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*Cairngorms National Park Authority  
Internal Audit Operational Plan 2005/06*

*September 2005  
Strictly Private and Confidential*

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## Introduction & Areas of Review

### Introduction

Following discussions with the Head of Corporate Services and analysis of the main areas of risk within Cairngorms National Park Authority, we are pleased to present the operational plan for 2005/06. The plan has a total of 45 days allocated to it, split amongst the following categories:

- Strategy and planning;
- IT Risk
- Financial Management Processes
- Legal, regulatory and business risk management;
- Follow-up;
- Contract management.

The reviews contained within these areas are detailed below.

		Budget Days	Proposed Timing
<b>Strategy &amp; Planning</b>	Corporate Planning	5	16th January 2006
	Contingency Planning	4	16th January 2006
<b>IT Risk</b>	IT Security	5	16th January 2006
<b>Financial Management Processes</b>	Financial Ledger	5	20th February 2006
	Grant Awards	5	20th February 2006
	Cash Flow Management	5	27th February 2006
<b>Legal, Regulatory and Business Risk Management</b>	Risk Management	5	20th March 2006
<b>Operational Reviews</b>	Procurement	5	10th April 2006
<b>Follow-up Reviews</b>	Follow-up 2004/05	2	27th February 2006
	Contract Management	4	
		45	

### *Strategy and Planning*

Within the strategy and planning category, we will undertake a further review of the Corporate Planning process. Our 2004/05 review in this area concluded that the process for the creation of the 2005-2008 corporate plan was adequate. Our conclusion included the caveat that, due to the plan being in its infancy, we were unable to provide an opinion on the processes for monitoring and reviewing the corporate plan. Our 2005/06 review will focus in this area, in order to provide full coverage of the corporate planning process.

### *IT Risk*

As noted in our internal audit Annual Report, we did not undertake any IT reviews in 2004/05. In 2005/06, we will undertake two reviews, covering Contingency Planning and IT Security. Our contingency planning review will follow on from the recommendations raised by Audit Scotland, the Authority's external auditors

## Introduction & Areas of Review

### *Financial Ledger*

Good financial planning, financial management and reporting are achieved through a sound system of control within the financial ledger. Our review will assess the controls in place to ensure the validity, timeliness and completeness and accuracy of entries to the financial ledger. Additionally, we will assess the controls in place to ensure the accuracy and completeness of reporting to management and the Board.

### *Cash Flow Management*

As a cash limited organisation, the Authority must have a robust cash flow forecasting process, linking into the budgeting and financial ledger processes. Our review will assess the controls in place to ensure that cash flow forecasts and cash draw-downs are based on valid and appropriate assumptions.

### *Grant Awards*

The Authority awards a substantial amount of grants to external parties. Our review will assess the controls in place to ensure that expenditure on grants is valid, appropriate and will further the aims of the Cairngorms National Park Authority.

### *Risk Management*

Our risk management review will assess the controls in place over the risk management system within the Authority. This will include the operation of the risk register, its links with the Corporate Plan, and the level to which risk management has been imbedded within the organisation.

### *Procurement*

Our procurement review will assess the controls in place to ensure that all procurement by the Authority is valid and that it represents best value.

### *Follow-up 2004/05*

An essential element of internal audit work is the follow-up of recommendations raised in previous years to ensure that the control system has been amended as agreed in our reports. Our follow-up work will cover the reports issued in 2004/05. These are:

- Fixed Asset Register;
- Payroll;
- Strategic & Operational Planning;
- Project Management.

Our follow-up work will be undertaken in stages throughout the financial year, depending on the timing of our original work. The status of recommendations will be shown as a standing agenda item for each Audit Committee.

## Statement of Responsibility

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We take responsibility for this report, which is prepared on the basis of the limitations set out below.

#### Enterprise Risk Services

**Deloitte & Touche LLP**

**Inverness**

**September 2005**

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