

National Park Authority

Audit & Risk Committee Meeting

Agenda Item 5



Audit and Assurance Committee Handbook

Paper for approval / information

1. Purpose

Scottish Government published a revised [Audit and Assurance Committee Handbook](#) (the Handbook) in April 2018 to replace the previous [Audit Committee Handbook](#). There are some minor changes and one significant change requiring the development of an assurance framework. This paper provides further details of the changes and the proposals for how we will implement them.

2. Recommendation

Members are asked to:

- 2.1 Read the revised Handbook (sent as an emailed [link](#) at the same time that the meeting papers were issued).
- 2.2 Agree that the March 2019 Committee agenda would include:
 - Revised Terms of Reference presented for approval, including any beneficial suggestions for a change in the timing of standard agenda items
 - Draft Assurance Framework presented for approval (closed session)
 - Discussion on the competency framework in the Handbook at Annex G for the Committee to identify any training needs either collectively or individually (closed session)

3. Contribution to the National Park Partnership Plan and Our 5-Year Plan for 2018-23

Compliance with the latest governance advice from the Scottish Government underpins all the Outcomes and Priorities of the National Park Partnership Plan and Our 5 Year Plan 2018-23.

4. Assurance Framework

- 4.1 It is worth noting that the foreward to the Handbook states *“a degree of flexibility and pragmatism and proportionality will be needed in applying the guidance in this Handbook to individual organisations”*.
- 4.2 Assurance is defined as *“an evaluated opinion, based on evidence gained from review, on the organisation’s governance, risk management and internal control framework”*.

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- 4.3 Chapter 4 of the Handbook suggests that having a “*well designed assurance framework will help*” the Committee support the Board and Accountable Officer in giving attention to the right issues.
 - 4.4 The Handbook identifies a conceptual model often used to categorise the various sources of assurance: the three lines of assurance.
 - First line – management / operational assurance
 - Second line – oversight of management activity
 - Third line – independent and more objective assurance
 - 4.5 We have consulted with other NDPB colleagues to identify examples of assurance frameworks that may be helpful in the development of a framework for the National Park Authority. A number of organisations are also in process of developing an assurance framework as a result of the new Handbook and helpful knowledge has been shared so it is expected that an appropriate assurance framework can be presented at the March 2019 Committee.
 - 4.6 The Handbook states that the Committee should review the assurances provided and constructively challenge whether they meet the Board’s and Accountable Officer’s assurance needs; the credibility and independence of each provider; and, where appropriate, the actual assurances.
5. Other Changes
- 5.1 The Committee Terms of Reference will be revised to reflect the changes in the Handbook and will be reported to the March 2019 Committee for consideration.
 - 5.2 The example core work programme timings in the Handbook vary from our standard agenda items. We will review these and report to the March 2019 Committee if any beneficial changes could be implemented.
 - 5.3 To meet the requirements of the competency framework in the Handbook at Annex G it is suggested that a closed session takes place at the March 2019 Committee for Members to discuss and agree training needs. Members are encouraged to review the Audit and Assurance Handbook to support the identification of individual training needs.

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