

# National Park Authority Audit Committee Meeting



Draft minutes of Meeting held on 23<sup>rd</sup> June 2015  
John Muir Suite, Carrochan, Carrochan Road, Balloch

Present: Lindsay Morrison (Chair)  
David McCowan (DMcC)  
David McKenzie (DMcK)  
James Robb (JR)  
Owen McKee (OMcK)

In Attendance: Gordon Watson, Chief Executive (GW)  
Jaki Carnegie, Director of Corporate Services (JC)  
Catriona Morton, Financial Performance Manager (CM)  
Asif Haseeb, Audit Scotland (AH)  
Matthew Swann, KPMG (MS)  
Andrew Shaw, KPMG (AS)  
Jane Filshill, Executive Assistant (JF) (Clerk)

Apologies: Hazel Sorrell (HS)

Item	Title / Discussion	Action by
1	<p><b>Welcome and Apologies</b></p> <p>The Chair welcomed those present to the meeting and confirmed that the meeting was quorate. The Chair welcome OMcK onto the Committee following recent changes to Member Committee Membership.</p> <p>Apologies were received from HS.</p>	
2	<p><b>Declarations of Interest</b></p> <p>OMcK declared a potential interest regarding item 12 on the agenda – Register of Interests Review. The Chair acknowledged this.</p>	
3	<p><b>Minute of previous meeting held on 10<sup>th</sup> March 2015</b></p> <p>The Chair advised that the wrong version of the draft minutes have been circulated and the revised minutes will be issued by the end of week commencing 22 June 2015.</p>	JC
4	<p><b>Matters Arising</b></p> <p>JC presented matters arising and advised that two items remain outstanding, both of which will be closed in due course.</p> <p>JC advised that the On Board has now been published and On Board training is planned for August 2015.</p>	

# National Park Authority

## Audit Committee Meeting

Draft minutes of Meeting held on 23<sup>rd</sup> June 2015

John Muir Suite, Carrochan, Carrochan Road, Balloch

Item	Title / Discussion	Action by
	<p><b>DECISION:</b> Members noted the report.</p>	
5	<p><b>Final Internal Audit Annual Report for 2014/15</b></p> <p>AS introduced this report asking Members to pay particular attention to page 12 and 13 to review the actual findings of the annual internal audit.</p> <p>AS advised KPMG view for 2014/15 is that significant assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is the highest possible outcome.</p> <p>The Chair advised that this outcome is very positive and well done to everyone involved.</p> <p><b>DECISION:</b> Members noted the report.</p>	
6	<p><b>2015/16 Annual Audit Plan</b></p> <p>CM introduced the report which is based upon previous discussions held at committee in December 2014 which focussed on the strategic internal audit plan for 2014/15 and 2015/16 and the internal audit plan for 2014/15.</p> <p>MS talked through the 2015/16 Internal Audit Plan in detail covering all areas proposed to be subject to audit during the year. MS confirmed this is an evolution of the plan approved by the committee in December 2014.</p> <p>DMcC queried the scope of audit involved with commercial development in particular branded goods. MS confirmed Audit Scotland's involvement would focus on procurement processes and not specifically the feasibility of any retail operations.</p> <p>There was a discussion about the scope of the complaints audit and it was agreed that as the Park Authority's complaints system had been significantly revised to align with the statutory requirement from SPSO Model Complaints Handling Procedure it was appropriate to limit the audit to complaints at this time.</p> <p>JC advised that training will be rolled out to all staff during the course of 2015 and advised that compliments are now starting to be recorded in addition to complaints. GW advised that the implementation of the new complaint handling process has improved the operation and co-ordination of complaints handling.</p> <p>CM advised timings of audits will be planned and scheduled well in advance</p>	

# National Park Authority

## Audit Committee Meeting

Draft minutes of Meeting held on 23<sup>rd</sup> June 2015  
 John Muir Suite, Carrochan, Carrochan Road, Balloch

Item	Title / Discussion	Action by
	<p>to allow for appropriate staff involvement.</p> <p><b>DECISION:</b> Members approved the Audit Plan.</p>	
7	<p><b>Outstanding Actions Update</b></p> <p>CM introduced the report, confirming action plans are in place to ensure that the outstanding items from 2011-2013 are addressed through the organisation's 2015 Operational Plan.</p> <p>CM advised that significant progress has been made in clearing outstanding actions and that this will continue to be the case.</p> <p>CM highlighted to Members that following previous discussions in March 2015 around clearing the outstanding actions in relation to the Fixed Asset audit by June 2015, it had become apparent that this strand of work required more thought around the process and wasn't something that could be implemented quickly. CM will continue to make progress with these actions over the course of the year.</p> <p>AS confirmed that management are working well towards tackling the outstanding actions and KPMG are content with progress being made.</p> <p><b>DECISION:</b> Members noted the report and agreed the actions as detailed.</p>	
8	<p><b>Key Controls Report</b></p> <p>AH introduced the report which focusses on the organisations key financial systems. AH advised overall there are no issues in general. AH highlighted a small number of improvements that have been recommended, which are being addressed but are not any cause for concern. The proactive approach with management and the robust discussions taking place between management and Audit Scotland are allowing any necessary changes or improvements to be implemented.</p> <p>AH advised Members that officers provided high levels of assistance and co-operation during the course of the audit.</p> <p><b>DECISION:</b> Members noted the report and management responses to the recommendations.</p>	
9	<p><b>Report to those charged with governance on the 2014/15 Audit</b></p> <p>AH introduced the report which presented the key findings for those charged with governance on completion of the audited financial statements for</p>	

# National Park Authority

## Audit Committee Meeting

Draft minutes of Meeting held on 23<sup>rd</sup> June 2015

John Muir Suite, Carrochan, Carrochan Road, Balloch

Item	Title / Discussion	Action by
	<p>2014/15 financial year and elements of the performance management and governance.</p> <p><b>DECISION:</b> Members noted the report and management actions as detailed in Appendix 1.</p>	
10	<p><b>Proposed Annual Audit Report</b></p> <p>The Chair advised AH/CM wanted to highlight one item that was not included in the proposed report presented as it had arisen after papers had been issued.</p> <p>CM advised that a 'human' keying error on the HMRC system for reclaiming VAT occurred. Such errors have penalties attached to them, however, on review, HMRC have advised as a result of good communication the maximum discount has been applied to the penalty which has been suspended and won't apply should there be no further errors in the next six months. CM advised that the VAT return calculations and Annual Accounts are correct, the error has occurred only on the HMRC online system.</p> <p>CM advised that a review of the process will take place to ensure this does not re-occur.</p> <p>AH advised the situation has been managed well by both officers and HMRC and there is no indication that an investigation will occur, it was recognised that this was non-malicious.</p> <p>Members displayed some concern around process, CM reassured Members that the process will be reviewed and was a case of human error.</p> <p>AH advised the report will be updated to reflect this.</p> <p>AH presented report in detail and confirmed that he was satisfied with the response from management and the actions plans that are in place and is in a position to confirm that Audit Scotland are content with the proposed annual accounts to be signed off.</p> <p>The Chair thanked AH for presenting the findings and thanked JC and CM, specially for their proactive approach, hard effort and excellent work to get the annual audit to its current stage.</p> <p><b>DECISION:</b> Members noted the report and managements actions in Appendix 1.</p>	

# National Park Authority

## Audit Committee Meeting

Draft minutes of Meeting held on 23<sup>rd</sup> June 2015

John Muir Suite, Carrochan, Carrochan Road, Balloch

Item	Title / Discussion	Action by
11	<p><b>Final Accounts for the Financial Year ended 31 March 2015</b></p> <p>CM introduced this report advising that the Audit Committee consider the findings of the external audit of 2014/15 accounts conducted by Audit Scotland and that the Audit Committee recommend GW to sign the accounts prior to them being submitted to Audit Scotland.</p> <p>CM advised that the full Board reviewed the draft accounts on 15<sup>th</sup> June 2015 and raised a few queries, all of which have been resolved. CM highlighted that only one change has made to the accounts reviewed by the Board as a result of discussions on 15<sup>th</sup> June 2015.</p> <p>AS highlighted a couple of typing errors on page 22, 26 and 32 of the report. The Audit Committee agreed the minor presentational error on page 22 would remain, however, page 26 and 32 would be rectified once the meeting ended.</p> <p><b>ACTION:</b> CM to amend at end of meeting and update relevant pages within report.</p> <p>The Chair advised that the findings presented leaves the organisation in a positive position with significant assurance of the timely, proactive and well executed plans and processes that are in place. An excellent audit has been carried out and is going deeper into the organisation and fixing issues, the level of engagement and support is excellent.</p> <p><b>DECISION:</b> Members agreed to recommend that GW sign off Final Accounts for financial year ending 31<sup>st</sup> March 2015.</p>	CM
12	<p><b>Register of Interests Review</b></p> <p>CM introduced paper which details a review of senior staff and Board members register of interests and any payments to third party organisations of over £100,000.</p> <p>OMcK highlighted that he was Vice Chair of the Rural Stirling Housing Association and not Chair as detailed.</p> <p><b>ACTION:</b> CM to update register to reflect OMcK's official position.</p> <p>AH advised that item 2.2 on the report regarding materiality level was not strictly accurate. AH will review this and provide a more detailed statement.</p> <p><b>ACTION:</b> AH to provide the appropriate materiality statement to CM to update the report.</p>	<p>CM</p> <p>AH</p>

# National Park Authority

## Audit Committee Meeting

Draft minutes of Meeting held on 23<sup>rd</sup> June 2015  
 John Muir Suite, Carrochan, Carrochan Road, Balloch

Item	Title / Discussion	Action by
	<p><b>DECISION:</b> Members noted the report.</p>	
13	<p><b>Response to Best Value Guidelines</b></p> <p>CM introduced the paper outlining the overall outcome from the recent self-assessment process to formally report on the Best Value in Public Services, Guidance for Accountable Officers.</p> <p>CM advised that findings following the self-assessment highlight we are a best value organisation and performing well in all areas. The flow of the Corporate Plan / National Park Partnership Plan and Scottish Government Outcomes works well and allows best value to always to be considered.</p> <p>CM advised there are some improvements possible, in line with the purpose of best value, and these are tabled in the action list. Some of these actions are not in the current Operational Plan for 2015 and will be additional work streams for individuals involved. Continuous improvement is clearly at the heart of organisation.</p> <p>The Chair thanked CM for presenting the great piece of work and will be interested in seeing how this is carried forward.</p> <p>AH highlighted that no specific response from Audit Scotland will be received as detailed on item 1.3 in the covering report, all organisations should be continually considering best value in the day to day operations. DMcK asked if the procurement strategy could have something incorporated to make exceptions for people who live and work within the park. CM advised that the strategy is based on the relevant regulations and legislation. JC noted that Scottish Government has local provision on their agenda and this area might develop over time.</p> <p>GW thanked CM for completing this process and the work executed is excellent and staff awareness has increased.</p> <p><b>DECISION:</b> Members noted the report.</p>	
14	<p><b>Corporate Risk Register Update</b></p> <p>JC introduced update report which further to discussion at Board held on 15<sup>th</sup> June 2015, it was agreed to bring back to Audit Committee for further discussion to resolve any outstanding concerns.</p> <p>DMcK indicated concern over the IT risk being removed and discussion took place amongst members. GW advised that the Executive are fully aware of the risks tabled and the main high level risks are those that should be report</p>	

# National Park Authority

## Audit Committee Meeting

Draft minutes of Meeting held on 23<sup>rd</sup> June 2015  
 John Muir Suite, Carrochan, Carrochan Road, Balloch

Item	Title / Discussion	Action by
	<p>on at Audit Committee.</p> <p>The Chair advised that the risk register process has been heightened and continual oversight is being undertaken.</p> <p><b>DECISION:</b> Members approved</p> <ul style="list-style-type: none"> <li>a) the process for agreeing and managing the Corporate Risk Register</li> <li>b) 2014/15 risks that have been mitigated and therefore proposed not to be included within the 2015/16 Corporate Risk Register</li> <li>c) 2015-16 draft Corporate Risk Register</li> </ul>	
15	<p><b>Any other Business</b></p> <p>DMcC asked if Risk Register scoring could be covered at the forthcoming On Board Training for Members. GW advised that training will cover risk, however won't necessarily go into the scoring system. Board Business Sessions will be looked at to cover off such matters.</p>	
16	<p><b>Date of Next Meeting</b></p> <p>The next Audit Committee meeting is scheduled for Tuesday 8<sup>th</sup> September at 3pm.</p>	
17	<p><b>Closed session minute of meeting held on 10<sup>th</sup> March 2015</b></p> <p><i>AH, MS, AS left the meeting to allow for closed session to commence</i></p> <p><b>DECISION:</b> Members approved minute of closed session.</p>	
18	<p><b>Closed session matters arising of meeting held on 10<sup>th</sup> March 2015</b></p> <p><b>DECISION:</b> Members noted the report.</p>	

Signed \_\_\_\_\_  
 L. Morrison, Chair