



Internal Audit - Audit Plan 2022/23

Agenda Item 10

National Park Authority Audit & Risk Committee Meeting Tuesday 8 March 2022

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1. Purpose

- 1.1 The purpose of this paper is to provide details of the Internal Audit plan for 2022/23 and the outputs which the Committee and management can expect from Internal Audit in 2022/23.

2. Recommendation(s)

- 2.1 Committee is asked to approve the Internal Audit plan for 2022/23

3. Contribution to National Park Partnership Plan and/or Our 5-year Plan

- 3.1 The Scottish Public Finance Manual (SPFM) explains that:

'Internal audit should provide an independent, objective assurance and consulting service designed to add value and improve an organisation's operations. It should provide an appraisal of an organisation's governance, risk management and internal control system and take the action needed to provide Accountable Officers with a continuing assurance that the organisation's risk management, control and governance arrangements are adequate and effective'

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3.2 The annual internal audit plan should have relevance to the key risks to the organisation and the strategic objectives of the organisation including as set out in Our 5-Year (Corporate) Plan.

4. Background

4.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion on the control environment within the National Park Authority. The annual audit plan is designed to assist the Chief Internal Auditor in formulating that opinion.

4.2 In developing the annual audit plan, we:

- Consolidated our understanding of the National Park Authority through discussions with senior officers, attendance at meetings and a review of key strategic documentation;
- Consulted risk registers to understand the nature of inherent risks facing the Council; and
- Reviewed the outputs from previous reviews at the National Park Authority (both internal and external).

4.3 Changes in organisational structures, system developments, changes in working practices and legislative requirements create a constantly changing control environment. Taking these factors into account, the highest risk areas are brought forward in the annual audit plan. Risk is assessed by considering various factors; these include the potential financial impact if controls fail; any changes or new processes/systems that have been implemented and the assessment of senior officers and auditors regarding the effectiveness of controls in key areas. These risk scores are weighted and the highest composite scoring areas are prioritised in the audit plan.

4.4 Internal Audit work will be undertaken in accordance with the PSIAS, which have been adopted by the Relevant Internal Audit Standard Setters (RIASS). The RIASS includes, among others, HM Treasury, the Scottish Government and the Chartered Institute of Public Finance and Accountancy (CIPFA).

4.5 The Internal Audit function is delivered by Audit Glasgow (Glasgow City Council), led by Duncan Black, Head of Audit and Inspection at Glasgow City Council. The day to day management of the audit plan is undertaken by Jillian Campbell, Senior Audit Manager at Glasgow City Council. The Internal Audit team at Glasgow holds the British Standard ISO9001:2015 Quality Management Standard. This Standard has been held for over 20 years and an annual assessment of compliance with the Standard is undertaken by independent British Standard reviewers. The last review undertaken by British Standard reviewers was in March 2021 and confirmed that the Internal Audit team continues to have processes and procedures in place that demonstrate compliance with the requirements of the Standard.

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4.6 The PSIAS include key principles that public sector Internal Audit functions must follow and cover a range of areas including governance, performance standards and reporting requirements. The PSIAS introduced a requirement for an external assessment of an organisation's Internal Audit function, which must be conducted at least once every five years by a qualified, independent reviewer from outside the organisation. The latest external assessment was undertaken in 2021 at Glasgow City Council by the Assistant Director Audit and Risk Management and Principal Group Auditor from Birmingham City Council. The assessment confirmed that Internal Audit conforms to the requirements of the PSIAS.

5. Summary of the areas for Internal Audit 2022/23

5.1 The following areas are included within the Internal Audit Plan for 2022/23:

- Payroll
- Carbon Management
- Unannounced Spot Check
- Cyber Resilience
- Procurement

6. Internal Audit Outputs 2022/23

6.1 The main output from Internal Audit in 2022/23 will be the Chief Internal Auditor's annual report. This is then used to inform the Loch Lomond & the Trossachs National Park Authority Governance Statement, which is incorporated into the annual accounts. This provides assurance to the Board, the Audit and Risk Committee, and senior management on matters of governance and internal control within Loch Lomond & the Trossachs National Park Authority.

6.2 The annual report will be based principally on the work undertaken by Internal Audit during the year to complete the audit plan.

6.3 The key areas we will cover in 2022/23, and on which we will provide assurance, are shown in **Appendix 1**, together with the main control risks associated with these areas.

6.4 The Audit Universe, which details all the key areas we have covered to date and currently plan on covering over the next few years, is included at **Appendix 2**.

7. Resources

7.1 In 2022/23, 34 days are available to carry out assurance audit work, which is in line with prior years.

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7.2 We have identified a dedicated team to deliver the internal audit plan to Loch Lomond & the Trossachs National Park Authority however we are able to draw upon additional audit and specialist resources as required.

8. Appendices

8.1 Appendix 1 – Detailed Internal Audit Plan 2022/23

8.2 Appendix 2 – Audit Universe

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Internal Audit Plan 2022/23

Assurance Area	Planned Internal Audit Activity	Days	Proposed Timing	Anticipated ARC Timing	Link to Risks
Human Resources	<p>Payroll</p> <p>To provide assurance that all staff currently being paid are bona fide employees and being paid at the correct salary, number of hours etc. Work will also be undertaken in relation to the payments to bank staff.</p>	6	Q2	Sept 2022	n/a
Compliance	<p>Carbon Management</p> <p>To provide assurance on the outcomes being reported to enable the National Park Authority to meet its ambition of achieving net zero.</p>	6	Q2	Dec 2022	Corporate Risk 6: Failure to adapt to and mitigate against the impacts of the Climate Emergency, resulting in threats to infrastructure and communities, loss of natural capital and reputational damage.
	<p>Unannounced Spot Check</p> <p>To provide assurance on the arrangements for income management, information security and physical security at a site within the National Park Authority.</p>	3	Q1	June 2022	n/a
ICT	<p>Cyber Resilience</p> <p>To provide assurance on the steps being taken within the National</p>	6	Q4	June 2023	Corporate Risk 5: Key systems or staff that the National Park is dependent on for business continuity (e.g. IT or Finance personnel and

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Assurance Area	Planned Internal Audit Activity	Days	Proposed Timing	Anticipated ARC Timing	Link to Risks
	Park Authority to tackle cyber threats. The review will include the roles and responsibilities of parties involved from a cyber security perspective.				systems) are unavailable, for example due to a cyber-attack, staff illness, or personal (e.g. caring) responsibilities. Business functioning, and delivery is impacted, including for our statutory functions and Annual Operational Plan deliverables.
Procurement	Procurement To provide assurance that procurement is being undertaken within the National Park Authority in compliance with procurement guidelines and rules.	7	Q3	March 2023	n/a
Follow up	Audit the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the ARC.	3	Continuous process	Each ARC	n/a
Head of Audit's Annual Opinion			April 2023	June 2023	n/a
Planning, attendance at meeting, contract management		3	Throughout year	n/a	n/a
TOTAL DAYS		34			

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Appendix 2

Audit Universe – Loch Lomond & the Trossachs National Park Authority (as at June 2020)

Assurance Area	Audit Area	2020/2021	2021/2022	2022/23	2023/24	Future Years
Governance	Assurance Mapping	(4)				
	Reputation Management		(4)			
	Business Continuity		(5)			
	Board/Committee Effectiveness				✓	
	Strategic Planning					✓
Compliance	Risk Management		(4)			
	Fleet Management	(8)				
	Waste Management				✓	
	Health and Safety		(7)			
	Conservation Management					✓
	Land Management					
	Visitor Experience management				✓	
	Carbon management			(6)		
	Planning		(7)			
	Management of the Ranger Service					✓
	Unannounced spot check visit			(3)		
Projects	Project Management				✓	
Financial Governance	Financial Governance	(5)				
	National Park Grant Scheme					✓
	Income and Charging				✓	

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Assurance Area	Audit Area	2020/2021	2021/2022	2022/23	2023/24	Future Years
Human Resources	Payroll			(6)		
	Starters and Leavers					✓
	Management of seasonal staff					✓
	Attendance management					✓
	Overtime					✓
Procurement	Procurement			(7)		
ICT	IT Governance	(5)				
	Application Review		(6)			✓
	Cyber resilience			(6)		
Follow up		(4)	(3)	(3)	✓	✓
	Planning, attendance at meeting, contract management	(5)	(3)	(3)	✓	✓
TOTAL DAYS		31	39	34	34	

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