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Cairngorms National Park Authority
National Park Plan Review
Internal Audit 2009/10
November 2010
Strictly Private and Confidential

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Appendices

Section 1 - Executive summary

1.1   Introduction

This internal audit of the National Park Plan is part of our core programme of operational areas and is consistent with the audit plan approved by the audit committee. The scope for this report has been included at **Appendix A**.

Management should be aware that our internal audit work is performed according to the Institute of Internal Auditors – UK and Ireland standards which are different from audits performed in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. Similarly, the gradings provided in our internal audit report are not comparable with the International Standards on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

1.2   Background

CNPA published the Cairngorms National Park Plan (CNP Plan) in 2006 in conjunction with partner organisations, such as local government authorities, local and national enterprise agencies, and other relevant parties including the Scottish Environment Protection Agency; the Forestry Commission, and Scottish Water. The plan sets out the vision and purpose of the National Park over the period 2006 to 2030, the three overall strategic objectives, being: conserving and enhancing the park; living and working in the park; and, enjoying and understanding the park.

The plan also sets out seven more specific priorities for action, that the CNPA and its partners are to pursue between 2007 and 2012: conserving and enhancing biodiversity and landscapes; integrating public support for land management; supporting sustainable deer management; providing high quality opportunities for outdoor access; making tourism and business more sustainable; making housing more affordable and sustainable; and, raising awareness and understanding of the park.

Within each priority for action, there are a number of outcomes that the CNP Plan seeks to achieve in the five-year period, and specific actions that are to contribute to the priority for action. The progress of the Plan against each the outcomes and actions is reported to the Board every four month by the Strategic Policy and Planning Officer. As per the May 2009 report to the Board 15 outcomes were considered achievable by 2012 using the existing plans and resources, 25 required further work and resources to be achieved, and two outcomes were considered unlikely to be achieved. Additionally, there were 125 actions that the report considered to be on target to be achieved, and 38 actions that were considered to require extra work.

CNPA supports the achievement of the Park Plan by assigning a Programme Manager for each priority for action who are responsible for coordinating the achievement of the CNP Plan outcomes and actions in that area. Each Programme Manager coordinates a Delivery Team made up of representatives from CNPA and partner organisations, and in each case they meet on a regular basis to discuss and coordinate progress. In addition to this, two internal Programme Teams allow discussion and coordination between the Programme Managers.

An annual Operational Plan budget is set to reflect the expected CNPA expenditure in relation to each of the Priorities for Action, and this is estimated based on expected funding commitments and the anticipated activities of CNPA. The total expenditure as at 31 March 2010 was £2,583,248 of which £666,905 came from Operational Plan income therefore reducing the overall cost to CNPA.

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Section 1 - Executive summary (continued)

1.3   Approach

We undertook a review of the park plan documentation and action plans and carried out interviews with key CNPA and partnership staff. We assessed the overall governance of the park plan and how partners were integrated and monitored in delivering the priorities for action. This included interviewing a sample of partners to gain their feedback on the process to date and to identify any opportunities for improvement. The partners interviewed were representatives from Highland Council, Visit Scotland, Scottish Natural Heritage and the Scottish Rural Property and Business Association.

1.4   Overall Assessment

The following table summarises the areas of our review and our overall assessment of the control environment against each objective:

Audit areas	Overall Assessment	Report Ref.
Responsibilities for delivery are clearly assigned	***	**2.2**
Resources are appropriately allocated across CNPA and its partners to deliver on the Park Plan	****	
Partners are co-ordinated to provide a unified approach to implementing actions	**	**2.1**
There are appropriate mechanisms in place to discuss and report on progress for CNPA and its partners also allowing for reporting of any external factors that may impact on progress	***	**2.2 & 2.4**
Delivery Teams are effective in implementing, delivering, monitoring and reporting on actions	***	**2.2 & 2.3**
There is an appropriate structure in place to allow all stakeholders to be aware of delivery progress	****	**-**
Targeted timescales for delivery are being achieved and this is appropriately reported and communicated	***	**2.2 & 2.3**
Partners have delivered their responsibilities to date	**	**2.1**

Key: ****   Arrangements accord with good practice and are operating satisfactorily (recommendations are in respect of minor matters).
        ***   Adequate arrangements are in place, but certain matters noted as requiring improvement.
        **   Arrangements in place offer scope for improvement.
        *   Inadequate level of control and unacceptable level of risk.

Section 1 - Executive summary (continued)

1.5   Overall summary

In total, we identified **four** recommendations as follows:

Description	Priority	Number
Major issues that we consider need to be brought to the attention of Management and the Audit Committee	1	0
Important issues which should be addressed by management in their areas of responsibility	2	3
Minor issues where management may wish to consider our recommendations	3	1
Total		**4**

We can conclude that the controls over the achievement of the CNP Plan are adequate, but certain matters have been noted as requiring improvement, in particular, around the areas of documenting partner commitments and the mapping of Priorities for Actions to projects. We have summarised the main weaknesses and issues below and further details of our findings and recommendations can be found within **Section 2** of this report. Our summary of feedback from the partners is documented at **Appendix B**.

Our key findings are as follows:

- There is a general issue that some partner organisations have not formally demonstrated full commitment to the achievement of the aims of the CNP Plan *(Recommendation 2.1);*

- There is inconsistent and incomplete mapping of detailed activities and projects to support the reporting of progress versus Priority for Action outcomes and actions *(Recommendation 2.2);*

- Project Management is not standardised or consistently formalised across CNPA in relation to projects that contribute to the achievement of the aims of the CNP Plan *(Recommendation 2.3).*

1.6   Acknowledgements

We would like to take the opportunity to thank all of the CNPA staff involved in assisting us in this audit. The findings and recommendations in this report were discussed with the Head of Corporate Services at the conclusion of our fieldwork. We would also like to thank the partners for their co-operation and involvement during this review.

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Section 2 – Detailed findings and recommendations

2.1   Partner Commitment

Finding	Recommendation	Rationale
As per discussions with members of CNPA staff responsible for the delivery of the CNP Plan, there is a general issue across all Priorities for Action that partners are not sufficiently committed to the delivery of the CNP Plan. Partner organisations are committed to the CNP Plan at a corporate level at initiation, and this means there is an expectation they will remain committed to achieving the aims of the park plan and incorporate them into their operational plans. However, in practice changing circumstances and resource constraints have resulted in partner organisations not fulfilling their obligations, or pursuing the aims of the CNP Plan. The CNPA has few formal levers at its disposal to encourage partners to take specific actions or provide resources.	In line with recommendations raised below it is important that the CNPA has detailed records of the expected partner actions that support the Priority for Action outcomes and activities so that Programme Managers can readily identify issues with partner commitment or completion of actions. It is also important that CNPA are able to monitor effectively the actions and expenditure of partners in relation to projects to track their activity against agreed actions. Where there are gaps or shortfalls in the activity of partners against their commitments or the expectations set out in the park plan then CNPA should discuss this at Delivery Team level, and escalated to senior management for discussion with partners' senior management as appropriate.	There is a risk that stated CNP Plan outcomes for 2012 are not being achieved due to a lack of partner commitment.

Management Response		Responsibility/ Deadline	Priority
Recommendation accepted. The Authority is reviewing its approach to the development of the next 5 year National Park Plan (NPP) along with colleagues at Loch Lomond and the Trossachs NPA and Scottish Government sponsor team. We aim to incorporate a more explicit set of statements at the outset of the next NPP which make clear the expected involvement of partners to the NPP in its delivery. We are also aiming to make the expected delivery by each partner clearer, to facilitate enhanced monitoring and review of participation and delivery.		Director Strategic Land Use Autumn 2011	Two

Section 2 – Detailed findings and recommendations (continued)

2.2   Mapping of Priorities for Action to Projects

Finding	Recommendation	Rationale
In the course of our review, we identified that between each of the seven Priorities for Action there is inconsistency in terms of the clarity and detail with which the Delivery Team have mapped the ongoing projects and activities to the outcomes and actions within the CNP Plan. There is further inconsistency regarding the extent to which, conversely, projects are clearly mapped to the outcomes and actions within the CNP Plan. Whilst in some cases there is documentation of the relationship between the Priorities for Action and relevant projects, the detail and extent of this varies between Priorities for Action. We noted that the Strategic Planning and Policy Officer submits a report to the CNPA Board every four months that documents progress against the actions and outcomes within each Priority for Action. However, we found that information to support these updates is not consistent or clearly documented.	For each Priority for Action area the relevant Programme Manager, along with Delivery Teams, should document in detail the projects and activities supporting the achievement of each specific outcome and action within each Priority for Action. This document should include details of responsibilities for CNPA and its Partners, completion timescales, and key performance indicators. Additionally, for each Project a similar schedule should be prepared that documents each relevant Project in terms of the Priority for Action outcomes and actions it supports. This should include details outlined above. An agreed standard format for these schedules should be prepared, and updated quarterly to reflect changes in the projects and activities.	There is a risk that CNPA will be unable to assess accurately the progress and achievement against the outcomes and actions set out in the Priority for Actions. The recommendation should provide a clear account of how each outcome and action contained in the CNP Plan will be achieved, and provide supporting schedules and detail for the progress reports the Strategic Planning and Policy Officer submits to the CNPA Board.

Management Response		Responsibility/ Deadline	Priority
Recommendations noted. We will be reviewing our monitoring arrangements once the new NPP is reaching the concluding stages of consultation in order to determine the most appropriate monitoring arrangements given the likely final content of the Plan. We are aware that delivery teams have evolved differently across priorities for action. While that appears to have adequately supported partner relationships over the first NPP period we will review our overall NPP delivery and engagement approach as part of an ongoing review of stakeholder relationships.		Directors of Land Use and Communications Autumn 2011	Two

Section 2 – Detailed findings and recommendations (continued)

2.3   Standardised Project Management

Finding	Recommendation	Rationale
There are a significant number of Projects of varying scale in terms of financial and organisational commitments of CNPA and its partner organisations. However, we noted that there is no standard methodology employed by CNPA for setting up and monitoring the progress of projects. In instances where CNPA and its partner organisations are required to commit financially, or where the project is large in scale then CNPA track the progress of the project in detail and set out the rationale for the project's activities. In some cases partner organisations are required to provide evidence, such as financial information, of their actions in relation to the project. However, in other instances there is a relative lack of such documentation to establish the key aims and intended outcomes of the project, to consolidate the project's progress against its initial aims, and to track the contribution of the CNPAs partners.	CNPA should introduce a standard methodology to form the basis of the establishment and management of all projects that contribute to the completion of the CNP Plan. The responsible Programme Manager should set out a summary rationale for each project that documents the overall objectives of the project, the expected timescale of the project, and the financial commitments required from CNPA and partners. We acknowledge that CNPA currently has established processes in place for the approval and monitoring of expenditure, however, it is recommended that processes are introduced to standardise and formalise overall project management. In addition, the activities required for the achievement of projects aims should be set out with responsible parties, expected timescales and estimated costs. CNPA Programme Managers should use this information to monitor the progress of the project. Although the level of detail and complexity of this will vary from project to project, all projects should follow this framework. In particular, actions expected from partner organisations should be documented and followed up on. Where partners have not fulfilled their commitments this should be highlighted and discussed with the relevant Delivery Team.	There is a risk that individual projects are not adequately established, monitored, or supported by Partner organizations, and that there is no consistency in the management of projects. Whilst we note that CNPA do perform tasks that are in line with the recommended activities, the key development would be to formalise and standardise the management of projects as far as possible, and to extend these tasks to all relevant projects.

Management Response	Responsibility / Deadline	Priority
The Authority is reviewing its internal project management and financial control procedures to ensure that these remain fit for	Director of Corporate	Two

purpose.

There is however an issue that it is not considered appropriate for the Authority to impose specific arrangements on its delivery partners. Partner representatives must remain free to operate within the parameters set by their own organisations, and we must ensure that the NPP delivery process does not become overly bureaucratic. Therefore, while it is appropriate for CNPA Programme Managers to maintain oversight of delivery and monitor progress in a uniform manner, we may need to draw this information from a variety of partner documentation. | Services

March 2011 | |

Section 2 – Detailed findings and recommendations (continued)

2.4   Priority for Action Outcomes and Actions as Objectives

Finding	Recommendation	Rationale
The CNP Plan sets out outcomes and actions against each Priority for Action. However, they are inconsistent in terms of their complexity, whether they are tangible, and how measurable they are. This means that in particular areas it is difficult to assess the progress against the park plan.	Where outcomes and actions within each Priority for Action do not constitute robust or Specific, Measurable, Achievable, Relevant and Timely (SMART) objectives relevant CNPA members of staff should clearly document this issue, and set up 'proxy' or replacement actions or outcomes to help guide activities within the relevant Priority for Action. These proxies should be discussed and agreed with the relevant Delivery Team, and internally with the Programme Team, and they can then be used to help measure the progress versus the aims of the CNP Plan.	The introduction of SMART objectives will aid in the monitoring of objective achievement and allow for more objective comparisons to be made against achievement of the Park Plan.

Management Response	Responsibility/ Deadline	Priority
I am not convinced that there is merit in "forcing" SMART target, even if these are proxy targets, on every action or outcome within the NPP. As the finding states, there is great variation in the complexity and nature of the targets. That said, I do agree with the spirit of the recommendation that the Authority should seek as far as possible to be able to report around "concrete" targets and key performance indicators, using proxy indicators to support this as required. We do this for Corporate Plan delivery, while accepting that we will focus on a small set of indicators rather than seeking a proxy indicator for each and every Corporate Plan outcome. We will consider the monitoring framework for the new NPP 2012-2017 with this recommendation in mind.	No further action re NPP 2008 – 2012. Director Strategic Land Use to consider for NPP 2 January 2012	Three

Section 3 - Statement of responsibility

Statement of Responsibility

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

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Deloitte LLP

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November 2010

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Appendix A – Background and objectives

Background

The Cairngorms National Park Plan sets out the long term vision for the park, providing a framework for management and seven 'priorities for action' focusing on the greatest perceived issues and challenges. The priorities for action are due for delivery between 2007 and 2012 and set out a programme of work to be followed during that period.

The Plan was developed and will be implemented through a wide range of partners and stakeholders, who are jointly responsible for delivering the park's aims.

Plan updates are produced every four months to provide information on how the priorities for action are progressing and what has been achieved to date. In addition, an annual 'park plan progress report' is produced, summarising the progress and effects of implementing the priorities for action in a given year. Finally, a five yearly 'State of the Park Report' will be produced, with the next due for publication in 2011.

Although CNPA are leading the delivery of the plan, they are dependent on partners to take responsibility for delivering elements of the priorities. As such, delivery teams have been set up to keep partners bound together and ensure the priorities for action are taken forward.

Objectives

The main objectives for this review are as follows:

- Responsibilities for delivery are clearly assigned;

- Resources are appropriately allocated across CNPA and its partners to deliver on the Park Plan;

- Partners are co-ordinated to provide a unified approach to implementing actions;

- There are appropriate mechanisms in place to discuss and report on progress for CNPA and its partners also allowing for reporting of any external factors that may impact on progress;

- Delivery Teams are effective in implementing, delivering, monitoring and reporting on actions;

- There is an appropriate structure in place to allow all stakeholders to be aware of delivery progress;

- Targeted timescales for delivery are being achieved and this is appropriately reported and communicated; and

- Partners have delivered their responsibilities to date.

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Appendix B – Partner feedback

The information below was provided from a number of partners interviewed. This has been divided into areas of best practice and areas for improvement. It should be noted that some partners gave conflicting views, however this may be due to the size and scale of the organisation and their level of involvement in the delivery of the National Park Plan.

The partners interviewed were from Scottish Natural Heritage, Visit Scotland, Highland Council and the Scottish Rural Property and Business Association. Five interviews were held in total.

<table>
<tr><td align="center">Positive Feedback</td><td align="center">Areas for Improvement</td></tr>
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- Excellent inclusion of partners from the outset
- Allow some partners to co-lead on the delivery of actions
- Staff are extremely knowledgeable at CNPA
- Excellent working relationships with the Delivery Teams
- Less duplication than at Local Authorities
- The change in internal structure has benefitted the working arrangements
- Park engagement with the public is very proactive

</td><td valign="top">

- Need to ensure that the Local Authorities are challenged to commit to their responsibilities in terms of delivery. They can often hold up achievement of actions significantly
- Gain a better understanding of how realistic the actions are and how high a priority these are in the view of the partners involved in the delivery.
- The Plan could be slim lined and more reader friendly
- Progress updates in terms of delivery are poor outwith the Delivery Teams and the organisations involved
- Could more be done with less meetings?
- Some delivery mechanisms are possibly more elaborate than they need to be.
- Smaller partners could be more engaged at the drafting stage
- There can often be duplication across delivery groups

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