

**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY
OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2011-14**

	<u>Background</u>	<u>Recommendations</u>	<u>Priority</u>	<u>National Park Authority Response</u>	<u>Responsibility/ Timescale</u>	<u>Current Status - March 2016</u>
COMMUNITY ENGAGEMENT / STAKEHOLDER SATISFACTION						
6 / CS15	Community engagement / stakeholder satisfaction	Management should implement a tracker using the format used for CNPA management team meetings as a basis for a stakeholder and communication engagement issues / action log detailing planned attendance by senior management at stakeholder and community meetings and recording of any issues / actions arising from such meetings that require further consideration.	Moderate	<p>Agree recommendation. We will develop a tracker and issues log for stakeholder engagement activity working through the Business Planning Group.</p> <p>A stakeholder tracker has been used for the Your Park project.</p> <p>Staff resource and other higher priority projects have meant that this has not been implemented on a Park-wide basis.</p> <p>Although a formal stakeholder tracker is not in place there has been and will continue to be significant levels of engagement with our key NPPP public sector, NGOs, Community and Private Sector partners to support the delivery of the NPPP, Corporate Plan and Annual Operational Plan objectives and priorities.</p>	Anna MacLean March 2016	<p>Complete</p> <p>We tested the use of an Excel based tracker as part of Your Park. This was successful and therefore this approach is being used for the NPPP 2017-22 stakeholder engagement.</p> <p>The Head of Communications has reviewed various online systems and is planning to recommend the use of a cloud based Customer Relationship Management tool. Until this is in place we will continue with the Excel based approach.</p>
7 / CS16	Business barometer	Management should discuss the supporting processes implemented by CNPA for obtaining this information to identify if this would be a cost effective option for LLTNPA.	Low	Agreed. We will consider the best way to develop business health information within the Park as part of our work on Performance Monitoring systems over the course of 2012-13.	Markus Kroner June 2016	A visitor survey, in partnership with CNPA, began in April 2015 and will take place over the course of the year 2015/16. The interim report has been received and the final report is expected by end of March 2016.

**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY
AGREED INTERNAL AUDIT RECOMMENDATIONS 2014-15**

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CORPORATE SERVICES						
	<u>Fixed Asset Register</u>					
1	Fixed Asset Policy	Management should update the current fixed asset policy to ensure it reflects current practices at the authority ensuring that the policy is robust and allows for efficient asset management, appropriate update of the fixed asset register and accurate reflection of the Net Book Value of all assets in use by the Authority for accounting purposes.	Low	Policy will be updated	Catriona Morton 31 March 2016	This forms part of the operational plan for 2015/16. No progress to date because of other workload priorities, timescale shifted to March 2016 however this is unlikely to be achievable. Cross reference 2015/16 CRSA action
2	Fixed Asset Register	Management should ensure that the asset register is updated to reflect the recognition and initial measurement at net book value to allow the reconciliation of the revaluation reserve to revaluations and impairments and ensure that previous revaluations have been appropriately reported within the fixed asset register. The use of the fixed asset software could be reintroduced to record the fixed asset register to improve the quality and robustness of the information and provide a better audit trail.	Low	Fixed Asset opening balances will be adjusted to reflect transfer at nil plus subsequent upward revaluation. We will assess whether the use of the fixed asset software would be more beneficial than the Excel spreadsheet.	Catriona Morton 31 March 2016	This use of the fixed asset software forms part of the operational plan for 2015/16. The opening balances will be adjusted once the decision has been made about the use of the software. No progress to date because of other workload priorities, timescale shifted to March 2016, however this is unlikely to be achievable. Cross reference 2015/16 CRSA action
	<u>Records Management</u>					
3	Areas of future focus - post implementation	We acknowledge management's plans for the post implementation phase and recommend: induction policies are updated to include guidance on the new records management system; a formal process is established to ensure file structure compliance checks are performed; and named individuals should be nominated with a role of checking that the retention policy is followed.	Low	The Information Officer will: ensure that the induction policies are updated to include guidance on the records management system; establish a process to review compliance with file structures and; ensure that the retention policy is implemented with accountability clearly identified	Laura Baird 31 March 2017	Substantially complete, one aspect still outstanding and revised deadline of 31/03/17. Reviewed by KPMG in November 2015 and there were no issues to report. Induction policies are in place and the records management policy is in place. The Information Officer is the named individual for ensuring compliance with the retention policy. A formal process to ensure compliance with the file structure was planned to be developed by end of January 2016 but this has been delayed because of the FOI workload volume. This will be the Information Officer's top priority for 2016/17.

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	Background	Recommendations	Priority	National Park Authority Response	Responsibility/ Timescale	Current Status - March 2016
CORPORATE SERVICES						
	Workforce Management & Appraisals					
1	<p>During the implementation of the new process there have been ongoing improvements and communications to ensure that this maximises the benefits to both LLTNPA and employees. Whilst good progress has been made to date it is important to continue to provide focus to ensure that momentum is maintained. The risk of not continuing to provide ongoing focus is that staff may in future consider this to be a compliance process rather than having appropriately focused conversations linked to personal development.</p>	<p>Management should continue to identify areas for improvement and further cascade examples of good practice such as:</p> <ul style="list-style-type: none"> • Issuing further guidance on how to ensure objectives are SMART; • Provide examples of appropriate ways in which to capture feedback and evidencing behaviours; and • Give examples of what effective performance looks like at a more job specific level. 	Low	<p>Management will continue to identify areas for improvement and further cascade examples of good practice such as:</p> <ul style="list-style-type: none"> • Issuing further guidance on how to ensure objectives are SMART; • Providing examples of appropriate ways in which to capture feedback and evidencing behaviours; and • Giving examples of what effective performance looks like at a more job specific level. 	<p>Elaine Wade 31 July 2016</p>	<p>HR team plan is to progress this early in the new financial year. In the short-term on-going support is provided on an individual basis as needed.</p>
	Complaints Handling					
2	<p>The complaints log lacks detail of the action taken as a result of each complaint received and there is a lack of documentation of telephone communications with stakeholders. The lack of detail of whether the action has been taken limits the usefulness of the log as management information. Review of the log does not make it clear if an action is required or has been taken; there is a risk that a complaint is not resolved on a timely basis or is addressed multiple times with a differing outcome being reached. Having complete documentation evidencing the management and outcome of a complaint is necessary to demonstrate a robust control environment and to be able to supply SPSO any evidence required for a complaint escalated to it.</p>	<p>We recommend that the complaints log is updated in order to facilitate entry of information relating to whether an action is required and details of the action. Management should reiterate to staff the importance of documenting all actions relating to each complaint to ensure the Authority can demonstrate the robustness of the Complaint Handling control environment. Management could introduce template work papers to minute verbal communications with a complainant.</p>	Low	<p>Accepted, although it may not be necessary to introduce a template as staff are becoming adept at noting the appropriate information via e-mail to the Information Officer.</p>	<p>Laura Baird 31 January 2016</p>	<p>Complete</p> <p>The complaints log was amended immediately to reflect the recommendation.</p> <p>After further review the Information Officer has assessed that there is no need for a template to record verbal communications as this is working effectively in a more informal way.</p>

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	<u>Governance and Board Member Engagement</u>					
3	<p>From review of a sample of new board member induction records and corroborating discussions, we identified that a checklist which is consistent with the On Board guide is completed for each new appointment. However, it was noted that there is limited tailoring of the induction process based on the background and experience of new appointments. Whilst we acknowledge the need ensure consistency of understanding of the operations of the Authority it is important to consider the previous knowledge of individuals when inducting them into the Authority.</p> <p>There is a risk in taking a one size fits all approach that excessive amounts of time of board members is spent on induction rather than acting in their role limiting the benefit to the Authority.</p>	<p>When new members are appointed, the Chief Executive and Convenor should agree jointly the induction programme for each new member. This should include consideration of matters including:</p> <ul style="list-style-type: none"> ■ previous experience of both the Authority and other public bodies; and ■ evidence of competence in areas included in the induction program such as demonstration of knowledge, in the case of Ministerial appointments, where the Convenor has been involved in the interview process, prior to appointment. <p>To demonstrate all areas of the induction have been achieved, it will be necessary to capture evidence from previous knowledge and reading of policies or development sessions provided by the Authority.</p>	Low	<p>Prior knowledge and experience will be captured as part of the induction process. Progress and completion will be captured and evidenced as part of the On Board checklist</p>	<p>Amanda Aikman 30 April 2016</p>	<p>Complete - Induction checklist updated to take account of this</p>

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	Cash Generating Income Streams					
4	<p>There is a lack of segregation of duties within the finance team.</p> <p>We identified that the members of the finance team are able to raise invoices and authorise them to be sent to customers, as well as recording the receipt of cash. The individual is responsible for preparing bank reconciliations and therefore has access to the full accounting entries.</p>	<p>It is important to segregate duties amongst available staff to mitigate risks in relation to fraud by not allowing one individual to have responsibilities in relation to both the invoicing and receipting side of a transaction.</p> <p>We therefore recommend that segregation be established between the invoicing, and the receipting of cash.</p>	Low	<p>Accepted. Sales invoicing will be carried out by the Finance Assistant and batching of invoices will be performed by the Finance and Procurement Manager.</p> <p>The Finance Adviser system access will be restricted to exclude sales invoice processing and batching.</p>	<p>Andy Jump 31 March 2016</p>	<p>Complete</p> <p>Sales invoicing responsibility has been changed to the Finance Assistant and the invoice batching is now being carried out by the Finance & Procurement Manager.</p> <p>We have reviewed the option to restrict the Finance Adviser systems access and this is not a simple checklist change. Therefore given other resource priorities and the fact that we are a small team it is suggested that the general process change is sufficient to manage this low risk. Although not ideal there may be a business requirement for the Finance Adviser to be able to post sales invoices and we would not want to restrict our ability to manage essential workload in this way.</p>
	Controls Risk Self-Assessment					
5	<p>In the fixed asset listing, the IT hardware section is a single line and does not split out the components.</p> <p>This leads to two risks:</p> <p>policy may not be appropriate as assets are depreciated after they have been disposed of; and</p> <p>there may be assets which have been fully depreciated which are still in use.</p>	<p>As part of the planned review of the Fixed Asset Policy management should consider:</p> <p>The useful lives of assets to ensure they are depreciated over an appropriate period;</p> <p>Appropriate componentisation of assets to allow them to be recognised and derecognised appropriately; and</p> <p>Verification of individual/groups of assets.</p>	Low	Agreed.	<p>Catriona Morton 28 February 2017</p>	<p>Recent action, no progress to date, cross reference to other fixed asset actions from 2014-15 audit</p>
6	<p>The process to change employees' details allows the change to be made following an email to HR from the email account of the employee. This opens the risk that someone could send a fraudulent email and change bank account details.</p>	<p>When any changes are made to employee details, a call back policy should be put in place. The person changing the details should speak to the relevant person before changing the details. This should be using previous contact details for the employee rather than any details received in the correspondence.</p>	Low	Agreed.	<p>Linda Black 29 February 2016</p>	<p>Complete - the Payroll Adviser has changed the process to reflect this (although no such requests have been received to date)</p>