



# Draft Internal Audit Plan 2023/24

## Agenda Item 6

### National Park Authority Audit & Risk Committee Meeting 7 March 2023

Paper for information

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#### 1. Purpose

1.1 The purpose of this paper is to provide details of the Internal Audit plan for 2023/24 and the outputs which the Committee and management can expect from Internal Audit in 2023/24.

#### 2. Recommendation(s)

2.1 Committee is asked to approve the Internal Audit plan for 2023/24.

#### 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 2022 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 2023/24

5.1 The following areas are included within the proposed Internal Audit Plan for 2023/24:

- Workforce/succession planning
- Use of consultants
- Asset management
- Volunteering Team
- Cyber Risk Management
- Peatland Restoration Grants

### 6. Internal Audit Outputs 2023/24

6.1 The main output from Internal Audit in 2023/24 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 2023/24, 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 2023/24, 40 days are available to carry out assurance audit work, which is a slight increase in previous 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

Appendix 1 – Detailed Internal Audit Plan 2023/24

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><b>Workforce / Succession Planning</b></p> <p>To provide assurance that there are effective arrangements in place for workforce and succession planning to ensure that the right staff are in the right place with the right skills.</p>	6	Q1	Sept 2023	<b>Corporate Risk 004:</b> High employee turnover and difficulty recruiting for some roles caused by a strong external labour market, unsustainable workload pressures and low resilience resulting in loss of corporate knowledge and short-term resourcing gaps whilst recruiting.
Governance	<p><b>Use of Consultants</b></p> <p>To provide assurance that there are sufficient and appropriate controls in place covering the use of consultants by the National Park Authority.</p>	5	Q1/2	December 2023	n/a
Compliance	<p><b>Asset Management</b></p> <p>To provide assurance on the asset management arrangements in place within the National Park Authority.</p>	6	Q2	December 2023	<b>Corporate Risk 001:</b> Inability to invest strategically in our assets and visitor facilities caused by budget settlement, lack of strategic planning and contractor availability resulting in sub-standard visitor experience and poor quality tenants leading to higher quality management costs, sub-optimal income and increased user complaints

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<b>Assurance Area</b>	<b>Planned Internal Audit Activity</b>	<b>Days</b>	<b>Proposed Timing</b>	<b>Anticipated ARC Timing</b>	<b>Link to Risks</b>
<b>Compliance (cont)</b>	<p><b>Volunteering Team</b></p> <p>To provide assurance on the arrangements for recruitment of volunteers and the process for deploying them across the national park.</p>	5	Q3	March 2024	n/a
<b>ICT</b>	<p><b>Cyber Risk Management</b></p> <p>To build upon the cyber resilience work undertaken in 2022/23. To provide assurance on the steps continuing to be taken within the National Park Authority to tackle cyber threats.</p>	6	Q4	June 2024	<b>Corporate Risk 005:</b> Key systems or staff that the NPA is dependent on for business continuity are unavailable caused by a cyber-attack or other external event resulting in inability to function as an organisation, perform statutory duties and achieve deliverables
<b>Finance</b>	<p><b>Peatland Restoration Grants</b></p> <p>To provide assurance that there are adequate arrangements in place to manage the Peatland Restoration Grant scheme funding provided by the Scottish Government.</p>	6	Q3	March 2024	n/a
<b>Follow up</b>	<p>Audit the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the ARC.</p>	3	Continuous process	Each ARC	n/a

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<b>Assurance Area</b>	<b>Planned Internal Audit Activity</b>	<b>Days</b>	<b>Proposed Timing</b>	<b>Anticipated ARC Timing</b>	<b>Link to Risks</b>
<b>Head of Audit's Annual Opinion</b>			April 2024	June 2024	n/a
<b>Planning, attendance at meeting, contract management</b>		3	Throughout year	n/a	n/a
<b>TOTAL DAYS</b>		<b>40</b>			

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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	2024/25	Future Years
Governance	Assurance Mapping	(4)					
	Reputation Management		(4)				
	Business Continuity		(5)				
	Board/Committee Effectiveness					✓	
	Strategic Planning					✓	
	Performance					✓	
	Use Of Consultants				(5)		
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)			✓
	Volunteering Team				(5)		
	Education & inclusion work						✓

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<b>Assurance Area</b>	<b>Audit Area</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Future Years</b>
	Asset Management				(6)		
<b>Projects</b>	Project Management					✓	
<b>Financial Governance</b>	Financial Governance	(5)					
	National Park Grant Scheme						✓
	Peatland Restoration Grant Scheme				(6)		
	Income and Charging					✓	
<b>Human Resources</b>	Payroll			(6)			
	Starters and Leavers						✓
	Management of seasonal staff						✓
	Workforce/Succession Planning				(6)		
	Attendance management						✓
	Overtime						✓
<b>Procurement</b>	Procurement			(7)			
<b>ICT</b>	IT Governance	(5)					
	Application Review		(6)			✓	✓
	Cyber resilience			(6)	(6)		

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<b>Assurance Area</b>	<b>Audit Area</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Future Years</b>
<b>Follow up</b>		(4)	(3)	(3)	(3)	✓	✓
	Planning, attendance at meeting, contract management	(5)	(3)	(3)	(3)	✓	✓
<b>TOTAL DAYS</b>		<b>31</b>	<b>39</b>	<b>34</b>	<b>40</b>		