

AUDIT GLASGOW

Loch Lomond & the Trossachs National Park Authority

Estates Asset Management

Final Report

November 2023



FS 57095



1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the asset management arrangements in place within Loch Lomond and the Trossachs National Park Authority (the Park Authority). The audit focused on the assets managed by the Estates Team.
- 1.2 The Estates Team within the Park Authority is responsible for the maintenance of the Park Authority's estate assets. These include operational buildings, public toilets, public recreation sites, paths, bridges and other infrastructure on land that is formally owned and managed by the Park Authority.
- 1.3 In March 2020, the Park Authority purchased a Property and Asset Management system, Civica Property Management (previously known as TF Cloud). The system went live in 2021 and is currently being used to manage reactive repairs. It is intended that the system will be used to record all estates assets and manage the condition and suitability surveys and Pre-Planned Maintenance (PPM). This is still a work in progress with assets and survey scores still being added to the system.
- 1.4 The purpose of the audit was to gain assurance that there are sufficient and appropriate arrangements in place for the management of estate assets. The scope of the audit included confirming:
- That the Park Authority has appropriate asset management governance arrangements in place, including clear roles and responsibilities and an Estates Strategy.
 - An asset register and management plan is in place.
 - That a PPM schedule is in place that is regularly reviewed.
 - That asset inspections are undertaken to ensure that the assets are in a satisfactory condition and suitable for their current use.
 - The arrangements for instructing repairs and maintenance.
 - That the responsibility for maintenance and reporting faults is clearly documented and understood.
 - Appropriate budget monitoring arrangements are in place.
 - The process in place for identifying and approving investments in assets.
 - That asset management performance information is reported to senior management and the Board.

2 Audit Opinion

- 2.1 Based on the audit work carried out a **reasonable** level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and **four recommendations** which management should address.

3 Main Findings

- 3.1 We found that some key controls are in place and generally operating effectively. We found that the roles and responsibilities of staff involved in the asset management process are documented within their job description and these are available to all relevant staff. Arrangements are in place to ensure that staff and the public are aware of how to report a fault. Asset management budgets are reviewed monthly, and risks are managed via the Corporate Risk Register.
- 3.2 A critical asset list is maintained, that outlines the Priority Average (criticality average x condition rating) and risk tolerance for the Park Authority Core Estate buildings and structures which are likely to cause the greatest disruption to the public and operations should they fail.
- 3.3 However, we also identified some opportunities for improvement. Although a PPM schedule is in place that details the frequency for each task, the record held of completed tasks could be strengthened by adding the completion date.
- 3.4 An Estates Strategy is in place that outlines the Park Authority objectives in relation to asset management, however the document is at a strategic level and details long term objectives which should be achieved by 2030. Associated plans have not yet been developed to ensure that the short/medium term actions required to meet these objectives are implemented.
- 3.5 Whilst there is some asset management performance information reported to the Board, the current level of information does not include tracking the progress of the delivery of the Strategy objectives.
- 3.6 Although when fully updated the Civica Property Management (CPM) system will allow for a comprehensive record of all assets held by the Park Authority, including condition and suitability scores to be maintained, the system has not been updated with all condition survey scores therefore currently a central record of all condition survey scores is not maintained. We were advised that the suitability of assets is reviewed regularly by management, however the process is informal, and a documented survey is not

completed. We also found that appropriate monitoring and reporting arrangements are not in place for the condition and suitability of assets.

- 3.7 Although some accessibility audits have been carried out, a consistent approach to undertaking these has not been developed.
- 3.8 A process is in place for raising and approving repairs, however through review of a sample of 15 repairs raised since 1 December 2022, we found seven instances where the agreed process had not been fully followed.
- 3.9 The process for making a request for capital investment is not documented and known by all relevant staff.
- 3.10 An action plan is provided at section four outlining our observations, risks, and recommendations. We have made four recommendations for improvement. The priority of each recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	1
Medium	Less critically important controls absent, not being operated as designed or could be improved.	3

Low	Lower-level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.11 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.12 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.13 It is recommended that the Chief Internal Auditor submits a further report to the Audit and Risk Committee on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: An appropriate Asset Management Strategy and corresponding governance arrangements are in place.				
1	<p>An Estates Strategy is in place that outlines the Park Authority's objectives in relation to asset management, however the document is at a strategic level and details long term objectives which should be achieved by 2030. As the document has only recently been approved (June 2023), associated plans have not yet been developed to ensure that the short/medium term actions required to meet the objectives of the Strategy are implemented. We were also advised that there is no agreed review schedule for the Strategy to ensure that it remains fit for purpose.</p> <p>Whilst there is some asset management performance information reported to the Board, the current information does not include tracking the progress of the delivery of the Strategy objectives. We were advised that this will be introduced once the corresponding plans have been developed.</p> <p>Without clear timescales, responsible officers and adequate monitoring, there is an increased risk that there may be</p>	<p>Senior management should:</p> <ul style="list-style-type: none"> Confirm the review schedule for the Strategy to ensure that it remains fit for purpose. Ensure that the performance information reported to senior management and the Board includes updates on the implementation of the Strategy objectives. Develop Asset Management Plans that detail the required short/medium term actions to assist in the implementation of the Strategy objectives. This should include timescales, officers responsible and budget assumptions. 	Medium	<p>Response: Accepted</p> <p>1) Schedule confirmed. We will review the Estates Strategy annually.</p> <p>2) We will agree with the Executive what performance information requires to be reported on to both the Exec and Board in relation to the Estates Strategy objectives.</p> <p>3) We will develop an Asset Management Plan to detail the short/medium term actions needed to achieve the strategy objectives.</p> <p>Officer Responsible for Implementation:</p> <p>Estates Manager</p> <p>Timescales for Implementation:</p> <p>1) Complete 2) 30 June 2024 3) 31 December 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	slippage in the implementation of the Strategy objectives.			
Key Control: Asset inspections are undertaken to ensure that the assets are in a satisfactory condition and suitable for their current use.				
2	<p>When fully updated the CPM system will allow for a comprehensive record of all assets held by the Park Authority, including condition and suitability scores to be maintained. Currently all sites, buildings and land owned by the Park Authority is recorded within the system however their corresponding condition survey scores have not yet been updated.</p> <p>We were advised that the suitability of assets is reviewed regularly by management, however the process is informal, and a documented survey is not completed.</p> <p>We also found that outwith the critical asset list, appropriate monitoring and reporting arrangements are not in place for the condition and suitability of assets.</p> <p>This increases the risk that there may be assets that are not in a satisfactory condition and/or suitable for their current use.</p>	<p>The Asset Management Team should add all condition survey scores to the CPM system as soon as possible. Once fully updated, management should develop a process for monitoring and reporting the condition of all assets to ensure that they are being undertaken as expected.</p> <p>Management should consider introducing formal suitability surveys. A record of these should be maintained and reviewed regularly.</p> <p>Management should agree a formal process for identifying assets that require an accessibility audit and recording this on CPM. A standard template should be developed for the accessibility audits, and thereafter all audits should be completed using the new template.</p>	High	<p>Response: Accepted</p> <p>1) We will update the conditions scores currently held against Building assets and for land parcels and site level records where these are owned or formally managed. We will create a condition monitoring process for staff to follow and guidance on how to update condition ratings.</p> <p>2) We will consider the introduction of suitability surveys appropriate to the needs of the organisation. Should these be adopted we will create a process for carrying out and recording suitability surveys and train staff as appropriate.</p> <p>3) We will review which built assets have a current accessibility audit and which should have them, agree a standard template; agree a schedule for carrying them out on any relevant assets which do not have one; create a process for recording a copy of the accessibility audit form on CPM, complete the</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>Although some accessibility audits have been carried out, these have not been undertaken for all buildings and the template used to undertake the audits is not consistent. This means that all issues in relation to accessing buildings may not have been identified.</p>			<p>accessibility fields available on CPM & train staff as appropriate.</p> <p>Officer Responsible for Implementation:</p> <p>Estates Manager</p> <p>Timescales for Implementation:</p> <p>1 & 3) 30 June 2024 2) 31 December 2024</p>
	<p>Key Control: Agreed processes for ad hoc repairs and PPM is in place and are being followed.</p>			<p>Response: Accepted</p> <p>1) All relevant staff will be emailed to remind them of the importance of adhering to the reactive repairs and Helpcall Module process.</p> <p>2) A process for the carrying out of ad hoc checks will be documented, which will include following up actions to address repeated errors/issues.</p> <p>3) The PPM schedule will be updated to record the actual date of completion.</p> <p>Officer Responsible for Implementation:</p>
3	<p>Although a PPM schedule is in place that details the frequency for each task, the record held of completed tasks does not record the actual date of completion, it merely notes “completed” therefore we were unable to confirm that the tasks had been undertaken within the expected timeframe.</p> <p>An agreed process is in place for raising and approving repairs, however through review of a sample of 15 repairs we found the following:</p> <ul style="list-style-type: none"> • For two repairs, the correct priority rating was not applied. • For six repairs, the work was not undertaken within the agreed 	<p>Senior management should ensure that all relevant staff are reminded of the importance of adhering to the agreed repairs process.</p> <p>Management should consider implementing ad hoc checks of the process to confirm adherence. Action to address any repeated errors/issues should be taken.</p> <p>The PPM schedule should be updated to record the actual date of completion.</p>	Medium	<p>Response: Accepted</p> <p>1) All relevant staff will be emailed to remind them of the importance of adhering to the reactive repairs and Helpcall Module process.</p> <p>2) A process for the carrying out of ad hoc checks will be documented, which will include following up actions to address repeated errors/issues.</p> <p>3) The PPM schedule will be updated to record the actual date of completion.</p> <p>Officer Responsible for Implementation:</p>

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	<p>timescale, two of these are still open on the system.</p> <p>Where agreed processes are not followed, there is an increased risk that repairs may not be dealt with efficiently.</p>			<p>Estates Manager</p> <p>Timescales for Implementation:</p> <p>1) Complete 2 & 3): 31 March 2024</p>
Key Control: The process for identifying and approving investments in assets is documented.				
4	<p>We were advised that the Executive Team approve capital investment requests made throughout the year via their regular Executive meetings, and that proposals are made using a standard template. However, the process is not documented, and through discussion, the process was not known by all staff. This increases the risk that proposals may not be approved accordingly.</p>	<p>Senior management should ensure that the process for proposing and approving capital investment proposals is documented and communicated to all relevant staff.</p>	Medium	<p>Response: Accepted</p> <p>Process for taking capital investment proposals for decision to Executive Team and communication of the outcome to be included in Budget and Financial Monitoring Policy review scheduled as existing action LL&T2021C - Financial Governance - Recommendation 1.</p> <p>Officer Responsible for Implementation:</p> <p>Corporate Performance Manager</p> <p>Timescales for Implementation:</p> <p>31 December 2024</p>