

National Park Authority Audit Committee Meeting



Draft Minutes of Meeting held at 3.00pm on 31st March 2016
Robert Grieve Suite, National Park Headquarters, Balloch

Present: Lindsay Morrison (LM) (Chair)
David McCowan (DMcC)
David McKenzie (DMcK)
James Stuart (JS)

In Attendance: Gordon Watson (GW), Chief Executive Officer
Jaki Carnegie (JC), Director of Corporate Services
Catriona Morton (CM), Finance and Performance Manager
Deborah Spratt (DS) Committee Officer (Clerk)
Kyle McAulay (KMcA), Audit Scotland
Matthew Swann (MS), KPMG
Colin McDougall, Audit and Risk Manager, WDC (part)

Apologies: Hazel Sorrell (HS)

| Item | Action | Action by |
|------|---|-----------|
| 1 | <p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting and in particular to JS to his first meeting of the Committee and to DS who will be taking over as Clerk of the Audit Committee meetings.</p> <p>Apologies were received from Hazel Sorrell.</p> <p>The Chair also welcomed Kyle McAulay from Audit Scotland and Matthew Swann from KPMG.</p> | |
| 2 | <p>Declarations of Interest</p> <p>There were no Declarations of Interest noted.</p> | |
| 3 | <p>Minutes of Meeting held on 8th December 2015</p> <p>The minutes were proposed by DMcK and seconded by DMcC with one small amendment noted that DMcK joined the previous meeting by telephone.</p> <p>ACTION: DS to update the Minute to show that DMcK joined the previous meeting by telephone.</p> | DS |

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| 4 | <p>Closed Session Minutes of Meeting held on 8th December 2015</p> <p>The Closed Session Minutes were proposed by DMcC and seconded by DMcK with the same small amendment as above.</p> <p>ACTION: DS to update the Minute to show that DMcK joined the previous meeting by telephone.</p> | DS |
| 5 | <p>Matters Arising</p> <p>JC mentioned that the only outstanding action is in relation to the Annual Report which will be updated and closed off in June 2016.</p> <p>All other matters arising are complete.</p> | |
| 6 | <p>Internal Audit Services from 2016/17</p> <p>CM presented the paper advising members that our joint contract with CNPA for Internal Audit Services provided by KPMG expires on 31st March 2016 with no option for extension. Members were asked to consider the options presented in the report.</p> <p>DECISION: To appoint West Dunbartonshire Council as our new Internal Auditors.</p> <p>The Chair invited Colin McDougall, Audit and Risk Manager from WDC to join the meeting.</p> <p>The Chair asked members to note that this is the last year our External Auditors will be Audit Scotland and that Scottish Government will make the decision on who the new External Auditor's will be. The decision is expected by end May.</p> | |
| 7 | <p>Governance Report</p> <p>MS presented KPMG's joint Report on Governance and Board Member engagement (NPA / CNPA).</p> <p>ACTION: Members agreed it was a positive report on Governance and Board Member engagement. It was agreed to keep the process going of updating training for the Board.</p> <p>DECISION: Members noted the report.</p> | JC |

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| 8 | <p>Income Generation Report</p> <p>MS presented KPMG's joint Report on Cash Generating Income Streams (NPA / CNPA).</p> <p>MS confirmed that this was a positive report and members were content with the recommendations.</p> <p>DECISION: Members noted the report.</p> | |
| 9 | <p>Controls Risk Self-Assessment Report</p> <p>MS presented KPMG's joint Report on Financial Controls Risk Self Assessment (NPA / CNPA) and advised there was nothing of significance to draw to members attention.</p> <p>ACTION: Business continuity testing should be undertaken and actions logged and any corrective actions put in place. Updates should be incorporated into the Delivery Group reporting.</p> | JC |
| 10 | <p>Outstanding Actions Update</p> <p>CM presented the paper and provided an update to members on the outstanding actions arising from the Internal Audit work completed by KPMG from 2011 to February 2016 and confirmed that good progress is being made at working to clear the actions.</p> <p>CM provided members with an update on the boundary issue at Milarrochy Bay. Committee were content that a robust system is in place and that there will be an output by the end of May to allow for the completion of the statutory reporting.</p> <p>ACTION:</p> <ul style="list-style-type: none"> a) 2011-2014 Actions - Members confirmed clearance of the stakeholder engagement action from 2011-2014 subject to a discussion between CM and MS. b) 2014/15 Actions - Members approved the approach in relation to the Fixed Assets actions and were content with the revised deadline for records management action. The timescale for the Fixed Asset Register / Policy to be amended to show February 2017 and not March 2016. | <p>CM/MS</p> <p>CM</p> |

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| | c) 2015/16 Actions – Members confirmed clearance of all three completed actions. | CM |
| 11 | <p>Annual Audit Plan from Audit Scotland</p> <p>KMcA presented Audit Scotland's Annual Audit Plan for 2015/16.</p> <p>ACTION: In light of the earlier discussion about the boundary issue to be resolved at Milarrochy Bay, it was agreed that the wording in Appendix 2 of the Annual Audit Plan should be reworded to say 'clarify or rectify an error'. JC/Audit Scotland to agree revised wording.</p> <p>DECISION: Members approved the Plan, subject to the above mentioned minor rewording.</p> | JC/KMcA |
| 12 | <p>Internal Controls Report from Audit Scotland</p> <p>KMcA presented Audit Scotland's Review of Internal Controls 2015/16. KMcA confirmed that there are no major concerns and that everything is operating satisfactorily.</p> <p>DECISION: Members noted the review report.</p> | |
| 13 | <p>Reviewing the Annual Accounts</p> <p>KMcA presented Audit Scotland's 'Financial Reporting & Scrutiny: Reviewing the Annual Accounts' paper and drew Members attention to the checklist at Appendix 1.</p> <p>JC explained that Committee Members will receive a copy of this checklist along with the Annual Accounts ahead of the next meeting of the Board on Monday 13th June. This is an opportunity for members to raise any questions / concerns ahead of the accounts being presented to the Board.</p> <p>ACTION: It was agreed that it would be beneficial for a conference call to be arranged for members to go through the Annual Accounts ahead of the Board meeting on 13th June.</p> | JC |

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| 14 | <p>Draft Governance Statement for inclusion in 2015/16 Annual Accounts</p> <p>CM presented the draft Governance Statement and drew members attention to the changes from the 2014/15 Governance Statement. Members agreed that it should be highlighted that there is going to be a change from Audit Scotland as External Auditor.</p> <p>Members discussed the reporting of the Corporate Risk Register and agreed that this should reviewed at every Audit Committee.</p> <p>ACTION: Members confirmed that they were content with the Draft Governance Statement with only one minor amendment.</p> <ul style="list-style-type: none"> a) Highlight that there will be a change in our External Auditors, Audit Scotland. b) The Corporate Risk Register to be reviewed at every meeting. | JC/CM |
| 15 | <p>Corporate Risk Register</p> <p>JC presented the Corporate Risk Register progress update February 2016. JC explained that good progress has been made over the year to manage risk with a high number of risks reducing in their likelihood/impact with a couple of high risks still remaining, namely Your Park and high profile projects.</p> <p>ACTION: Members confirmed that they are comfortable with the progress to date on the Corporate Risk Register. It was agreed that a Board session should be arranged ideally to include the Internal Audit Team and facilitated by a third party. Agreed that the process should carry on as it is for the time being. It was suggested that this be carried out at the Board Business Session in June.</p> | JC |
| 16 | <p>Best Value in Public Services Update</p> <p>CM presented the Best Value report and appendices.</p> <p>DECISION: Members noted the report and confirmed that they were content with the progress being made.</p> | |
| 17 | <p>Any Other Business</p> <p>The Chair extended thanks from the Committee to MS for the work carried out by KPMG on the Internal Audit.</p> | |

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| | KMcA, as part of the External Audit process, asked members whether they were aware of any frauds within the Authority. Members advised they were not aware of any | |
| 18 | Date of Next Meeting: Tuesday 21 st June 2016 at 3pm. | |

Signed _____

Lindsay Morrison,
Chair

DRAFT