

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY**

**held at Community Hall, Boat of Garten  
on 20 August 2010**

**Present:**

Eric Baird (Chair)  
Ian Mackintosh

Sue Walker

**In Attendance:**

Jane Hope, Chief Executive  
David Cameron, Director of Corporate Services  
Alistair Highet, Finance Manager  
Lisa MacDonald, Deloitte  
Stephen O'Hagan, Audit Scotland

**Apologies:**

Fiona Murdoch  
Lucy Grant

**Minutes of Previous Meetings**

1. Minutes of the meetings held on 11 April and 25 June were agreed without amendment.

**Matters Arising**

2. David Cameron reported that the Authority's accounts had been laid before Parliament within the 31 July deadline.
3. David also reported that the comments made by Committee members during the discussion on the Brand Management internal audit review had been reported back to relevant officers and had also been incorporated in the schedule of audit recommendations in order to keep sight of them at Committee level.
4. The risk register had been updated to incorporate comments made in April.

**Draft Annual Report to Board (Paper I)**

5. David Cameron introduced the Audit Committee's draft annual report to the full Board, and invited comments and any suggested amendments from members.

6. **After discussion, the Committee agreed the report for submission to Board.**

#### **Standing Item: Strategic Risk Register (Paper 2)**

7. David Cameron presented the current version of the Authority's strategic risk register for review by the Committee and invited any comments or updates from members.
8. Lisa MacDonald reminded members that the Risk register itself had been formed following a workshop, facilitated by the internal auditors, involving Board members and the Management Team. The risks focus on potential obstacles in successful delivery of corporate objectives, and had been scored in terms of their likelihood of occurrence and also the severity of their impact on delivery of objectives should they occur. The Audit Committee had approved those risks to be included in the Register after reviewing all results and ranking those risks by combined likelihood and impact score.
9. In discussion members noted that further monitoring may be required of the risk around securing the buy-in of land managers to deliver a range of National Park Plan outcomes (number 21) may be required in light of changes to Board membership and variation through that in the levels of interaction with this group.
10. **Members noted the strategic risk register.**

#### **Update on Internal Audit Activities**

11. Lisa MacDonald updated member son the work carried out by the internal audit service since the previous meeting.
12. The review of National Park Plan Delivery would be presented to the December meeting. Lisa was currently speaking with a range of partners to access their views on delivery mechanisms adopted.
13. The Internal Audit Review of the Planning Service would be presented to an additional Audit Committee meeting in September and the report was near completion, with management responses to be submitted in the next few days.

#### **Update on Outstanding Audit Recommendations (Paper 3)**

14. David Cameron updated members on action underway in addressing some of the outstanding IT recommendations in this report. Officers are now working with colleagues in Loch Lomond and the Trossachs National Park Authority (LLTNPA) to consider joint development of IT services. Also, David was at the early stages of developing an Organisational Development strategy that would seek to put together an integrated set of proposals for future development of the Authority's IT services, HR processes and accommodation requirements.
15. David reported that officers were still discussing with Scottish Government some of the issues arising from the review of the LEADER compliance with the service Level Agreement (SLA) requirements for administration of LEADER funds. Scottish Government officials were themselves understood to be in the process of reviewing and updating the SLA.

16. Members discussed the practicality and potentially inappropriately high resource impact of implementing some of the lower priority recommendations that has been raised. There was general agreement that these low priority recommendations were raised by internal audit to highlight potential improvement to service that could be made. It was by no means necessary to implement these low level recommendations to maintain an appropriate system of internal control.

#### **Audit Scotland National Study – Protecting and Improving Scotland's Environment (Paper 4)**

17. Stephen O'Hagan noted that members had previously requested sight of this national study by Audit Scotland and it had accordingly been included on the agenda for the meeting. The report highlighted the importance of protecting and improving Scotland's environment to sustainable development and to achieving the Scottish Government's aim of achieving sustainable economic growth. The report also highlighted the potential financial penalties from Europe of not meeting certain targets.
18. In a broad discussion, members noted the report gave a helpful reference point for working with some of the CNPA's partners.
19. There was some concern amongst members that National Parks had not had recognition in the report. Stephen O'Hagan agreed to feed this back internally to colleagues within Audit Scotland for future reference in design of national studies in this area.
20. Members thanked Stephen for bringing the report to the attention of the Committee.

#### **Draft Report on 2009/10 Audit (Paper 5)**

21. Stephen O'Hagan introduced the draft report on the 2009/10 audit. The report highlighted that work had been undertaken on the key strategic and financial risks faced by the Authority, the audit of the financial statements, the use of resources, and aspects of performance management and governance.
22. Stephen highlighted that the report was still in draft and in particular that comments relating to the review of Information Technology systems referred to had yet to be finalised.
23. **Members noted the report and agreed that it could be finalised by correspondence.**

#### **Date and Time of Next Meeting**

24. Next meeting to be held on 3 September 2010, Albert Halls, Ballater.

#### **Actions Log**

| <b>Meeting</b> | <b>Summary of Actions</b>  | <b>Responsible / Due by</b> |  |
|----------------|--|-----------------------------|--|
| 20 Aug 10      | Audit Scotland National Study – Protecting and Improving Scotland's Environment. Feed back to Audit Scotland relevance of National Parks to work in this subject area. | S O'H                       |  |

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