

# National Park Authority

## Audit & Risk Committee Meeting



Minutes of Meeting held at 2.00pm on 10<sup>th</sup> March 2020  
 Robert Grieve Suite, National Park Headquarters, Balloch

Present: Ronnie Erskine (RE) (Chair)  
 Graham Lambie (GL)  
 David McCowan (DMcC) (from item 6)  
 Heather Reid (HR)  
 Christopher Spray (CS)

In Attendance: Pete Wightman (PW), Director of Corporate Services  
 Duncan Black (DB), Audit Glasgow  
 John Boyd (JB), Senior Manager, Grant Thornton (by telephone)  
 Andi Priestman (AP), Audit & Risk, West Dunbartonshire Council (WDC)  
 Simon Jones (item 7 only)  
 Eilidh McKerry, Finance Manager (EMcK)  
 Deborah Spratt (DS) (Clerk)

Observing: Mark Borthwick (MB)

Item	Action	Action by
1	<p><b>Welcome and Apologies</b></p> <p>The Chair welcomed everyone to the meeting.</p> <p>The Chair thanked WDC for their audit services over the last three years and welcomed Duncan Black, Head of the Internal Audit Team from Audit Glasgow within Glasgow City Council to the meeting. DB gave members a brief introduction and looks forward to working with the Park Authority.</p> <p>There were no members of the public in attendance.</p>	
2	<p><b>Declarations of Interest</b></p> <p>There were no Declarations of Interest from Committee Members.</p>	
3	<p><b>Minutes of Meeting held on 3<sup>rd</sup> December 2019</b></p> <p>The Minutes of the meeting held on 3<sup>rd</sup> December 2019 were proposed by GL and seconded by CS.</p>	
4	<p><b>Matters Arising</b></p>	

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	<p>PW provided an update on the Matters Arising noting the following points:</p> <ol style="list-style-type: none"> <li>1. Health and Safety IOSH Training has taken place which was held over two three day training courses. This has been well received and additional days will be arranged for any Managers that were unable to attend.</li> <li>2. The Risk Policy is almost complete and will be presented to the Audit and Risk Committee's June meeting. Members discussed the possibility of bringing this forward and perhaps discussing at the Chairs and Executives meeting in May or early June as part of the initial Annual Accounts discussion. The Risk Register will be presented to Board in the new format at the June Board.</li> </ol> <p>EMcK provided an update on the sequencing of other bodies Annual Accounts which included Cairngorms NPA / SNH / SEPA. The Committee were satisfied with the comparison against other organisations.</p> <p>Members noted the paper.</p>	
5	<p><b>Draft Accounting Policies 2019/20</b></p> <p>EMcK presented the proposed draft accounting policies which form part of the Annual Accounts which was requested by the Committee under the revised Terms of Reference.</p> <p>Members noted that the annual accounts will not be drafted until after 31<sup>st</sup> March and that the final wording may change as part of the statutory account process and external audit review.</p> <p>Members noted the changes and raised a few points for clarification which EMcK answered regarding the capitalisation threshold, subsequent expenditure and the rationale for the pension liabilities.</p> <p>Members were content with the draft Accounting Policies.</p>	
6	<p><b>Sickness Absence</b></p> <p>EMcK presented WDC's update on the recent Sickness Absence Audit.</p> <p>The audit concluded that the systems examined are 'generally working effectively' but with some opportunities to strengthen internal controls in particular with the 'Return to Work' interviews.</p>	

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	<p>CS raised his concern with the 'low' risk recommendation for the findings and suggested that this should be 'high' risk. CS also asked for clarity on the sample size used for the return to work forms / interviews. AP confirmed that there were around 30 cases reviewed which gave good coverage.</p> <p>PW reported that the Executive review Sickness absence every month and that the new policy has clearer guidelines to be followed.</p> <p>AP confirmed that WDC will provide a follow up at the June Committee and Audit Glasgow agreed to look at this going forward.</p> <p>Members were happy to note the report.</p>	
<i>DMcC joined the meeting</i>		
7	<p><b>Independent Assurance Review of the Environmental Monitoring Framework</b></p> <p>The paper presented provides an update on the recent internal audit undertaken by WDC and concludes that the systems examined are 'generally working effectively'. Concerns were noted in relation to the audit. CS noted that he did not feel that the 'generally working effectively' conclusion was merited. He considered that due to the nature of the Framework, and the point in the process at which the audit was undertaken, that it would not be possible for an audit to provide assurance that the Framework was achieving its goals. Therefore, he felt that the findings should be at a High Risk.</p> <p>SJ reassured Members that Matt Buckland is confident that he will deliver on the findings by 31<sup>st</sup> March 2020 and that the status will be reported on at the June meeting.</p> <p>The first finding notes that the remaining indicator questions would be formally approved by the NP Board. This would in fact be approved by the Project Board and not the full NPA Board.</p> <p><b>ACTIONS:</b></p> <ol style="list-style-type: none"> <li>1. The Audit Glasgow team to consider how the Members' concerns on this audit could be brought into the 2020/21 plan.</li> </ol>	<p>DB/ EMcK/PW</p>

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8	<p><b>Outstanding Actions Update</b>  <b>Appendix 1 – Internal Audit Recommendations</b>            EMcK presented the Outstanding Actions update which provides an update on the outstanding actions arising from the Internal and External Audit work.</p> <p>EMcK reported that of the eleven internal audit actions, five are now complete. There are six outstanding actions remaining, one partially complete and all at low risk.</p> <p>There are two actions behind original schedule and four on track. The external audit recommendations are also included in the outstanding actions and these do not receive a risk rating. Of the three recommendations, one has been completed and the other two will be addressed as part of the year end accounts and audit.</p> <p>Members suggested having clearer actions in Appendix 1 and to look at reducing the narrative to allow more time for discussion. Clear concise points would allow members to go through this quicker.</p> <p>Members raised concern on the slippages of some of the policies in Appendix 2 and suggested there may be some form of assurance that could be provided that policies are achievable by the dates listed. Members requested that there are no further slippages on the policies due for the June Committee. It was suggested that this document could be reviewed in its entirety as this may be the time to take stock and re-prioritise and refresh the paper. Discussions were held as to whether a risk based approach should be taken. PW responded that management and staff do take a risk-based approach to prioritising work, including on policies. He noted that while teams take the policy work seriously and plan ahead, resource constraints and unforeseen events will always occur that lead to delays.</p> <p><b>ACTIONS:</b></p> <ol style="list-style-type: none"> <li>PW to discuss with the Chair what form of report could be taken to the Committee to provide assurance that the Committee is looking for.</li> </ol> <p><b>DECISION:</b>            Members agreed to note the paper.</p>	PW/RE
9	<p><b>Draft Internal Audit Plan 2020/21</b>            PW presented the paper which sets out the current thinking on potential areas to include in the internal audit plan for 2020-21.</p>	

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	<p>Members noted the potential areas for the 2020-21 plan and welcomed these in particular in relation to 'Complaints Handling' and 'IT/Cyber Security'. Members discussed the possibility of having a separate Climate Emergency audit which could take in the audit on Fleet Management / Transportation around the park.</p> <p>Members noted that the full Internal Audit Plan will be presented at the June Committee as procurement of the internal audit services has only just been completed.</p>	
10	<p><b>External Audit – Verbal update</b></p> <p>JB provided a verbal update by telephone noting that there were no major issues to bring to the Committee's attention. The actuarial pension calculations and assumptions are subject to independent review by PWC. External audit then assess the PWC review prior to providing their audit opinion and sign off. The timings mean that the audit for the pension will not be concluded by the June Audit and Risk Committee.</p> <p>External Audit will be recommending that the Letter of Representation and Final Accounts are presented at the June Committee. This will be excluding the conclusion of the pension audit. This will be a separate standalone exercise similar to last year's arrangements.</p> <p>JB reassured Members that contingency plans are in place with the External Audit team should anything escalate with the Coronavirus.</p> <p>Members were content with the update and process.</p>	
11	<p><b>Draft Governance Statement</b></p> <p>EMcK presented the draft Governance Statement on internal control which is required as part of the Annual Accounts statements.</p> <p><b>DECISION:</b></p> <p>Members agreed to approve the draft Governance Statement.</p>	
12	<p><b>Audit and Risk Committee Self-Assessment checklist</b></p> <p>PW presented the paper for Committee's discussion on how to take forward any self-assessment of the Committee's effectiveness which is recommended from the Scottish Government's Audit and Assurance Committee Handbook.</p>	

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	<p>Members discussed and agreed that they would be happy to do this and that it would be best carried out annually and as a face to face discussion.</p> <p><b>ACTION:</b>            RE agreed to devise a set of questions using the Audit Assurance handbook to help frame a half an hour discussion with each of the Committee Members. Meetings to be arranged in advance of an Audit and Risk Committee meeting.</p>	RE / DS
13	<p><b>Any other Business</b></p> <p><u>Audit and Risk Committee Terms of Reference</u>            PW provided a brief update on the Terms of Reference noting that these were updated last year to take in to consideration the changes in the Audit Handbook.</p> <p><b>DECISION:</b>            Members agreed that the Terms of Reference do not require updating at this stage and that a review would take place next year.</p>	
14	<p><b>Date of Next Meeting</b></p> <p>The next meeting will be held at 2pm on Thursday 25<sup>th</sup> June 2020.</p> <p>AP confirmed that WDC will send a delegate to the meeting as she is unable to attend.</p>	

Signed \_\_\_\_\_

**Ronnie Erskine, Chair**