

**Audit & Risk Committee**  
**Agenda Item 6 – Appendix 1**

**Internal Audit Recommendations**

No	Year	Audit	Recommendations	Risk	National Park Authority Response	Responsibility/ Timescale	Current Status December 2020
1	2018/19	<b>Access</b>	<p><u>Remit of Local Access Forum</u>            The National Park should consider enhancing documentation around the roles and remit of the Local Access Forum to include, for example:</p> <ul style="list-style-type: none"> <li>· Job specifications for Forum members; and</li> <li>· A Remit / Terms of Reference document to assist with the running of the Forum (this remit could cover areas such as Equal Opportunities, Structure, Membership (including how potential members are nominated and the length of time for which members are elected) and Administration and Finance).</li> </ul>	Low	The current Operating Principles and 'job spec' will be reviewed to provide a Terms of Reference document. Although it currently advises of what is expected from forum members we agree it could be expanded more to include/address the suggestions raised. This finding will be discussed at the next Local Access Forum (February 2019)	Access, Recreation and Health Manager  <del>April 2019</del> <del>October 2019</del> <del>Nov-Dec 2019</del> May 2020 On hold due to COVID-19	<p><b>On hold due to COVID-19</b>            Draft version was provided to Forum members and comments received. Due to COVID-19, normal Forum meeting schedule is disrupted, and our staff capacity has been diverted to other urgent tasks. Therefore, this item is currently on hold.</p>
2	2019/20	<b>Boat Registration Process</b>	<p><u>Boat Registration Database</u>            a) Management should consider whether an automated system could be implemented which would allow, for example:- boat owners to register their details online which would directly populate the boat registration</p>	Low	a) This recommendation is accepted. An internal Task and Finish Group will be set up to:- establish scoping options and outline costs for a new online system of registration and investigate how other authorities	Visitor Operations Manager / Ranger Manager  <del>March 2020</del> <del>Jan 2021</del> Jan 2022	<p><b>Delayed</b>            Project behind schedule. Database testing almost complete, delayed due to Covid and the need to deploy resources to season operations. Online re-</p>

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			<p>database;- the re-registration process to be carried out on line, for example by owners confirming they continue to agree to the terms and conditions for use; and- all information to be stored electronically to eliminate the need for paper copies of registration and re registration forms to be printed and retained.The full system requirements should be reviewed to ensure that any new system(s) can:- Record contraventions, multiple launch pass purchases and all other required information; and- Provide required PI information.In addition LLNTPA should consider whether the new system(s) should provide on line access to rangers whilst on patrol.b) Management should consider how issues with the speed of the system can be addressed going forward.</p>		<p>handle similar processes e.g. Lake District and Broads NPA;- explore pros and cons of any new system in relation to potential integration of launching and enforcement data. DMS- consider timescales for development and roll out of any new online system</p>		<p>registration will not take place in Jan 2021. Work on the database will continue this financial year to establish if upgrades to current system are possible or whether a new database is required.</p>

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3	2019/20	<b>Boat Registration Process</b>	<p><b><u>Payment for registration plates</u></b></p> <p>a) Management should consider whether online payments for new registrations should be an option for boat owners and align the registration form and the website to show the same information.</p> <p>b) Management should consider, at the end of the season, whether the current process to no longer attach payment receipts is working effectively or whether the receipts should be attached to the registration form. It would be anticipated that any new system would incorporate sales processes and associated controls.</p>	Low	<p>a) This recommendation is accepted.</p> <p>- Registration form to be updated at end of 2019 to remove BACS details and direct customers to website for details on how to pay</p> <p>- In order to align a payment to a vessel a registration number is required, these are not allocated until the registration process is followed therefore payment cannot be taken prior to the allocation of a registration number.</p> <p>b) This recommendation is accepted.</p> <p>- Current processes to be reviewed at the close of season 2019.</p>	<p>Visitor Operations Manager / Finance Manager / Ranger Manager</p> <p><del>Feb 2020</del>  <del>Jan 2021</del>            Jan 2022</p> <p>Feb 2020</p>	<p><b>Delayed</b></p> <p>a) Ongoing - Online registration will not be available until new/improved database is installed and tested to process re-registrations, new target Jan 2022</p> <p><b>Complete</b> – BACS details have been removed from the form and website. New form has been created and is awaiting upload to website. All registered owners received updated letter in Jan 2020.</p> <p>b) <b>Complete</b> and included in guidelines</p>

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4	2019/20	<b>Boat Registration Process</b>	<b><u>Transfer of Vessel registration number</u></b> Management should consider whether transfer of vessel registration numbers should be allowed. If it is decided this is acceptable staff involved in the registration process should be reminded of the requirement to obtain confirmation from the owner that the registration number has been removed from the original vessel.	Low	This recommendation is accepted. To be reviewed when Navigation Byelaws are reviewed in 2021/22	Visitor Operations Manager  March 2022	<b>On Track</b>  Staff continue to monitor transfer of ownership and registration numbers. Assessment of Navigation Byelaw review commences 2021.
5	2019/20	<b>Control Risk Self-Assessment</b>	<b>Procedures for Reporting of Theft</b> It was noted that there are currently no procedures in place for staff to report incidences of external theft e.g. where a vehicle or equipment is stolen.	Low	At present, theft would be dealt with by each area (e.g. if there was an element of misconduct – e.g. keys being left in the vehicle this would be covered by HR under the disciplinary policy, the write off covered by Finance), however there is no external theft policy for the organisation. This will be considered.	Estates Manager  <del>31st March 2020</del> <del>September 2020</del> <del>December 2020</del> September 2021	<b>Delayed</b> Provision for this is been written into the new Security Policy. This is drafted but is delayed due to the COVID 19 and staff resourcing situation and will be taken forward by the new Facilities Manager (currently being recruited for).
6	2019/20	Independent Assurance Review of the Environmental	<b>Indicator questions and interim conclusions</b> a) NP management should complete the remaining	Medium	The NP Authority recognises the requirement to complete these methodology documents both for the	Visitor Operations Manager  31st March 2020	a) Complete  b) This element of the work has been

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		Monitoring Framework	<p>indicator questions templates including methodology as soon as possible and have these formally approved by the NP Board.</p> <p>b) Going forward the templates should be reviewed on a regular basis to ensure the data collection and analysis process remains up to date.</p>	Low	<p>purposes of showing a clear process and to increase business sustainability. To ensure that this process is completed in a timely fashion these documents will be completed in parallel with the 3 Year Report to Scottish Ministers. They will be approved by the newly formed Visitor Management Project Board that composes a number of Park Authority Officers including Operational Managers and Executive Team.</p> <p>The Monitoring Framework will be reviewed and revised in 2020-21 to operate in its new guise in 2021. As part of this a review process will be incorporated into this revision.</p>	<p>Visitor Operations Manager  <del>31st March 2021</del>            On hold due to COVID-19            March 2022</p>	<p>deprioritised due to the need for staff resources to focus on the COVID-related visitor response. We consider it low risk to delay the review of the templates by a year.</p>

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**External Audit Recommendations**

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1	2018/19	<b>External Audit Annual Report</b>	<p><b>Follow-up of 2017/18 External Audit Recommendations</b></p> <p>The Authority will review medium term financial projections and consider these with the Board when shaping financial strategy.</p>	N/A	<p>The 2019/20 Budget Paper presented to the Board included context around financial forecasts in 2020/21. However, this was limited to high level information and not an indicative financial forecast over the medium term. While we recognise the uncertainty around Scottish Government funding, it is important to support strategic decision making processes, the Authority has a longer term outlook on financial position. We continue to encourage the Authority to look to develop and report on medium term financial plans in the context of the delivery of the wider Corporate Plan 2018 23.</p>	<p>Finance Manager</p> <p>Ongoing</p>	Superseded by 19/20 Audit Action 1. Closed
2	2018/19 2019/20	<b>External Audit Annual Report</b>	<p><b>Pension Scheme Liabilities</b></p> <p>As the initial IAS 19 valuation included within the draft accounts did not incorporate the impact of the McCloud/</p>	N/A	<p>2018/19 Comment Agreed. Management will engage with SPF and the Actuaries during 2019/20 to understand the impact of the case on the</p>	<p>Finance Manager</p> <p>30 June 2021</p> <p>(may be revised</p>	<p><b>On track</b></p> <p>Will be discussed at the planning meeting with external audit in November 2021</p>

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			<p>Sargeant case, the Authority has obtained a revised IAS 19 valuation from the scheme's actuary. This valuation increased the net liability by £349,000. We are satisfied that following the adjustment (Appendix 2), the Authority has appropriately disclosed its share of the defined benefit pension schemes assets and liabilities within the financial statements in accordance with IAS19. In 2016, the Government announced that Public Sector Pension Schemes needed to review pension data which linked LGPS benefits to contracted out employment and the State Pension. This is known as the Guaranteed Minimum Pension (GMP) data reconciliation review. The purpose of this review is to ensure that records held by the scheme and HMRC are correct. Where the data is incorrect then this could result in an overpayment or underpayment in pension. The treatment of overpayments has yet to be finalised by Scottish</p>		<p>pension liability. We would also appreciate if Grant Thornton also kept us abreast of developments across the sector and that we also pick up this issue in our audit planning meetings for the 2019/20 accounts.</p> <p><b>2019/20 Comment</b></p> <p>We are reliant on our pension fund administrators, Strathclyde Pension Fund and actuaries to keep us abreast of the impact of the case on the pension liability. The valuation was requested at 31/3/20 and at that point the actuaries had confirmed that there was no change on the McCloud pension liability from 31/3/19. However, with the publication of the government review in July 2020, the position changed and in mid-August SPF received notification from the actuaries that the impact of the government consultation was that the</p>	<p>to 30/9/21 depending on accounts timetable for 20/21)</p>	

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			<p>Ministers and the Authority has therefore excluded any potential impact from the IAS 19 defined benefit pension calculation. The Authority has considered the impact to be immaterial to the pension scheme as a whole, expected to be between 0.2% and 0.3% of scheme liabilities. We concur with Management's assessment and do not identify any material issues with the accounts.</p> <p><b>Update 2019/20</b> During 2019/20 the actuarial valuation required to revisited due to developments with the Government's response to the McCloud settlement meaning that the initial estimated liability would be less. It is important that the Authority, through the Pension Fund administrators and actuary have an understanding of likely events or circumstances that may impact on the fund.</p>		<p>estimated impact was that the previously estimated figure may be less than half of what was originally thought. The timings were such that this occurred on the day after audit had identified the issue and so we had already requested a revised valuation in advance of this notification.</p> <p>Management will continue to engage with SPF and the actuaries in 20/21 on any events that may impact the fund. We will continue to engage Grant Thornton on developments across the sector and suggest that we also pick up this issue in our audit planning meetings for the 2020/2021 accounts.</p>		



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1	19/20		Given the significant impact of Covid-19 on the Authority's services, the Authority should review the assumptions contained within the medium term financial forecasts, to assess the extent financial resources are in place to support its delivery. This should also inform any immediate decisions around cost management, ensuring that decision making retains a focus on the longer term strategic objectives of the Authority.		Medium term financial projections to 23/24 were completed in 19/20 as part of the 5 year spending review. Financial risk has been an area of focus for the last few years. However with the impact of COVID-19 on our services, income and costs, this is even more important. Significant work has been undertaken to assess the impact of COVID-19 on the budget for 20/21 and has informed immediate decisions around spend, cost management and decision making. The medium term financial projections and assumptions will be revisited in light of COVID-19, with priority for the 21/22 budget and for the medium term.	Director of Corporate Services  31 March 21	<b>On track</b>  Work has commenced on the 21/22 budget and context setting with SG, Board and Operational Managers. SG Commission for 21/22 submitted in September 2020 highlighting revenue pressures and the Authority's role in the green recovery and Programme for Government. Ongoing communication with SG sponsor team regarding importance of the Authority in delivering national priorities. SG are fully supportive of the Authority and understand the revenue constraints as evidenced by the additional GIA for 20/21. With a multi-year capital spend allocation anticipated, a longer term programme for capital investment will be devised.