

# National Park Authority Audit Committee Meeting



**Draft minutes of Meeting held on 4<sup>th</sup> March 2014**  
**John Muir Suite, Carrochan, Carrochan Road, Balloch**

Present: Lindsay Morrison (Chairman)  
 Angus Allan  
 David McCowan  
 David McKenzie  
 James Robb

In Attendance: Fiona Logan, Chief Executive Officer, NPA  
 Jaki Carnegie, Director of Corporate Services, NPA  
 Catriona Morton, Finance and Performance Manager NPA  
 Nicola Arnott, Committee Officer, NPA  
 Brian Curran, KPMG  
 Gillian McCreadie, Audit Scotland

Item	Title / Discussion	Action by
1	<p><b>Welcome and Apologies</b></p> <p>The Chair welcomed those present to the meeting and introduced Catriona Morton who was recently appointed as Finance and Performance Manager. Apologies were received from Hazel Sorrell.</p>	
2	<p><b>Declarations of Interest</b></p> <p>There were no declarations of interest.</p>	
3	<p><b>Minute of previous meeting held on 26<sup>th</sup> November 2013</b></p> <p>The minutes were agreed as an accurate record of the meeting and were proposed by David McKenzie and seconded by Angus Allan.</p>	
4	<p><b>Matters Arising</b></p> <p>Jaki Carnegie gave updates on the open actions. She advised that Board development would be scheduled after the election process later in 2014. In relation to Item 5.1 from 5<sup>th</sup> March 2013 she confirmed that Catriona Morton is currently working on systems and processes and in relation to Item 8 from 27<sup>th</sup> October 2011 that the Complaints Procedure/Vexatious Individuals Procedure is currently being updated and the project has a deadline of the end of March 2014.</p>	

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5.	<p>Report on Internal Audit Visits to date for 2013/14</p> <p>Brian Curran introduced the report and referred to appendix 1 which sets out the key areas of focus in carbon usage. He advised that there are no critical or high risk recommendations but that there are some areas that could be strengthened where further enhancements could be made such as monitoring and measurement. The existing processes of measuring and monitoring were discussed and the Chairman asked whether KPMG could share best practice in this area from other organisations with the Committee. Brian Curran advised that the organisations were not comparable due to size and practice would be difficult to implement in small organisations.</p> <p>Brian Curran introduced Appendix 2 – Regulatory compliance. He advised that there were no recommendations for regulatory compliance in the areas of Health and Safety, Payroll, Conservation and Governance and that many areas of good practice were identified.</p> <p>Appendix 3 – Planning processes and systems was discussed and it was noted that there were no critical or high risk recommendations. Members endorsed the positive results of all three appendices.</p> <p><b>DECISION: Members noted the report</b></p>	
6.	<p><b>Outstanding Actions Update</b></p> <p>Catriona Morton introduced the report and gave an overview of the outstanding actions from previous internal audit work. The completed actions were noted and the outstanding actions from 2011-13 were discussed. She advised that seven actions remain outstanding and drew Members' attention to the three actions in the report that are suggested for removal.</p> <p>Action 1/VE01 Visitor Experience – Timing of feedback procedures. It was agreed that the scrutiny of this action would be by the Delivery Group.</p> <p>Action 2/CS2 Financial Controls – changes to employee data. It was agreed that this action could be removed as the management response sets out the current practice in this area.</p> <p>Action 5/CS8 Performance Management – Planning customer survey. It was noted that there is currently no budget resource to deliver this recommendation.</p> <p>Catriona Morton referred to the six actions arising from the current internal</p>	

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	<p>audit and it was agreed that management responses to internal audit recommendations should be robust to avoid very low risk recommendations being taken forward as actions.</p> <p><b>ACTION: Responses to internal audit actions to be robust.</b></p> <p><b>DECISION: Members noted the report.</b></p>	<p><b>CM</b></p>
7.	<p><b>External Audit</b></p> <p><b>Audit Scotland plan and fee for 2013/14 Audit</b></p> <p>Gillian McCreadie introduced the report and explained the relative responsibilities of the auditor and the Accountable Officer. She gave an outline of the audit approach detailed in the report. She added that internal audit work will be reviewed by Audit Scotland and gave an overview of the reporting arrangements for the annual accounts. She drew attention to the audit issues and risks identified on page 9 and Members noted the audit action in relation to pension information. She advised that Asif Hasif is the Appointed Officer but that audit work will be carried out by a wider team. The Chairman commented that the document was very clear. It was noted that the meeting on 24<sup>th</sup> June is critical in the timetable for the annual accounts.</p> <p><b>ACTION: Nicola Arnott to follow up by checking availability for meeting on 24<sup>th</sup> June to ensure meeting will be quorate.</b></p> <p><b>DECISION: Members approved the fee for audit in line with the proposals as set out in paragraph 27, page 11 of the attached Audit Scotland's Annual Audit Plan.</b></p>	<p><b>NA</b></p>
8.	<p><b>Draft Governance Statement for inclusion in 2013/14 accounts</b></p> <p>Catriona Morton introduced the report and advised that she is seeking approval for the statement to be included in the annual accounts. She drew Members' attention to the section on the Risk Register at 2.10 – 2.13 and advised that there is scope for the wording to be refined at this section but that there are no significant changes proposed to the statement. She invited questions from Members.</p> <p>David McKenzie questioned why the Planning &amp; Access Committee is not listed in the Operation of the Board and Sub Committees section. Jaki Carnegie explained that the committees listed in this section relate to the governance controls of the organisation whereas the Planning &amp; Access Committee relates to the operational element of the organisation.</p>	

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	<p>The number of committees was discussed in terms of whether they were all necessary and Fiona Logan advised that they all perform a distinct function and that a Board Business Session would be an appropriate forum for further discussion of the committees when the new Board is in place later in the year.</p> <p><b>ACTION : Consider frequency/ constitution of committees/groups at a future Board Business Session.</b></p> <p><b>DECISION:</b> Members confirmed the appropriateness of assertions made in the draft Governance Statement on internal control prior to its inclusion in the draft accounts for 2013/14 and subsequent signature by the Chief Executive.</p>	JC/FL
9.	<p><b>Draft Annual Report by Audit Committee to Board of activity in 2013/14</b></p> <p>Jaki Carnegie introduced the report and advised that the Audit Committee's annual report to the Board will go as a late paper due to the timescales involved in issuing NPA Board papers. She advised that the Risk Register appendix will also be appended to the Board report and that the document will be updated on an ongoing basis.</p> <p><b>ACTION: The Audit Committee would recommend the annual report and revised risk register to the board for approval.</b></p> <p><b>DECISION: Members noted the report.</b></p>	LM
10.	<p><b>Tendering for Audit Services 2014/17</b></p> <p>Jaki Carnegie introduced the report and advised that it presents various options in relation to tendering for audit services. Members discussed the options outlined in the report and considered the merits of continuing with joint internal audit with CNPA. Jaki Carnegie advised that she has met with David Cameron, Corporate Services Director at CNPA and that joint internal audit processes were discussed. The cost of re-tendering was also discussed. It was agreed that further discussion with CNPA should take place and a paper presented to the Audit Committee members.</p> <p><b>ACTION: Paper to be presented to Audit Committee members on internal audit options following discussion with CNPA.</b></p> <p><b>DECISION:</b> Members noted the report and instructed officers to continue dialogue with CNPA in relation to internal audit processes prior to presenting a report on internal audit options to members of the Audit Committee.</p>	CM

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Item	Title / Discussion	Action by
11.	Date of Next Meeting 24 <sup>th</sup> June 2014	

Signed \_\_\_\_\_  
L. Morrison, Chairman

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