

**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY  
COMPLETED INTERNAL AUDIT RECOMMENDATIONS 2011-13 FOR AGREEMENT TO CLEAR BY AUDIT COMMITTEE**

	<u>Background</u>	<u>Recommendations</u>	<u>Priority</u>	<u>National Park Authority Response</u>	<u>Responsibility/ Timescale</u>	<u>Current Status</u>
<b>VISITOR EXPERIENCE</b>						
1 / VE02	<p><b><u>Policies and procedures</u></b> Management has recently drafted a tourism strategy 2012-17, driven by the NPPP and the national park local plan. This strategy clearly links to the tourism strategy of a number of the key partners and 61 actions have been identified which will aid the delivery of the strategy.</p> <p>Although actions have been identified for delivery of the strategy there are no outcomes, measurement, timescales or responsibilities for delivery outlined in the draft strategy.</p>	<p>To ensure there is focus on the outcome of the actions the Authority should include milestones for the actions and a timescale for delivery.</p> <p>To improve accountability responsibility for achievement of the actions should be included within the strategy.</p>	<b>Moderate</b>	Agreed. The tourism strategy is based on the NPPP action plan for tourism which is associated with outcomes and time measured outputs with partner roles. These can easily be drawn down into the tourism strategy document.	Head of Visitor Experience - July 2013	This action has been completed
<b>CHARGING</b>						
2 / VE03	<p><b><u>Fee review</u></b> There was no formal review of the fees set, since the introduction of the charges in 2011 they have remained unchanged and an email is sent by management confirming this level to staff updating the boat registration forms, to ensure the level of fee on the form is correct.</p>	We recommended that the fee review is completed on a more formal basis with recorded discussion over the impact of fees on usage and an evaluation that the level of income is appropriate to meet an agreed proportion of the total operational costs.	<b>Low</b>	Agreed.	Head of Visitor Management - October 2013	Action completed. Head of Visitor Management confirmed that a Fee Review Group was created and held their first meeting in October 2013 to review charges and make recommendations to the executive. This will be an annual process.
<b>FINANCIAL CONTROLS RISK SELF-ASSESSMENT</b>						
3 / CS1	<p><b><u>Reconciliations</u></b> At CNPA and LLTNPA, reconciliations are performed on a monthly basis and signed as reviewed. There was no evidence of who had prepared the reconciliations and they were not dated as prepared. Furthermore, reconciliations were signed as reviewed, but not dated.</p> <p>Thus, there is an inadequate audit trail over segregation of duties. Also, there is a risk that reconciliations are not being reviewed timely as this could not be evidenced in all cases.</p>	It is recommended that all reconciliations are evidenced and dated as prepared and reviewed to provide a complete audit trail.	<b>Low</b>	Agreed. Templates to be enhanced to include evidence of preparer and reviewer.	Finance Manager - April 2013	Templates have been updated and are signed and dated by both preparer and reviewer as they are completed. Action completed
4 / CS3	<p><b><u>Authorisation of journals</u></b> At LLTNPA, journal forms are completed and signed as prepared for manual journals posted. However, journal forms are not signed as authorised. Sample testing also found that journal forms were not completed for banking transactions.</p>	It is recommended that all journal forms are completed for all journals, including bank transfers, which are signed and dated as prepared and authorised, and supporting documentation attached to the journal to provide a sufficient audit trail that the journal was raised appropriately and authorised.	<b>Low</b>	Agreed. At LLTNPA, control system for authorisation of journals sits within a wider system of reconciliation of monthly accounts and management accounting processes. We agree that this could be further enhanced by actual sign off of journal entries to provide a more sufficient audit trail.	Finance & Procurement Manager - December 2013	The Finance & Procurement Manager agreed to implement journal sign off as appropriate with KPMG and this revised process was implemented in December 2013. This action is now closed

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<b>PERFORMANCE MANAGEMENT</b>						
5 / CS6	<p><b>Monitoring and performance indicators</b></p> <p>At LLTNPA, the corporate plan sets out a range of measurements which are used to assess progress against milestones.</p> <p>Performance against the corporate plan is monitored by the delivery group on a quarterly basis and progress reports for each identified programme are presented to the board on a regular basis, however, there is scope for further clarity in the reporting of overall corporate plan delivery to those charged with governance.</p> <p>Performance against the corporate plan is monitored by the delivery group on a quarterly basis. Each identified programme presents updates to the board on a regular basis on performance, however there is scope for further clarity in the reporting of overall corporate plan delivery to those charged with governance.</p>	<p>It is recommended that LLTNPA identifies a number of measurable KPIs for corporate plan delivery and track the effects of LLTNPA activity on the park. The KPIs should be reported to the board on a regular basis to allow a brief overview of corporate plan delivery giving a sense of recent and forthcoming work and progress against targets and prior year.</p> <p>Performance reports should also be reported on the Authority's website to give external stakeholders an overview of current performance against strategic objectives.</p> <p>Lines of reporting to the board could be clarified, incorporating an overview of issues, corporate plan monitoring (including KPIs) and NPPP monitoring which give the board an overview of delivery against strategic and operational objectives.</p>	<b>Moderate</b>	Agreed. We will agree a revised corporate performance reporting procedure with the executive and strategy group.	Corporate Services Director - June 2013	The Corporate Plan was reviewed internally with input from all teams. KPIs have been prepared in line with reporting to Scottish Government on performance. The KPI summary has been updated and will be used for the basis of reporting to SG and the Board. This action is complete so should be cleared from Audit Committee reporting.
6 / CS7	<p><b>Accuracy of performance information</b></p> <p>We reviewed a number of measurable indicators currently used at LLTNPA to assess performance and compared the system information to the information reported to management. Of the indicators we assessed the information report to management differed from the system reports and there was no clear audit trail.</p>	We recommend that procedures are put in place to ensure that supporting evidence is maintained to evidence the information within the board reports.	<b>Moderate</b>	Agreed	Finance Manager - September 2013	A reminder of the importance of a clear audit trail has been issued to the Heads of Service, who are ultimately responsible for reports to the Board. This action is cleared
7 / CS9	<p><b>Goal setting</b></p> <p>Through discussion with management at LLTNPA from different departments within the authority, we observed that some departments based goals on the corporate plan whilst others referred to the NPPP when discussing setting their strategic and operational objectives. A performance reporting framework has recently been drafted by the authority which aims to clarify the links between Scottish government objectives, the NPPP and the corporate plan.</p>	We recommend that a consistent approach is adopted by all departments and the same operational plan is used by all departments when setting and monitoring operational and strategic goals.	<b>Low</b>	Agreed.	HR Manager - June 2013	This action has been completed and a consistent approach to operational planning has been implemented for 2014-15 plans. Therefore this action should be cleared
8 / CS10	<p><b>Review of under performance</b></p> <p>At LLTNPA there is scope to improve the formal reporting of underperformance to the board, although there is evidence that this is monitored at project level. There is a risk that sufficient progress is not being made against indicators and milestones and members are not made aware of this.</p>	We recommend that management at LLTNPA consider board review of areas of underperformance and when identified, remedial actions be considered by the board for discussion to ensure members are aware of all performance issues.	<b>Low</b>	Agreed. We will agree a revised corporate performance reporting procedure with the executive and strategy group.	Corporate Services Director - June 2013	Delivery Group reporting has been reviewed and changes made. This action should be cleared.

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<b>PARTNERSHIP WORKING</b>						
9 / CS11	<p><b>Communication and partner engagement</b></p> <p>In 2011-12 LLTTNPA management developed an annual marketing communications plan which identified the main focus of communication activities for the financial year which supported three main themes. For each theme a summary of subjects to be communicated, target audiences, key messages and timings were detailed.</p> <p>A similar plan was not available for 2012-13. Discussion with management identified that they are in the process of developing engagement planners for 2013-14 for individual stakeholders, including partners. There is a risk that communications with partners in 2012-13 are not aligned to delivery of strategic goals.</p>	<p>Management should ensure that appropriate communication pathways are established with partners to ensure the required engagement is established as part of the annual reporting process for the NPPP in 2012-13. LLTTNPA should ensure that through the development of the 2013-14 engagement planner that there is clear linkage of specific partners to the objectives outlined in the Partnership plan.</p>	<b>Low</b>	<p>Accepted. Engagement is currently being undertaken but arrangements will be formalised. We are currently in the process of developing engagement planners for individual stakeholders.</p>	<p>Marketing and Communications Manager - August 2013</p>	<p>Management are satisfied that there are acceptable and effective processes in place to involve and engage key partners in the delivery of the NPPP. Therefore this action should be cleared.</p>
10 / CS12	<p><b>Partner corporate plans</b></p> <p>The NPPP requires key partner entities to identify and report in their corporate plans how they contribute to delivering the NPPP.</p> <p>As part of our sample testing of partnership arrangements, we identified one where no reference was made in the corporate plan to delivery of the NPPP.</p>	<p>Partnership agreements should be formalised to ensure accountability for delivery of the NPPP; management engage with partners to ensure they meet the requirement to report in their corporate plans how they contribute to delivery.</p>	<b>Low</b>	<p>Minister's letters to partners at the time of launch of NPPPs made clear partners responsibilities in delivery and reporting. We will continue to seek to reinforce this direction and work with Scottish Government colleagues in this respect. In addition, we will continue to evaluate whether any other local arrangements such as IPAs may help support and supplement the guidance given to partners from Ministers and Scottish Government.</p>	<p>Director of Operations - during 2013-14</p>	<p>All Partners have responded to Individual Partner Agreements which are used as the basis for individual engagement. Meetings with individual partners at Chair, CEO or Director level have been held throughout the last year to secure commitment to joint working. The first NPPP Annual Review has been prepared and published to record partner contributions and highlight priorities for the year ahead. A Minister chaired meeting with partner agencies to discuss the Review was held on 11th November 2013. Audit of Corporate Plans yet to be undertaken. This action should be cleared.</p>

**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY  
OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2011-13**

	<u>Background</u>	<u>Recommendations</u>	<u>Priority</u>	<u>National Park Authority Response</u>	<u>Responsibility/ Timescale</u>	<u>Current Status - February 2014</u>
<b>VISITOR EXPERIENCE</b>						
1 / VE01	<p><b>Timing of feedback procedures</b></p> <p>Management had planned to undertake independent visitor surveys on a biannual basis. The last survey was carried out in 2011 with a smaller VisitScotland survey carried out in 2012.</p> <p>It is anticipated that no survey will be carried out in 2013 and that management will link to the VisitScotland survey in 2014. There is a risk that issues are not identified or rectified on a timely basis and that feed back is insufficient.</p>	<p>While we recognise there are a number of sources of information on visitor experience, we recommend that management carry out a more formal review of the timing of visitor surveys to ensure that not carrying out the survey on the planned biannual basis will not impact the future delivery of strategic objectives and milestones.</p> <p>Management should also consider the objectives of the VisitScotland survey and whether they are able to influence these if necessary.</p>	<b>Low</b>	<p>In between surveys, we make use of the wide variety of rich and credible information sources available to us, including extensive consultations, as well as specific work to understand visitor needs in areas where we are investing in visitor facilities and infrastructure.</p> <p>Delay will ensure biennial NPA surveys dovetail with VisitScotland national and regional survey findings. Survey design will also ensure complementary and maximum data benefits.</p> <p>Preparations for the 2014 survey will begin in 2013 and survey will be implemented during 2014 and biennially thereafter.</p>	Head of Visitor Experience - March 2015 (following next survey)	The deadline of March 2015 is on target to be achieved. This is included in the operational plan and project budget for Visitor Experience. The audit committee is asked to consider whether this action from an audit perspective could be considered to be complete.
<b>FINANCIAL CONTROLS RISK SELF-ASSESSMENT</b>						
2 / CS2	<p><b>Changes to employee data</b></p> <p>Changes to payroll standing data, such as salary levels, pension payments, tax rates, are only made when there is approval and support for the change. However, controls at both authorities could be improved to ensure that changes to employee data are correct through issuing written confirmation or via organisation's e-mail.</p> <p>There is a risk that changes are made to standing payroll data are incorrect and payments are made in error.</p>	It is recommended that when changes are made to payroll standing data that employees are sent appropriate confirmation to allow them to confirm the changes have been applied correctly.	<b>Low</b>	Agreed. We note that at both NPAs an individual's payroll data will only be changed on receipt of a written (including email) instruction or specific form, for example to change bank account details. As reassurance that any errors on changes processed would more than likely be picked up, employees are sent a pay check each month with their details on it so any errors would likely be picked up then.	HR Manager / Payroll Advisor - April 2013	The process as outlined in our response is current practice and will continue, as this proves to be an effective way for the employee to confirm that the change request has been processed. We have no plans to change the current process and with Audit Committee approval suggest that this item is removed from the action list.
3 / CS4	<p><b>Purchase invoice authorisation</b></p> <p>At LLTNPA, purchase orders are raised by budget holders and signed as authorised by a member of staff with the appropriate delegated authority. Of the invoices tested, two did not have authorised purchase orders.</p> <p>There is a risk that goods or services are purchased by the organisation that are inappropriate and outside budget.</p>	It is recommended that all purchase orders are signed as authorised by a staff member with the appropriate level of delegated authority.	<b>Moderate</b>	Agreed. We will issue a reminder of procedures and finance staff will review the completeness of POs ensuring any not signed are not processed.	Finance & Procurement Manager - August 2014	The policy for budget and financial monitoring procedures is currently being reviewed. Staff will be issued with a reminder of the policy when the amended version is rolled out.
4 / CS5	<p><b>New supplier checks</b></p> <p>Formal supplier reference checks are not retained on file at either authority.</p> <p>While, there are processes in place to approve invoices prior to payment, there is a risk that supplier details may be added and a supplier paid which is not genuine.</p>	It is recommended that the process for checking suppliers is formalised and evidence retained centrally to ensure only appropriate suppliers are paid.	<b>Low</b>	Agreed. Checks carried out at LLTNPA at each stage of procurement, but agree that this process should be more formalised and documented.	Finance & Procurement Manager - August 2014	The policy for checking new supplier accounts will be reviewed and amended as necessary.

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<b>PERFORMANCE MANAGEMENT</b>						
5 / CS8	<p><b>Customer survey</b></p> <p>At LLNPA management place an emphasis on quality; one of the key areas reported on by management is planning. Through discussion with the planning department we established that customer surveys on planning were not carried out on a regular basis making it difficult to determine overall performance of the planning department at LLTNPA.</p>	<p>We recommend that to facilitate performance management within the planning department regular customer surveys are carried out in relation to planning and reviewed by management. Any areas of weaker performance should be highlighted and an action plan developed to demonstrate how improvement will be achieved.</p>	<b>Low</b>	<p>Agreed. Arrangements for customer satisfaction and feedback will be reviewed and actions identified</p>	<p>Head of Planning - September 2013</p>	<p>Management have taken a strategic decision that the funds required to implement a planning customer survey would be better used in other areas of the NPA (given the budgetary restraints we are operating within). The Development Manager had included this within the team operational plan, however as a result of the financial impact this will not be able to take place. Recommend that Audit Committee agree to clear this action.</p>
<b>COMMUNITY ENGAGEMENT / STAKEHOLDER SATISFACTION</b>						
6 / CS15	<p>LLTNPA engages with stakeholders and communities through attendance at local partnership working groups, forums and community planning meetings. However, while there is evidence of regular participation by both Authorities at a number of stakeholder and community groups there is no evidence of formal mechanisms for reporting to senior management on any issues identified that may impact the operations or reputation of LLTNPA. There is a risk that matters identified at stakeholder and community groups, that may impact the reputation or operations of LLTNPA, are not subject to appropriate discussion and action by senior management.</p>	<p>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.</p>	<b>Moderate</b>	<p>Agree recommendation. We will develop a tracker and issues log for stakeholder engagement activity working through the Business Planning Group.</p>	<p>Director of Corporate Services - December 2014</p>	<p>It is recommended that this action remains open until the stakeholder engagement tracker has been developed. A combination of unexpected staff resource constraints and other work priorities have prevented progress with this action.</p>
7 / CS16	<p>CNPA receives the findings of a business barometer, from the Cairngorms Business Partnership, to provide an indication of the local views of the Cairngorms National Park and CNPA. Implementation of a similar process within LLTNPA would assist in strengthening LLTNPA's own stakeholder monitoring procedures.</p>	<p>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.</p>	<b>Low</b>	<p>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.</p>	<p>Director of Corporate Services - December 2014</p>	<p>As discussed at the Audit Committee meeting in April 2013, a business barometer model which would measure business confidence can be incorporated into the stakeholder engagement tracker document. A combination of unexpected staff resource constraints and other work priorities have prevented progress with this action.</p>

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 AGREED INTERNAL AUDIT RECOMMENDATIONS 2013-14

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<b>RURAL DEVELOPMENT</b>						
	<b>Planning Processes &amp; Systems</b>					
1	It was found that access and activity rights within the UNIFORM planning system were suitable based on duties and responsibilities of users, but that there is no secondary review of activities, for example changes to validation dates. Auditable exception reports are not currently generated or reviewed and there is a risk that changes made are not being reviewed by a more senior member of staff. The risk also relates to changes made to validation and completing planning application dates which are returned to the Scottish Government to report against statutory targets.	Management should improve the documentation and processes in place around change controls for the UNIFORM planning system.	<b>Low</b>	The validation dates can only be amended by one member of staff within the development management team (Planning Information Co-ordinator - Sam King) and the GIS team who manage the system. The completion dates can only be input or amended by the GIS team. The dates are used by the planning officers and in correspondence with the applicants so any incorrect change of date would become obvious quickly. There is therefore segregation of duties between the planning officers and the planning information co-ordinator. The ability to change dates is required to correct input errors and an explanation of any changes made is recorded in the system. The action that LLTNPA would implement in response to this finding is "Improve the documentation of the change control process within the UNIFORM planning system."	Sally Newton & Sam King - March 2015	Accepted recommendation 21 February - no progress to report
2	The Authority reports on performance against statutory targets through a quarterly return to the Scottish Government. The reporting process has sufficient and appropriate segregation of duties, but evidence of review and authorisation is not retained. There is a risk that errors are not identified and that incorrect information is reported.	We recommend that management retains formal evidence of the review and approval of data submitted to the Scottish Government.	<b>Low</b>	Information for the Scottish Government reporting is obtained by Sam King and checked for inaccuracies. This is then presented to and discussed with the Development Management Manager (Bob Cook) where additional information is supplied and queries are raised. The Development Management Manager authorises the figures to be submitted to Scottish Government, and both Sam King and Bob Cook check the returns received back from SG. The information is saved as an excel sheet in its original format before review, and then the final return sent to Scottish Government is saved along with any amended versions. LLTNPA will ensure that a formal record of this process is retained.	Bob Cook - 31 March 2015	Accepted recommendation 21 February - no progress to report

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<b>Carbon Management &amp; Internal Sustainability Reporting</b>						
3	The Authority does not currently communicate with other similar bodies on their CO2 reduction measures of performance. Whilst it is recognised comparable information is produced for sustainability reporting at Scottish Government level, there is a risk that better understanding over best practice in relation to emission levels and reporting are not utilised.	It is recommended that management considers sharing carbon monitoring practices with other organisations to ensure that best practices are implemented.	<b>Low</b>	LLTNPA accepts the recommendation that we can do more to share carbon monitoring practices with other organisations to ensure best practices are implemented. The management action is "Build sharing of best practice into the LLTNPA carbon management plan".	Jaki Carnegie - March 2015	Accepted recommendation 21 February - no progress to report
4	Staff at the Authority were found to be aware of the natural environment and the impacts of carbon emissions. This was also found to be reflected within the Authority's policies and procedures. Due to the nature of the Authority's activities there is a perceived greater responsibility to consider the environment, and therefore a potential reputational risk should some staff not be aware of how the Authority's policies and procedures take account of carbon emissions. It was found that training on carbon emissions and reporting had not been given to staff and would further enhance knowledge and understanding.	It is recommended that management increase staff focus on carbon emission monitoring and reporting through operational plan objectives and relevant training in order to enhance awareness and engagement.	<b>Low</b>	Management is addressing staff engagement through the team operational plans for 2014-15. Each team has considered appropriate objectives they can implement which would help reduce our CO2 emissions. In 2013-14 we had an informal training session (lunch and learn) with an external waste management company and this was very popular. The management action is "Continue to develop staff understanding and engagement in relation to carbon emissions reduction through the implementation of operational plan objectives and providing opportunities for training as appropriate."	Jaki Carnegie - March 2015	Accepted recommendation 21 February - no progress to report
5	LLTNPA measure performance against base line data and monitor sustainability performance as part of the quarterly management performance reporting regime. Management has an internal target of reducing emissions by 20% against the base line data by 2015. Based on reported 2010-11 values, emissions were found to have reduced by around 4% to date; there is a risk that the targets for 2015 are not met. Implementation of monitoring against forward projected targets, in conjunction with the current practices applied to departmental operational plans, would assist management in forecasting future CO2 emission levels.	It is recommended that targets are set and monitored against business plan measures, and that this is reported to senior management on a quarterly basis.	<b>Low</b>	The team operational plans have objectives, where appropriate, to achieve reductions in activities that contribute to CO2 emissions. The management action will be "Monitor operational plan objectives in relation to carbon management as part of the regular performance reporting process."	Jaki Carnegie - March 2015	Accepted recommendation 21 February - no progress to report
6	Discussions with management at LLTNPA suggested that base line data may not be accurate. There is a risk that the comparison against these values give an inaccurate measure of LLTNPA performance against carbon reduction indicators.	It is recommended that baseline values are re-assessed and if required, re-set to values believed to be correct and relevant to the organisation in its current state.	<b>Low</b>	The management action is "Review the baseline data and reset as appropriate to ensure that we have an accurate carbon management plan."	Jaki Carnegie - March 2015	Accepted recommendation 21 February - no progress to report