



Draft Minutes of Meeting held at 2.00pm on Tuesday 6th September 2022, Robert Grieve Suite, Balloch

National Park Authority Audit and Risk Committee

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Present

Ronnie Erskine (RE) (Chair)

Danny Gibson (DG)

Heather Reid (HR)

Christopher Spray (CS)

In Attendance

Gordon Watson (GW), CEO

Pete Wightman (PW), Director of Corporate Services

Jillian Campbell (JC), Audit Glasgow

Andy Mack (AM), Public Sector Audit Director, Grant Thornton (via Lifesize)

Eilidh McKerry (EMcK), Finance Manager

Douglas Smith (DSm), Board and Committee Manager

Deborah Spratt (DS) (Clerk)

Sam Stubbs (SS), Corporate Performance Manager

Observer

David Mackie, Board Member

Apologies

None

Items and Actions
<p>1. Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting of the Audit and Risk Committee. The Chair ran through a few procedural points and welcome was extended to any members of the public who may be listening. There were no members of the public attending in person and no apologies were received.</p> <p>Welcome was extended to new Board Member David Mackie who joined the meeting as an observer and to Andy Mack from Grant Thornton.</p> <p>Members agreed under s50A (4) of the Local Government (Scotland) Act 1973 (as amended) to hold confidential items in closed session in accordance with the motion.</p>
<p>2. Declarations of Interest</p> <p>There were no Declarations of Interest from Committee Members.</p>
<p>3. Minutes of meeting held on 7th June 2022</p> <p>The Minutes of the meeting held on 7th June 2022 were proposed by HR and seconded by CS.</p>

4. Matters Arising

PW confirmed that the majority of items are now closed and relevant updates are highlighted in the paper. As decided at the June 2022 meeting, the Risk Management Framework has been closed and this is now a Board action. A Risk Appetite/Strategic Plan session will potentially take place at the December Board meeting to allow time for the draft Plan to be presented at the March 2023 Board meeting.

DECISION: Members were happy to note the paper.

5. Draft Annual Report to Members

Andy Mack presented Grant Thornton's draft External Audit Report for 2021/22. AM advised that the draft External Audit Report is the Auditor's report to the Accountable Officer and the Auditor General for Scotland, which concludes Grant Thornton's audit for the financial year ended 31 March 2022. The report highlights that the audit is substantially complete and subject to finalisation of audit procedures, it is planned that an unmodified audit opinion will be issued. There were no significant matters to draw to Committees attention other than to reassure members that it is anticipated to have the report finalised no later than October.

ACTIONS:

1. The Chair thanked Eilidh and finance staff for their work in achieving another clean audit, subject to final adjustments. The Chair expressed concerns however over the delay to the completion of the audit of the Annual Accounts due to staffing shortages at Grant Thornton. An action was agreed to keep Audit and Risk Committee members informed of the progress and completion of the audit including any changes to the External Report or Annual Accounts proposed by Grant Thornton.
2. EMcK to work with AM to ensure the handover with Mazars is carried out in a timely manner to conclude once the report is signed.

DECISION: Members agreed to note the report and look forward to receiving the finalised report in due course. Thanks were extended to the Audit Team / Finance and the wider organisation for their work in this report to date.

6. Draft Accounts for the Financial Year ended 31st March 2022

PW drew attention to the new Performance Report introduction at the start of the draft Accounts. PW extended his thanks to Eilidh and the team and to SS for the Performance Report.

EMcK presented the draft Annual Accounts for the year ended 31 March 2022 and advised that the Accounts remain draft pending final approval and completion of the independent external audit process by our external auditors, Grant Thornton LLP.

EMcK advised of the Authority's dissatisfaction around the delay in conclusion of the external audit work which has significant resource and operational implications.

ACTIONS:

1. It was noted that the chart on page 52 of the full pack of papers requires a label on the chart to improve members understanding.
2. EMcK to check the rounding's on the salary bands table at page 75.
3. As per Agenda Item 5, Members to be kept advised if there is any significant changes to the draft Accounts following completion of the external audit work.

DECISION: Members agreed to recommend to the National Park Authority Board that the Accounts are signed by the Chief Executive in his capacity as Accountable Officer, subject to finalisation of the external audit testing and procedures, clearance by External Audit and resolution of outstanding matters. Audit and Risk Committee members to be kept advised of any proposed changes to the Annual Accounts including any requiring them to review this recommendation.

7. Draft Letter of Representation

The Letter of Representation was presented which is provided to the External Auditors in connection with the audit of the financial statements of the National Park for the year ended 31st March 2022.

EMcK explained that this is standard audit process and there are specific representations around the valuation basis of the Gateway Centre and Luss Visitor Centre, and the disclosure of the Glenoglehead legal case as a contingent liability.

As per items 5 and 6, the accounts and letter of representation will be signed following Board approval and external audit clearance. The timing of the sign off will be dependent on Grant Thornton's resources to conclude audit testing and finalise audit procedures and file. It is proposed that this will conclude at the end of October.

Any significant changes to the Letter of Representation will be communicated to the Audit & Risk Committee by correspondence prior to the signing of the letter by the Accountable Officer

ACTIONS:

1. Members confirmed that they were content for GW to sign the Letter of Representation to the External Auditors along with the Annual Report and Accounts when complete, subject to their being no significant changes which would require Audit and Risk Committee approval.
2. As per Agenda Items 5 and 6, Members to be kept advised if there is any significant changes to the draft Accounts following completion of the external audit work.

8. Register of Interests Review

EMcK presented the Register of Interests Review which advises members of the outcome of a review of senior staff and Board member register of interests, completed as part of the Annual Accounts process and disclosures.

EMcK confirmed that this is a standard process and that no concerns were highlighted through the review of the register of interests.

DECISION: Members noted the report.

9. Draft Audit and Risk Committee Annual Report to Board

EMcK/SS presented the draft Audit and Risk Committee Annual Report to the Board and commended the volume of work that the organisation has achieved. There are still a few small amendments to be made but agreed that this can be picked up at the Board meeting.

Members expressed their thanks to everyone that has contributed to a successful year, with a significant amount of work covered in areas such as Strategic Risk Management.

DECISION: Members were happy to **approve** the Annual Report to the Board.

10. Reputational Management

JC from Audit Glasgow presented Internal Audit's review of Reputational Management and highlighted that the Audit Opinion expressed was that 'a reasonable level of assurance' can be placed upon the control environment. The audit identified some scope for improvement in the existing arrangements and two recommendations which management should address.

There was discussion around the first recommendation as members felt 31st March 2023 was a long way off for implementation. IA confirmed that they were comfortable with the priority levels and implementation dates as they are discussed on a regular basis.

DECISION: Members were happy to note the paper and recommended that the Chief Internal Auditor submits a further report to the Audit and Risk Committee on the implementation of the actions contained in the Action Plan.

11. Outstanding Actions Update

JC presented the Outstanding Actions Update which provides an update on the outstanding actions arising from Internal Audit work at the Park Authority.

JC advised that there was nothing significant to highlight.

Members raised some concern with the changes to the dates of implementation and in particular to the first recommendation which has now been delayed over two years. JC advised that as this is a low priority rating this was not causing any concerns. Some discussion took place around closing items off and then renaming with a new implementation date where the substantive nature of the recommendation has changed. Members are satisfied if this is required as an approach.

DECISION: Members noted the progress made in terms of the recommendations implemented and requested that the Chief Internal Auditor submits further reports on the implementation of outstanding recommendations.

12. Any Other Business

There was no other business to discuss.

13. Date of Next Meeting

The next meeting will be held on Tuesday 6th December 2022.

Signed

Ronnie Erskine, Chair