

National Park Authority Audit Committee Meeting



Draft Minutes of Meeting held at 3.00pm on 21st June 2016
John Muir 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), Financial Performance Manager
Asif Haseeb (AH), Audit Scotland
Kyle McAulay (KMcA), Audit Scotland
Colin McDougall (CMcD), Audit and Risk Manager, WDC
Deborah Spratt (DS) Committee Officer (Clerk)
Matthew Swann (MS), KPMG (by telephone)

Non-attendance: Hazel Sorrell (HS)

Item	Action	Action by
1	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting and noted that there were no members from the public in attendance.</p> <p>Non-attendance was noted from Hazel Sorrell.</p> <p>The Chair welcomed Asif Haseeb and Kyle McAulay from Audit Scotland, Matthew Swann from KPMG who joined the meeting by telephone and Colin McDougall from WDC.</p>	
2	<p>Declarations of Interest</p> <p>There were no Declarations of Interest noted.</p>	
3	<p>Minutes of Meeting held on 31st March 2016</p> <p>The minutes were proposed by JS and seconded by DMcK with one minor amendment noted under the previous Matters Arising to show that the Annual Report will be updated and closed off at the September Audit Committee meeting once the annual cycle is complete.</p> <p>ACTION: DS to update the Minute to show that the Audit Committee Annual Report will be updated and closed off at the September Audit Committee meeting once the annual cycle is complete.</p>	DS

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4	<p>Matters Arising</p> <p>JC reported on the two on-going actions (7) and (9). Under 7 (Training for the Board), JC confirmed that updates will be given to Members at each Audit Committee meeting.</p> <p>Under 9 (Business Continuity Testing), JC confirmed that the process of recording testing has started and will be reported to the Delivery Group on an on-going basis.</p> <p>All other matters arising are complete.</p> <p>ACTION: Updates on Board member training will be provided within Matters Arising on an on-going basis.</p>	<p>JC</p>
5	<p>Final Internal Audit Annual Report for 2015/16</p> <p>MS presented KPMG's Final Internal Audit Annual Report for 2015/16 and gave Members an update on the report drawing attention in particular to the overall opinion on page 5 for the period 1st April 2015 to 31st March 2016 of the report which states "<i>Significant assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control</i>". This covers all six audits which were completed in this period and all recommendations raised were graded as low.</p> <p>DECISION: Members were content and noted the report.</p>	
6	<p>2016/17 Internal Audit Update</p> <p>CM presented the paper and reported that good progress has been made in relation to the handover between KPMG and WDC. Thanks were exchanged between MS and CMcD.</p> <p>A discussion took place around the two proposed audit topics, Absence Management and IT Health Check. It was noted that an action plan is in place to try and reduce the short-term absences and this is seen to be working. Additionally WDC have reduced their short-term absences by 25% in the last year and have been supported in this process by WDC's Internal Audit.</p>	

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	<p>In response to DMcK's issue with the slowness of the website, GW reported that the NPA has noted this and it is hoped that the new website will be live by the end of July.</p> <p>GW confirmed that the NPA is engaged in this and is working on a Digital Strategy with the Digital Transformation Team at Scottish Government which should give some direction for the way forward.</p> <p>JS raised a question about Fleet Management and how we can secure these assets long term. CM confirmed that our Director of Estates and Commercial Development is currently working on an Assets and Commercial Strategy which will be presented at the September Board meeting.</p> <p>ACTION: Members approved the initial Internal Audits of Absence Management and an IT Health Check. Members also agreed that the Internal Audit Plan would be circulated in August and ratified at the September Audit Committee.</p> <p>DECISION: Members noted the update on the status of the handover of Internal Audit services.</p>	<p>JC/CM</p>
<p>7</p>	<p>Outstanding Actions Update</p> <p>CM presented the paper which provides Members with an update on the outstanding actions arising from internal audit work completed from 2011 to 2016.</p> <p>ACTION: Members confirmed approval of all actions in the Outstanding Actions update paper.</p>	<p>CM</p>
<p>Confidential item taken at this point. JC / CM / DS left the room.</p>		
<p>8</p>	<p>Report to those charged with governance on the 2015/16 Audit</p> <p>AH presented his letter which reports on specific matters arising from the audit of the financial statements to those charged with governance of a body and took Members through his independent Auditor's Report. AH confirmed that there was nothing significant to report in respect of the matters reported.</p>	

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	DECISION: Members noted the report.	
9	<p>Proposed Audit Scotland Annual Report</p> <p>KMcA presented Audit Scotland's 2015/16 Annual Audit report. KMcA highlighted that as no additional work was carried out on top of the planned activity, the fee for 2015/16 remained unchanged at £10,200. Also noted was the adjustment to the financial statements due to the Luss Toilet Block and the land at Rowardennan. The total value of adjustments was £187,000 which exceeded the overall performance materiality level of £60,710.</p> <p>KMcA highlighted that two actions are recommended from the report.</p> <p>CM confirmed that Members had the opportunity to review the Audit Scotland Best Practice Guidance as it applied to the Annual Accounts via a teleconference. The two Members who took up the opportunity noted that this was very helpful.</p> <p>DECISION: Members noted the report.</p> <p>ACTION: A review of the Audit Scotland Best Practice Guidance as it applies to the Annual Accounts would take place in future years in a similar conference call format.</p>	CM
10	<p>Final Accounts for the Financial Year ended 31st March 2016</p> <p>CM presented the final accounts for the year ended 31st March 2016 and highlighted some minor amendments since the version issued as part of the Board papers:</p> <ul style="list-style-type: none"> • Whistleblowing sentence added. • Standards Commission complaint statement regarding Owen McKee's resignation added as a footnote to page 11. • Typo on page 25. • Pensions evaluation date wrong – changed to 2014. • Business Plan changed to 'Project'. <p>The Internal and External Auditors and Audit Committee Members were content with the Final Accounts.</p>	

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	ACTION: Members unanimously recommended that GW now sign off the Final Accounts for financial year ending 31 st March 2016.	GW
11	<p>Register of Interests Review</p> <p>CM presented the Register of Interests Review paper which provides members with an update on the details of the review of senior staff and Board members Register of Interests which was completed as part of the Annual Accounts preparation process.</p> <p>The Chair noted good governance.</p> <p>DECISION: Members noted the report and the detail in Appendix 1.</p>	
12	<p>Update on Corporate Risk Register</p> <p>JC gave an update on the recent Risk Register workshop which was facilitated by Anne Turner from SEPA. It was noted that the session went well although it was felt that a further session may be helpful as some Board Members are not familiar with certain aspects of Risk.</p> <p>Members agreed that a further session would be helpful as the recent session only scratched the surface. It was suggested that another session on Risk appetite to get Board up to date on risk generally would be a starting point.</p> <p>It was recognised that a fully refreshed Corporate Risk Register would be required following the production of the new 2017-2022 NPPP and Corporate Plan.</p> <p>It was noted that the Executive should take account of the Board feedback from the Corporate Risk session however that it should not be the only basis on which to develop the 2016/17 Corporate Risk Register. .</p> <p>ACTIONS: JC to propose a further Corporate Risk Workshop for the Board around Risk Appetite and consider opportunities for Board members to continue to develop knowledge of Risk Management.</p>	JC

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	JC to develop the 2016/17 Corporate Risk Register for consideration by the Audit Committee.	JC
13	AOB There was no other business to report.	
14	Date of Next Meeting: Tuesday 13 th September 2016 at 3pm. The Chair expressed thanks from Members to the Internal and External Auditors for the work / support over the years and in particular to AH for his five year service.	

Signed _____

Lindsay Morrison,
Chair