

The Owen McKee case, LLTNPA and Audit Scotland (3)

Description

Four months after Owen McKee's resignation as Convener of the Planning Committee for failing to declare his trading in the Cononish goldmine shares, the LLTNPA Board appointed him to the Audit Committee – the committee whose function is to ensure the good governance of the Park! While it is possible to understand the reluctance of Board Members to shop a colleague – which is why we need a legal obligation in Scotland on Board Members to report breaches of the Code of Conduct – that members of the LLTNPA Board could then think it appropriate to give Owen McKee responsibilities for audit, is something most people will find staggering. He attended one meeting of the Audit Committee, on 23rd June 2015, before resigning from the Board because of the publicity in the Sunday Herald.

The remit of the Park's Audit Committee includes a paragraph that states it will “oversee the Register of Members' Interests including gifts and hospitality.” One might have expected therefore that the Audit Committee would have been asked to take a full and open look at why Owen McKee had failed to register his shareholding in the Cononish goldmine. Instead, its convener, Lindsay Morrison – at the request of the Convener of the Main Board, Linda McKay, produced a report on Owen McKee's trading in shares [Report into the Cononish Goldmine Shareholding](#) (previously published on Parkswatchscotland) which was not even fully shared with Board Members. Instead a brief email was circulated [9 – Review](#) asking Board Members to sign off the conclusions of the report. These were that the Park Authority had done no wrong and that Board Members should receive further training in declaration of interests. Reference was not even made to the fact that Owen McKee had attended 15 meetings where the Cononish goldmine had been referred to without ever declaring an interest. It appears not a single Board Member thought it their responsibility to check what was in the report and what we do know is the case was NEVER discussed by the Audit Committee despite the recommendations for further training which sat within the Audit Committee's remit.

Audit Scotland, the official external auditors of the Park, sit on the Audit Committee. I have obtained written confirmation from them that they knew nothing about the Owen McKee case until after the news became public and also that they would have expected to have been told about this:

“The local external audit team do expect to be timeously informed by the Authority of any governance issues. The local external audit team first became aware of the governance issue concerning Mr McKee in August 2015 through monitoring of media reports and the matter was also raised by Authority officers during the 2015/16 audit planning meeting.” (email 16th Feb)

If the Owen McKee case had been discussed at the Audit Committee, Audit Scotland would have found out about it. That it was not is more evidence that there was a deliberate cover-up. This was not just a failure on the part of Board Members, the Park's Corporate Services Manager has formal responsibility for audit matters and according to the Audit Scotland email only raised this issue when discussing this year's audit (which I assume took place in early 2016) i.e a year late.

The Park Board then agreed to Audit Scotland's annual report which contained the following statement:

“Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and financial instructions. Auditors consider whether bodies have adequate arrangements in place. No issues have been identified by us for inclusion in this report. (Para 64)

The inference is clear, had the Park reported the Owen McKee case as Audit Scotland would have expected this would have been included in the Annual Report. It was not, further evidence of a serious cover up by the Board and Senior Staff to prevent information about the Owen McKee case entering the public realm. Its possible of course that the Park did tell Scottish Ministers and I have therefore submitted an FOI request to the Scottish Government asking when they were first informed about the Owen McKee case.

Audit Scotland also stated in their Audit Report that “There were no instances of fraud or corruption reported by LLTNPA in 2014/15.” David McKenzie, a Board Member (also on the Audit Committee), raised the possibility of insider trading (which is a type of fraud and for which he deserves credit) when he became of Owen McKee's trading in shares and suggested to Linda McKay, the Park Convener, that because of this the Park should seek external advice and support [7c – FW Update](#). No other Board Member seems to have considered this possibility, while Linda McKay failed to involve the Commissioner for Ethical Standards (I checked before making my complaint whether the Commissioner had been informed of the concerns about Owen McKee), but given Audit Scotland's role in this area the proper thing to have done would have been to raise this with them. It never was but the Standards Commission decision, which has left it open about whether Owen McKee's failure to declare his interests in the Cononish goldmine “was the result of a lack of judgement, as opposed to a deliberate attempt to conceal information”, is further evidence that it should have been.

Category

1. Loch Lomond and Trossachs

Tags

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