

**INTERNAL AUDIT SERVICES**

**REPORT REF No S.025.18**

**(November 2017)**

**Loch Lomond and The Trossachs  
National Park  
Energy Management and Facilities  
Management Audit**

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Andrea Veszelyovszki: Project Management Advisor (Loch Lomond and The Trossachs National Park)

Lucy Scott: Internal Auditor (West Dunbartonshire Council)

Auditor: Lucy Scott

## **1. EXECUTIVE SUMMARY**

### **General**

An audit was conducted on Energy Management and Facilities Management and we are pleased to report that the systems examined are generally working effectively.

The review highlighted that opportunities exist to strengthen internal controls and enhance the service provided, the most important of which are listed below;

- Completion of the Climate Change Action Plan;
- Inclusion of Climate Change Risk within the Corporate Risk Register;
- Documentation and review of Key Performance Indicators;
- Review of Carbon Footprint calculation within Climate Change Report; and
- Development of a Sustainability Policy.

The audit also highlighted areas of good practice as follows:

- Maintenance programmed clearly highlights works required and completed throughout the year;
- Generally good relationships have been established with suppliers;
- Loch Lomond and The Trossachs National Park aims to achieve a sustainable long term future and to promote sustainable use of the natural resources of the area;
- Significant progress has been made in developing the Climate Change Action Plan;
- Staff are given regular updates on the work being done to address Climate Change issues;
- Energy and Carbon Audit Reports have been prepared for three offices of Loch Lomond and The Trossachs National Park as part of a collaborative project between University of Strathclyde and the Carbon Trust; and
- Positive feedback received from Sustainable Scotland Network covering many parts of the 2015/2016 Climate Change Report.

Full details of these opportunities and any other points that arose during the audit are included in the Action Plan, which forms Section 3 of this report.

## **2. MAIN REPORT**

### **2.1 Introduction**

2.1.1 An audit was carried out on Energy Management and Facilities Management as part of Internal Audit's Planned Programme of Audits for 2017/18.

### **2.2 Scope and Objectives**

2.2.1 The audit launch meeting was held with Jaki Carnegie, Catriona Morton, Paul Scullion, Andrea Veszeloyszki, Colin McDougall and Lucy Scott to agree the scope and objectives of the audit. The scope was signed off by Jaki Carnegie, Director of Corporate Services or Loch Lomond and The Trossachs National Park Authority. The scope is detailed below.

2.2.2 In relation to Facilities Management the following areas were included within the scope:

- Policies and Procedures;
- Facilities Management Standards including security, passes, control of keys and fault reporting (reliance to be placed on previous CRSA audit where appropriate); and
- Maintenance Programme (including consideration of work carried out by Facilities Management suppliers).

2.2.3 In relation to Energy Management the following areas were included within scope:

- Policies and Procedures;
- Consideration of Annual Climate Change Public Bodies requirements;
- Review of identified Key Performance Indicators; and
- Actions to mitigate impact on the environment.

2.2.4 The detailed work undertaken as part of the Facilities Management audit included:

- A sample of contracts and correspondence with suppliers of Facilities Management services were reviewed to determine how their performance is measured and how any issues are identified and addressed;
- The maintenance programme was reviewed to understand controls in place to ensure legislative and standard maintenance requirements are met. A sample of items which had been completed were reviewed to supporting documentation; and
- Facilities Management Standards were discussed and reviewed, this included a review of the repairs log and the fault reporting process. A sample of faults reported were reviewed to confirm they were included in the repairs log and appropriate actions had been taken.

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2.2.5 The detailed work undertaken as part of the Energy Management audit included:

- Review of the Climate Change Action Plan including information contained within the plan to understand how it has been developed, what it included and the current status of the plan;
- Walkthrough of the Climate Change Report due to be submitted in November 2017 and agreement of sample of information to supporting documentation. Feedback received on prior year report reviewed and discussed; and
- Review of Key Performance Indicators. The main KPI available was the carbon footprint figure which is included within the 2015 and 2016 Climate Change Reports.

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#### 2.3 Findings

- 2.3.1 The findings are based upon evidence obtained from sampling/substantive testing.
- 2.3.2 The audit was conducted in conformance with the Public Sector Internal Audit Standards (PSIAS).
- 2.3.3 This report details all points arising during the audit review, full details of which are included in the Action plan contained within Section 3 of this report. We stress that these are the points arising via the planned programme of work and are not necessarily all of the issues that may exist.
- 2.3.4 The factual accuracy of this report has been verified by the officers involved in the audit.
- 2.3.5 A sample of 3 suppliers were selected and the performance of each of these suppliers was discussed with the Facilities Manager. This discussion included how much work is performed by the supplier, whether the supplier is meeting their SLAs, whether any issues have arisen during the contract and how these have been dealt with. Work completed by suppliers appears to be being monitored well and issues are dealt with on a timely basis.
- 2.3.6 The maintenance programme spreadsheet was reviewed for reasonableness. A sample of maintenance work noted as being completed was reviewed back to the supporting documentation, this was all found to be complete although there were some problems with the links in the maintenance programme spreadsheet. A recommendation has been made in Section 3 of this report in relation to restricting access to this spreadsheet to appropriate individuals to reduce the risk of errors being made.
- 2.3.7 The process for Fault reporting was discussed with the Facilities Manager and a sample of faults reported were reviewed to the repairs log to ensure that appropriate action had been taken. This was all satisfactory.
- 2.3.8 A walkthrough of the most recent Climate Change Report, due to be submitted during November 2017 was completed with the Project Management Advisor. In conjunction with this walkthrough the feedback provided by Sustainable Scotland Network on the Climate Change report submitted in 2016 was reviewed to identify areas they thought had been completed well and also to ensure that any changes suggested had been incorporated in the current year. A recommendation has been made in Section 3 of this report in relation to the Carbon Footprint Calculation as no review of this calculation has been carried out. Additionally a recommendation has been made in relation to the inclusion of Climate Change risk in the Corporate Risk Register – this was recommended in the 2016 report Feedback but has not yet been included.
- 2.3.9 The audit established that there is a suitable process in place for monitoring completion of the Climate Change Report. Various spreadsheets were reviewed which detailed responsibility for each section of the report and monitored the progress of completing the report. This monitoring and updating is done by the Project Management Advisor.

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- 2.3.10 The most recent version of the Climate Change Action Plan was reviewed, this is a comprehensive document which is planned to include details of all projects currently being undertaken and planned for the future which may impact climate change as well as details of all information required by the Climate Change Report, for example, actual and estimated CO2 savings. Whilst originally planned to be completed in March 2017, delays have occurred due to other commitments and the large scope of the plan. A recommendation has been made in Section 3 of this report to monitor the progress of this plan as until it is complete some information required in the Climate Change Report cannot be provided.
- 2.3.11 Key performance indicators were due to be reviewed as part of this audit, whilst some KPIs (measurement criteria) are documented within Section 2(c) of the Climate Change Report it was not possible to obtain this information during the audit. The only indicator available to review was the Carbon Footprint as calculated in section 3 of the report. A recommendation has been made in Section 3 of the report that KPIs which management wish to monitor should be documented and reviewed on a regular basis.
- 2.3.12 Audit would like to thank all staff involved in the audit process for their time and assistance.

<b>3. Action Plan: Energy &amp; Facilities Management S.025.18</b>						
<b>Ref. No.</b>	<b>Finding</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Management Comment</b>	<b>Manager Responsible</b>	<b>Date to be Completed</b>
1.	<p><b><u>Climate change report</u></b></p> <p>The Carbon Management Plan expired in 2015. Rather than update this plan a decision was made to create a comprehensive Climate Change Action Plan which is still being developed. Information included within the Climate Change Report in 2016-17 in relation to targets and some projects has been limited due to the ongoing development of the action plan. It is anticipated that relevant information for the Climate Change Report will be available for the 2018-19 return, which will be made in November 2019, but will not be available until then.</p>	<p>Progress of Climate Change Action Plan should be closely monitored to ensure that the Plan is completed by the end of 2017 and includes information required for the Climate Change Report with respect to target and actual emissions.</p>	Low Risk	<p>The Climate Change Action Plan (CCAP) is on course to be completed by the end of 2017/18 and will include information required for the Annual Reporting with respect to targets and estimated emissions where practical.</p>	Volunteering, Engagement and Programme Manager	March 2018
2.	<p><b><u>Climate Change Report – Carbon Footprint calculation</u></b></p> <p>The information required for the Carbon Footprint section of the Carbon Change report is calculated on excel spreadsheets. No review has been carried out of this calculation.</p>	<p>The Carbon Footprint is a key output from the Climate Change Report and as such its calculation should be subject to review.</p>	Low Risk	<p>The process of recording the energy data is robust and will be strengthened by including a review of these calculations and making sure that all emission figures will be regularly monitored to aid annual reporting.</p>	Volunteering, Engagement and Programme Manager	November 2018 (as part of the annual statutory reporting cycle)



<b>3. Action Plan: Energy &amp; Facilities Management S.025.18</b>						
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3.	<p><b><u>Inclusion of climate related risk in Corporate Risk Register</u></b></p> <p>Feedback from Sustainable Scotland Network following submission of the 2015-16 Climate Change Report advised that climate related risk should be included within the 2016-17 Corporate Risk Register. The Corporate Risk Register does not contain such a risk.</p>	A climate related risk should be added to the Corporate Risk Register.	Low Risk	A high level climate change risk has been added to the Corporate Risk Register.	Director of Conservation and Visitor Operations	Complete
4.	<p><b><u>Performance Indicators</u></b></p> <p>Although measurement criteria are included within the climate change report there is no regular, evidenced management review of performance indicators.</p>	Key performance indicators should be clearly documented and reviewed on a regular basis.	Low Risk	This will be incorporated into the Climate Change Action Plan	Volunteering, Engagement and Programme Manager	March 2018
5.	<p><b><u>Sustainability policy</u></b></p> <p>A procurement sustainability policy is currently being developed however there is no overall sustainability policy for the organisation which takes into account all relevant issues.</p>	A sustainability policy should be developed.	Low Risk	Consideration was given as to whether to create a separate sustainability policy or include sustainability statements in our Climate Change Action Plan. We propose that including this within the CCAP is sufficient based on our unique way of working and the size of the organisation in comparison to other larger public bodies.	Volunteering, Engagement and Programme Manager	March 2018

<b>3. Action Plan: Energy &amp; Facilities Management S.025.18</b>						
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6.	<p><b><u>Maintenance Programme – spreadsheet controls</u></b></p> <p>The Maintenance Programme sets out all required maintenance for the year on a monthly basis and includes the timetable for completion of areas covered by legislation. This is stored as an excel spreadsheet which all staff have access to and which is not password protected. Some information links within the spreadsheet were incorrect at the time of the audit.</p>	<p>The Maintenance Programme spreadsheet should be password protected with write access given only to relevant staff. Consider adding write protection to key fields.</p> <p>A new version of the spreadsheet should be saved each month to ensure the information is easily recovered if errors are made.</p>	Low Risk	<p>Permissions to the relevant directory will be locked down to limit access to key Facilities staff. Any broken information links will be rectified.</p> <p>Due to warranty/defect issues the information is more accessible if kept in one spreadsheet.</p>	Facilities Manager	February 2018

## Appendix 1. Priority Levels

Recommendations have timescales for completion in line with the following priorities.

<b>Priority</b>	<b>Expected Implementation Timescale</b>
<u>High Risk:</u> Material observations requiring immediate action. These require to be added to the risk register of a service. (Council context)	Generally, implementation of recommendations should start immediately and be fully completed within three months of action plan being agreed.
<u>Medium Risk:</u> Significant observations requiring reasonably urgent action.	Generally, complete implementation of recommendations within six months of action plan being agreed.
<u>Low Risk:</u> Minor observations which require action to improve the efficiency, effectiveness and economy of operations or which otherwise require to be brought to the attention of senior management.	Generally, complete implementation of recommendations within twelve months of action plan being agreed.

Note: About this report

This Report has been prepared on the basis set out in the Memorandum of Understanding (MOU) between the National Park Authority as the Client and West Dunbartonshire Council (WDC) as the provider of Internal Audit services. Nothing in this report constitutes a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the MOU. This Report has been prepared for the benefit of the Client only. This Report has not been designed to be of benefit to anyone except the Client. In preparing this Report we have not taken into account the interests, needs or circumstances of anyone apart from the Client, even though we may have been aware that others might read this Report. This Report is not suitable to be relied on by any party wishing to acquire rights against WDC, other than the Client for any purpose or in any context. Any party other than the Client that obtains access to this Report or a copy (under the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004 through the Client's Publication Scheme or otherwise) and chooses to rely on this Report (or any part of it) does so at its own risk. To the fullest extent permitted by law, WDC does not assume any responsibility and will not accept any liability in respect of this Report to any party other than the Client. In particular, and without limiting the general statement above, since we have prepared this Report for the benefit of the Client alone, this Report has not been prepared for the benefit of any other public sector body nor for any other person or organisation who might have an interest in the matters discussed in this Report, including for example those who work in the public sector or those who provide goods or services to those who operate in the public sector.