-even; strategic workforce management and wellbeing. Focus on deployment of financial and staff resources and on strategic management of those resources, as opposed to underpinning control procedures (ARC) or delivery through major funded programmes (Performance).	Full board around any significant concerns on strategic budget and workforce management.
Governance	Oversight of effectiveness of organisational wide governance, including operation of these Committees. Ongoing review of effectiveness of Board and Committee operations including support through Executive Team.	Full Board

AUDIT & RISK COMMITTEE

Membership: 6 (quorum 4) The Board Convener, Board Deputy Convener, Performance Committee Chair & Resources Committee Chair should not be members of this Committee.

Staff in Attendance (all non-voting): Chief Executive (Accountable Officer); Director of Corporate Services; Finance Manager ~~operations~~~~Governance and Corporate Reporting Manager~~; Clerk to Board or substitute; other staff as may be required to support papers being presented

External Attendance: To include external auditor and internal auditor as required. These representatives also have the right to free and confidential access to the Chair of the Committee and the Board Convener/Deputy Convener as appropriate.

Any board member who is not excluded from being a member of the committee may attend these meetings should they wish, in a non-voting capacity. Board members attending who are not members of the Committee may be allowed to speak or ask questions with the permission of Chair.

Role: The committee will oversee the internal and external audit process on behalf of the board and deal with oversight of the Authority's development and implementation of internal control systems. The committee will complement and support the work of the full Board in the determination of the Authority's risk and opportunity management strategy, its determination of risk appetite for the organisation, and the establishment of effective governance and assurance processes.

Specific Responsibilities:

a) To agree appointment of an internal auditor;

b) To oversee development of the CNPA's internal audit plan, monitor implementation and agree amendments to the plan as fits the strategic management, internal control, assurance and risk management needs of the organisation in accordance with the Scottish Public Finance Manual (SPFM);

c) To design, agree and implement operating procedures of the Committee which are in accordance with the SPFM requirements for Audit Committees[1] and which adhere to guidance set out in the Audit and Assurance Committee Handbook[2], noting the provision of the SPFM for appropriate flexibility in applying the guidance in the handbook for smaller accounting entities;

d) To receive and consider reports by the internal auditor; review the adequacy of management responses to issues identified by audit activity; ensure officers link any identified control and strategic risk issues into consideration of the full Board or other relevant Committees; and to seek assurance on effective and efficient implementation of agreed auditor and committee recommendations;

[1] https://www.gov.scot/publications/scottish-public-finance-manual/audit-committees/audit-committees/

[2] https://www.gov.scot/publications/audit-assurance-committee-handbook/

e) To monitor the adequacy of the CNPA's internal control systems;

f) To consider the appointment and annual fees of external auditors, review the planned activity of the Authority's external auditors, consider reports by the external auditor on the CNPA's annual accounts and other matters raised by external audit;

g) To oversee the CNPA's internal control arrangements for ensuring use of resources economically, efficiently and effectively (as required by s.19 of the National Parks (Scotland) Act 2000), and arrangements to comply with guidance on delivery of Best Value;

h) To oversee the CNPA's risk management and corporate governance arrangements, including designing and implementing arrangements for "deep dive" investigations of specific aspects of strategic risk management; ensuring effective arrangements for oversight and implementation of assurance and risk appetite are in place across the Authority; and undertaking detailed consideration of matters of risk and opportunity management, assurance, and risk appetite as may be delegated to the Committee by the Board;

i) To provide advice to the Accountable Officer on completion of the Governance Statement, and to consider any wider issues arising on the Authority's final accounts prior to them being signed by the Accountable Officer;

j) To review major findings of other relevant audit reports or Parliamentary Committee findings, insofar as they affect the overall performance of the Authority; ~~and~~

k) To maintain oversight of the Authority's corporate handling of information requests, complaints and any other corporate governance processes which do not fall within the remit of other Committees.

l) To commission investigations and reviews by staff of any matters delegated from the full Board or referred by other Committees as issues impacting on governance and strategic risk management of the Cairngorms NPA, determining appropriate future action on behalf of the Board.

m) The Committee should meet at least once each year with internal and external auditors and without other members or staff present to discuss management responsiveness to audit requirements. The Chair should ensure a note is made of any matters arising and ensure these matters are appropriately communicated within the Board and the organisation.

Committee Life: Permanent, with a review of remit annually.

Frequency of meetings: Typically quarterly, with additional meetings to fit business requirements by agreement of Chair and advice of Director of Corporate Services

PERFORMANCE COMMITTEE

Membership: 6 (quorum 4) plus Board Convener as a standing member

Staff in Attendance (all non-voting): Chief Executive (Accountable Officer); Director of Corporate Services; ~~Governance and Corporate Reporting Manager;~~ Head of Communications; ~~Head of Organisational Development,~~ Clerk to Board or substitute; other staff as may be required to support papers being presented

External Attendance:
Any board member may attend these meetings should they wish, in a non-voting capacity. Board members attending who are not members of the Committee may be allowed to speak or ask questions with the permission of the Chair.

Role:
The Committee will play a key role in seeking assurance that significant projects and programmes of activity delivered by the Authority, or supported by the Authority as lead applicant on behalf of a partnership, are delivering against agreed strategic objectives and strategies. The Committee will complement the work of the full Board, which will continue to receive regular, full corporate performance reports, by seeking assurance around delivery of any specific performance objectives requested by the Board through undertaking deep dive reviews, reviewing the effectiveness of communications and engagement activity and undertaking complementary review of project papers not otherwise seen by the full Board.

The Committee will also consider whether ~~such~~ projects~~, and~~ programmes, communications activity or engagement activity present any new strategic risks or ~~variation~~ changes to~~in~~ existing strategic risks and where appropriate refer significant matters~~them~~ to the Audit and Risk Committee ~~for resolution where the matter is assessed as significant~~ or seek management action where issues are assessed as less significant~~more minor~~.

Specific Responsibilities:

a) To monitor and evaluate the performance of major projects against the agreed outcomes of those projects, referencing existing project reporting, and providing assurance to the Board that such major projects are making their expected contributions to strategic corporate and NPPP outcomes;

b) To monitor and evaluate the potential implications of delivery and actions of major projects with reference to the Cairngorms NPA's agreed performance objectives and to determine whether any remedial action is required;

c) To ensure the deployment of resources by the organisation achieves best value in the delivery of corporate objectives by considering project initiation proposals for strategically significant projects and programmes of activity;

d) Review ongoing programme and project governance to confirm the intended, approved delivery, management and reporting structures are in place as intended;

e) To ensure the Authority achieves Best Value in the deployment of resources, and learns from project closure reviews of key projects as a continuous cycle of improvement in resource deployment and delivery;

f) To maintain oversight of performance against key strategic outcomes, such as Climate Change targets and the Authority's public and stakeholder engagement targets;

g) To oversee and monitor the effectiveness of the Authority's strategic communications, public engagement and stakeholder engagement activity, ensuring communications activity supports delivery of the National Park Partnership Plan and Corporate Plan objectives.

~~g)~~h) To consider specific reports on performance against agreed strategic outcomes as required;

Committee Life: Permanent, with a review of remit annually.

Frequency of meetings: Typically quarterly, with additional meetings to fit business requirements by agreement of Chair and advice of Director of Corporate Services

RESOURCES COMMITTEE

Membership: 6 (quorum 4) plus Board Convener as a standing member

Staff in Attendance (all non-voting): Chief Executive (Accountable Officer); Director of Corporate Services; Head of Organisational Development; Finance Manager; Clerk to Board or substitute; other staff as may be required to support papers being presented

External Attendance:
Any board member may attend these meetings should they wish, in a non-voting capacity. Board members attending who are not members of the Committee may be allowed to speak or ask questions with the permission of the Chair.

Role:
The Committee will oversee the Authority's deployment of resources, fulfilling an assurance and scrutiny role on behalf of the Board in relation to the ~~over the Authority's~~ appropriate deployment of resources to~~in~~ achiev~~eing~~ strategic outcomes and ~~strategic~~ objectives and delivering Best Value in use of public funds. This will include the oversight of budget monitoring and financial performance throughout the year, together with scrutiny and development of the Authority's annual budget and financial plans. The Committee will also have oversight of the Park Authority's staff management responsibilities, as covered by the Framework Agreement with Scottish Government.

Specific Responsibilities:

a) To oversee and monitor the HR (human resources) systems put in place for the CNPA, including in particular the pay and grading system, performance appraisal system and ~~related~~ performance related pay system;

b) To advise the Director of Corporate Services on behalf of the CNPA Board on negotiation of annual pay awards;

c) To provide an interface between staff representative group(s) and the Board, and play a role in arbitrating on staffing issues as set out on the organisation's policies and procedures;

d) To oversee the development of the Authority's annual budget and key budgeting assumptions in advance of consideration of the budget and available resources by the full Board;

e) To monitor income and expenditure during the year against budget, seeking to ensure use of available annual resources is maximised;

f) To provide assurance on behalf of the full Board on the effective resource management and deployment of resources by the executive management team;

~~f)~~g) To consider regular financial and budget monitoring reports, including forecasts of year-end financial performance and emerging financial risk.

~~g)~~

h) To consider the Park Authority's employment policies and advise senior officers on the development and review of significant employment policies.

Committee Life: Permanent, with a review of remit annually.

Frequency of meetings: Typically quarterly, with additional meetings to fit business requirements by agreement of Chair and advice of Director of Corporate Services

GOVERNANCE COMMITTEE

Membership: 6 (Quorum 4)

Members: Board Convener, Board Deputy Convener, Audit & Risk Committee Chair, Performance Committee Chair, Planning Committee Chair & Resources Committee Chair

Staff in Attendance (all non-voting): Chief Executive (Accountable Officer); Director of Corporate Services; Head of Organisational Development, ~~Governance and Corporate Reporting Manager~~; Clerk to Board or substitute; other staff as may be required to support papers being presented

External Attendance: None

Role: The committee will ensure the smooth running of the Board through oversight of the organisations Governance arrangements including: appointments; committee structure, the recruitment of senior staff, and generally supporting the Board Convener. The Committee will meet as required when matters arise within its remit that require consideration or assurance by members, rather than on a fixed cycle of meetings.

Specific Responsibilities:

a) To oversee governance arrangements in place within the Authority, ensuring arrangements remain appropriate to need and fulfil requirements of Scottish Government in governance of a Non-Departmental Public Body.

b) To appoint a sub-committee of three members including the Board Convener, plus Chief Executive and Deputy Chief Executive in case of Director appointments, to oversee the recruitment of senior staff (Directors and Chief Executive) including agreeing the job descriptions, adverts and salary and to take responsibility for interviewing and selecting the successful candidates, and seeking the endorsement of the whole CNPA Board and of Scottish Ministers in the case of the Chief Executive.

c) To oversee the effective working of Board and Committee structures, ensuring any duplication of coverage of matters by Committees is minimised; that there is effective communication between Committees and that referrals of items for consideration between Committees is implemented as expected; to advise the Convener on the resolution of elements of duplication or overlapping responsibility.

d) To oversee the design and effective operation of the Authority's governance assurance control systems, recommending improvements for consideration by the Board Convener / the Board as necessary.

e) To support the Board Convener and Senior Managers as may be required in handling of any complaints made against Board members under the Authority's Complaints Policy.

~~f) To oversee and provide assurance to the Board on implementation of strategically significant corporate programmes of work not falling within the remit of other Committees, such as business continuity planning and significant IT or organisational development programmes.~~

~~g) To advise the Board Convener's recommendations for members to Board Committees, working groups and any conferences/events taking into account preferences and balancing skill set.~~

~~h)~~f) To advise the Board Convener / Deputy Convener on provision of any arrangements needed to cover Board representational responsibilities.

~~i)~~g) To take oversight of Board succession planning arrangements, development and review of the Board skills matrix, and board training and development in support of full Board discussions on these matters;

Committee Life: Permanent, with a review of remit annually.

Frequency of meetings: meetings will be called by the Convener as and when business requirements establish a need.

Generic Terms of Reference For All Committees

1. To identify any potential impacts on the Authority's established risk management strategies and risk mitigation actions arising from the areas of the Committee's remit, and to determine appropriate responses to those potential impacts including onward referral of those impacts to the Audit and Risk Committee or full Board.

2. Identify any matters within the terms of reference for the Committee of a significance which needs to be escalated to the full Board for consideration and resolution

3. The Committee shall establish an annual work plan, which shall allow flexibility to adapt to circumstances over the course of the year.

4. To report annually to the full Board on the Committee's activities, including the outcome of a self-effectiveness review of the work of the Committee over the course of the year.

To provide assurance to the full Board on the effective discharge of those responsibilities delegated to the Committee within its terms or reference.