



Draft Minutes of Meeting held at 2.00pm on Tuesday 2 September 2025, John Muir Suite, Balloch

National Park Authority Audit and Risk Committee

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Present

Ronnie Erskine (RE) (Chair)

David Mackie (DM)

Maurice Corry (MC)

Martin Earl (ME)

William Sinclair (WS)

Christopher Spray (CS)

In Attendance

Gordon Watson (GW), CEO

Jane Kemp (JK), Head of Governance and Performance

Elizabeth Young (EY), Azets

Tom Reid (TR), Forvis Mazars

Douglas Smith (DSm), Corporate Performance Manager

Deborah Spratt (DS) (Committee Clerk)

Samantha Stubbs (SS), Head of People and Assets

Michael Ward (MW), Finance Manager

Jo Wright (JW), Strategic Insight Manager

Apologies

James Messis (JM)

Items and Actions
<p>1. Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting of the Audit and Risk Committee, in particular to Elizabeth Young from Azets who was attending her first meeting of the Committee.</p> <p>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 apologies were received from Boardroom Apprentice, James Messis.</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>

3. Minutes of meeting held on 3 June 2025

The Minutes of the meeting held on 3 June 2025 were proposed by DM, seconded by ME and approved by Members present.

4. Matters Arising

DSm presented the Matters Arising noting the three open items.

RE advised that all meetings with members have now taken place and there is nothing of concern to report. DSm is progressing some training for members which was raised at the meetings.

5. Draft Annual Report to Members

TR presented Forvis Mazars draft Annual Report to Members for the year ended 31 March 2025.

TR advised that at the time of issuing the report and subject to the satisfactory conclusion of their remaining audit work, they anticipate issuing an unqualified opinion, without modification. This is subject to the defined benefit pension liability which requires assurances from the Strathclyde Pension Fund external auditor to allow for this to be completed. TR advised that they are working towards Friday 5th September for this information so that it can be covered ahead of the Board meeting.

In response to ME's interest in Best Value, DSm highlighted that Best Value had been discussed at a previous meeting where it was agreed that Best Value will be included in the Internal Audit Plan in the future.

ACTION:

1. RE requested tracking of progress in the external audit recommendations. JK/TR to review the six new and two outstanding internal controls and provide an update as appropriate at the December Committee meeting.

DECISION: Members were happy to note the report.

6. External Auditor's request to those charged with Governance 2024/25

DSm presented the Authority's draft response to the External Auditors in respect of the request to Management for details of processes and arrangements in respect of preventing fraud in the annual accounts, compliance with laws and regulations, litigation and claims, and going concern for year ended 31 March 2025.

In response to Mazars request for a formal response from Audit and Risk Committee members, the following response is provided and minuted here:

- a. Has the Committee knowledge of any actual, suspected or alleged fraud during the period 1 April 2024 – 31 March 2025? **NO**
- b. Has the Committee any suspicion that fraud may be occurring within the organisation? **NO**
- c. Is the Committee satisfied that internal controls, including segregation of duties, exist and work effectively? **YES**
- d. Is the Committee satisfied that staff are encouraged to report their concerns about fraud, and the types of concerns they are expected to report? **YES**
- e. Is the Committee aware of any related party relationships or transactions that could give rise to instances of fraud? **NO**
- f. Is the Committee aware of any entries made in the accounting records of the organisation that it believes or suspects are false or intentionally misleading? **NO**
- g. Is the Committee aware of any organisational, or management pressure to meet financial or operating targets? **NO**

Members provided the following additional response to the questions in Mazars' letter dated 17th April 2025:

The Audit and Risk Committee exercises oversight of the Authority's management processes through the following:

- Requesting regular reports to ARC on a range of matters.
- Scrutinising and obtaining assurance from management's response to the External Audit letter as set out in Appendix 3 of Agenda Item 6.
- Agreeing a plan of work with Internal Audit and liaising with them and management on a range of matters and reports as required.
- Receiving reports from External Audit and discussing relevant matters with them and management as required.
- Discussing any relevant issues in confidential sessions with External and Internal Audit at the end of ARC meetings.
- Chair and Vice-Chair discussions throughout the year with the Accountable Officer, management and finance staff as required.

DECISION: The points outlined above were noted as the Committee's response. ARC agreed to note the Management response under the same agenda item and were satisfied with the response given by Management.

7. Draft Accounts for the Financial Year ended 31st March 2025

JK presented the draft Accounts for the year ended 31 March 2025 which highlights the governance responsibilities of the Board, Audit & Risk

Committee and Chief Executive and the process to finalise the accounts so that they are signed and laid before Parliament. Although it is recommended that the Accounts are laid before Parliament by 31 October 2025, the statutory deadline is 31 December 2025

JK advised that the process for this year started early and that they have been substantially improved. The draft has been completed without a Finance Manager so thanks were extended to Andy Jump and DS^m for their help in the process. The back half of the Accounts have been aligned to the National Park Partnership Plan and Corporate Plan which allows a clear read from the front to back.

Members congratulated JK and the Team for presenting an excellent and well written report.

ACTIONS:

1. CS referred to page 106 (of the full pack of papers) and to the four National Park aims and suggested adding in reference to the 'Sandford Principle' as this might be useful. JK agreed to take an action to look at this.
2. It was suggested that some wording on NRF funding is added in to page 118 (of the full pack of paper).
3. CS mentioned that the graph on page 131 (of the full pack of papers) is not consistent and that the year dates in the blue graph lines are different to the sequence of dates in the orange graph lines. JK will take this back to the team.

DECISION: Members agreed to recommend to the National Park Authority Board on 15th September 2025 that the Accounts are signed by the Chief Executive in his capacity as Accountable Officer, following External Audit clearance. Audit and Risk Committee members to be kept advised of any proposed changes to the Annual Accounts by correspondence

8. Draft Letter of Representation to External Audit

JK presented the draft Letter of Representation from the Accountable Officer to the Authority's External Auditors, Forvis Mazars in connection with the financial statements for the year ended 31 March 2025.

DECISION:

1. Members **approved** the contents of the letter and 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. Any significant changes to the Letter of Representation will be communicated to Audit & Risk Committee by correspondence prior to the signing of the letter by the Accountable Officer.

9. Review of Financial Transactions with Related Parties

JK presented the 'Review of Financial Transactions with Related Parties'. The purpose of the paper is to advise 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.

DECISION: Members were pleased to note that no concerns were highlighted through the review of financial transactions with related parties and the register of interests.

10. Draft Audit and Risk Committee Annual Report to Board

DSm presented the draft Annual Report to Board which will be submitted to the Board at their meeting on 15th September 2025. Thanks to members for their time on the Committee and all officers who have supported the work of the Committee during the past year.

ACTION:

1. ME requested that the Chair draws attention to the 'generally effective' conclusion and highlights to Board that this is recognised wording and a general use of standard terminology.

DECISION: Members were happy to **approve** the draft Annual Report to the Board which will be presented at the meeting on 15th September.

11. Follow-up of Previous Recommendations

EY presented Azets first full follow-up report which summarises the progress made by management in implementing agreed management actions. EY advised that good progress is being made and referred to four of the recommendations in Appendix 2 of the paper. EY highlighted Management's request for Members to approve the removal of the one partially completed and three superseded recommendations as detailed below.

EY confirmed that 14 actions (54%) were completed in the period to August 2025. Three actions (12%) were not yet due at the time of their validation work and six actions (23%) have been assessed as partially complete. One partially complete action related to the GIS Application Audit has been requested for removal by management due to being unable to fully implement the action. In addition, a further three actions related to the Workforce and Succession Planning and Compliance with Mandatory Qualifications, Training and

Memberships audit have been proposed as superseded with management requesting removal from the audit tracker due to current work superseding the recommended actions. Further detail on all outstanding actions including those being requested for removal are included at Appendix 2 of the paper.

DECISION: Members discussed the nature of the rationale which was presented and were comfortable with the assurance provided. Members were happy to note the progress made.

ACTION: Members agreed to revising the approach to the superseded recommendations with the proviso that a plan for their continued monitoring is formed. JK/SS/EY to discuss and come back to the Committee.

12. Internal Audit Progress Report

EY presented Azets 2025/26 Audit Plan progress report which provides the Audit and Risk Committee with a summary of internal audit activity since its last meeting and confirms the reviews planned for the coming quarter, identifying any changes to the annual plan.

EY advised that one follow up exercise has been completed since the last Audit and Risk Committee meeting. Following the June 2025 Audit and Risk Committee meeting internal audit met with management to discuss the scope of the stakeholder engagement audit in more detail and the outcomes of those discussions has increased the number of days allocated to the audit. Azets are in the process of agreeing the increased number of days with management.

Members noted that the following reports are due to be presented to the December 2025 Audit and Risk Committee:

- Financial Sustainability
- Management Information/Information Security
- Follow Up – Part 2

DECISION: Members were pleased to note the contents of the report and approved the increase in audit days for the Stakeholder engagement review along with the plan for the next quarter.

13. Any Other Business

RE advised that he will be unable to Chair the next meeting on 2 December. DM agreed to Chair the meeting to allow it to go ahead as planned.

14. Date of Next Meeting

The next meeting will be held on Tuesday 2 December 2025. Meeting will be Chaired by DM. Apologies noted from RE.

Signed

Ronnie Erskine, Chair