**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY**
**AGREED INTERNAL AUDIT RECOMMENDATIONS 2013-14**

| | Background | Recommendations | Priority | National Park Authority Response | Responsibility/ Timescale | Current Status |
|---|---|---|---|---|---|---|
| | **RURAL DEVELOPMENT** | | | | | |
| | **Planning Processes & Systems** | | | | | |
| 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. | Low | 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. | Low | 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 |

**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY**
**AGREED INTERNAL AUDIT RECOMMENDATIONS 2013-14**

| | Background | Recommendations | Priority | National Park Authority Response | Responsibility/ Timescale | Current Status |
|---|---|---|---|---|---|---|
| **Carbon Management & Internal Sustainability Reporting** | | | | | | |
| 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. | **Low** | 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. | **Low** | 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. | **Low** | 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. | **Low** | 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 |

**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY**
**AGREED INTERNAL AUDIT RECOMMENDATIONS 2013-14**

| | Background | Recommendations | Priority | National Park Authority Response | Responsibility/ Timescale | Current Status |
|---|---|---|---|---|---|---|
| **Controls Risk Self-assessment** | | | | | | |
| 7 | Purchase Invoice Authorisation: During testing we identified instances where purchase orders were raised after the related invoice was received. There is a risk that goods or services that are inappropriate or not in line with budget are purchased. | It is recommended that purchase orders are always raised when initiating the purchasing process. This should then be sent to the finance department and be subject to appropriate review and approval prior to placing the order externally. | Moderate | Agreed - communication emphasising the need for buyers to complete a purchase order at the time of starting the process has been communicated via Park Central. Furthermore an e-mail has been sent to all budget holders reminding of the same. | Andrew Jump - immediate (November 2013) | Action completed but this is an area to remain aware of and remind staff of on a regular basis. |
| 8 | Authorisation of journals: Automatic journals, primarily used for payroll payments, are posted by the Finance & Procurement Manager but no hard copy evidence, signed or otherwise, is held by the department to evidence segregation of duties. Further, manual journals posted by the finance department do not appear to have any level of authorisation in addition to preparer. When we requested a listing of all journals for the period we found that system generated numbers (e.g. 8054) had additional numbers attached to them. This meant that when running a listing from the finance system, the journal references were not succinct or sequentially numbered. There is a risk that inappropriate and/or inaccurate journals are processed to the financial ledgers. | It is recommended that evidence of authorisation prior to posting is retained for all journals. | Low | Agreed - although there are sufficient and robust systems in place to ensure segregation of duties we will ensure that we retain authorisation evidence prior to posting. In terms of the referencing of system generated numbers, with immediate effect, these numbers will not be amended and therefore audit trails will be maintained. This will also enable quick search and printout of journals and journal audit trails. | Andrew Jump - December 2013 | Payroll journals are automated and the payroll process is considered robust and therefore journals will not be printed for authorisation. We consider that the electronic process and segregation of duties between the Payroll Officer and the Finance & Procurement Manager provide a good level of control. Income posting journals - we have stopped amending the automated journal reference. All manual journals created by the Finance Assistant are approved regularly and at the latest as part of the monthend process. Audit Committee is requested to consider that this action is complete. |
| 9 | Cheque payment authorisation: Cheque payments are prepared in the same manner as BACS runs and cheques are stored, pre-signed, in a safe. In the sample tested, it was found that not all cheques/printouts were signed as prepared. There is a risk that inappropriate payments are made. | It is recommended that cheque runs are both signed as prepared & authorised in order to ensure segregation of duties. | Low | Accepted - although there was evidence of one printout not being physically signed, the printout was reviewed. | Andrew Jump - immediate (November 2013) | Complete |
| 10 | Staff expenses: Staff members fill out an expense form, detailing what the expenses relate to and attach any relating receipts. The expense form is then signed by the individual as well as their line & operational managers. Testing identified that one expense form was electronically signed and not physically signed by pen. This creates a risk that an incorrect staff member approves the claim. | It is recommended that before expenses are paid, expense forms are physically signed by the appropriate staff member to ensure stronger evidence of authorisation. | Low | Not accepted - we accept electronic forms submitted by e-mail. There are sufficient controls over systems access via our IT policies that only permit the individual to submit their own forms via e-mail to their line manager. The line manager in accepting the expense claim signs and approves the form. Payroll accepts that if a line manager approves a form in this way then they are happy with the electronic tagging process. The exception to this is where there is a claim for public transport, subsistence, other fares etc - they physically have to present the form signed with receipts as we do not accept scanned receipts | n/a | n/a |

**LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY**
**AGREED INTERNAL AUDIT RECOMMENDATIONS 2013-14**

| | Background | Recommendations | Priority | National Park Authority Response | Responsibility/ Timescale | Current Status |
|---|---|---|---|---|---|---|
| **Financial Management, Planning & Efficiencies** | | | | | | |
| 11 | Calculation and Presentation of Efficiencies: The identified savings figure reported to the board is the result of an arithmetic operation applying an assumed 1% inflation rate to prior year actual costs and then removing the current year budget costs. This effectively assumes that costs will be on budget and that savings are generated in operating at the same level as the prior year.  There is a risk that efficiency savings presented to the board during the year are not accurate as they may not take account of variances from budget during the year. There is also some scope to clarify the presentation of efficiency savings as part of the key performance indicators delivered to the board. For example a bar chart is used to display Quarter 1 savings of 2.8% - this is actually the target savings as opposed to actual. Details of efficiency savings communicated to management do not include the individual areas where savings have been generated. There is a risk that managers are not aware of these areas. | Management should ensure that reporting to the board is based on the most recent financial information, for example on the most recent quarterly financial forecast.  This will provide greater assurance over the generated efficiency savings. Reporting to managers should be detailed enough to ensure they have an understanding of the specific areas in which efficiencies have been generated to allow them to take account of these. | **Low** | Reporting to the Board will incorporate the most recent financial information. As part of corporate planning and budgeting for 2013-14 managers will be tasked with identifying specific efficiency targets. | Andrew Jump Reporting - November 2013 and Planning/Budgets April 2014 | The Board reporting was changed to actual in Q2 2013 so the reporting action is complete. The team operational plans for 2013/14 identified efficiency targets for the year. These plans are in the process of being finalised for Delivery Group reporting. |