AZETS

Cairngorms National Park Authority
Internal Audit Plan 2022/23

February 2022

Cairngorms National Park Authority

Internal Audit Plan 2022/23

Introduction

> **Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.**

Section 3 – Definition of Internal Auditing, Public Sector Internal Audit Standards

The PSIAS require the Chief Internal Auditor to produce a risk-based plan, which takes into account Cairngorm National Park Authority's risk management framework, its strategic objectives and priorities and the views of senior managers and the Audit & Risk Committee. The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks are being managed effectively and value for money is being achieved.

Internal audit is only one source of assurance for the Audit & Risk Committee. Assurance on the management of risk is provided from a number of other sources, including the senior management team, external audit and the risk management framework itself.

This document addresses these requirements by setting out an internal audit plan for 2022/23 in the context of a three-year plan for 2021/22 to 2023/24.

Audit & Risk Committee action

This latest version of the audit plan reflects discussions with the Chief Executive and the Director of Corporate Services and Deputy Chief Executive in January 2022. All feedback received to date has been factored into the plan to ensure internal audit work is as relevant and targeted to CNPA's needs as possible, and that it is supporting management and the Board in addressing the organisation's key risks.

The Audit & Risk Committee is asked to review and approve the proposed Internal Audit Plan for 2022/23.

Internal Audit Plan 2022/23

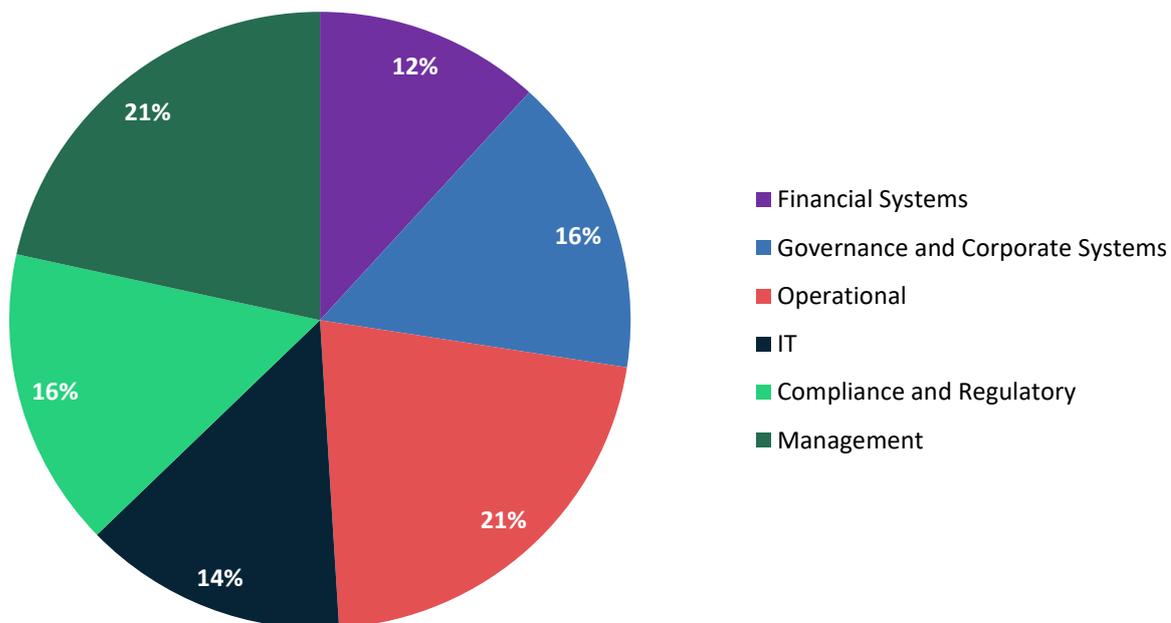| Audit area	2021/22	2022/23	2023/24	Risk Register Ref	Audit objectives
A. Financial systems					
A.1 Financial management and reporting	8			Financial risks	Review of financial planning, budget management and reporting to management and the board.
A.2 Payroll and expenses		6		Financial risks	Review of the controls in place for the payment of staff salaries and expenses. Potential to utilise data analytics to undertake 100% sampling.
A.3 Expenditure and Creditors			7	Financial risks	Review of the controls over the processing and monitoring of expenditure and creditor payments.
Subtotal A:	**8**	**6**	**7**		
B. Governance and Corporate Systems					
B.1 Assurance Mapping of Major Projects	8			All	Review of the mechanisms in place to ensure the Board are being provided with assurance over projects where CNPA acts as accountable body.
B.2 Performance Management		8		A23, A21	Review of the monitoring and evaluation framework in place to monitor and evaluate performance against the National Park Partnership Plan and CNPA Corporate Plan.
B.3 Risk Management			7	All	Review of the policies, procedures and practices in place to support robust risk management within CNPA. Work will build on the Risk Appetite work being undertaken by the Board.
B.4 Partnership Management			8	A26	Review of the policies, procedures and mechanisms in place to work with CPNA partners and provide assurance on partnership arrangements. To be undertaken towards the end of 2021/22 and will consider how CRM is aiding in partnership management.
Subtotal B:	**8**	**8**	**15**		

C. Operational					
C.1 Health and Safety			7		To review the operation and reporting on Health and Safety policies and procedures.
C.2 Workforce Management and Planning		11		A12.2, A9.3, A28	Review of the arrangements in place for planning future workforce needs to deliver strategies and corporate plans. Will also consider the recruitment and retention arrangements in place for staff and ongoing staff wellbeing initiatives, particularly in the context of covid-19 impact.
C.3 Procurement			8	Financial Risk	Review of the arrangements in place over the procurement of services.
C4. Heritage Horizons			8		A review of the governance and reporting arrangements for the Heritage Horizons programme to ensure the processes in place are suitable for the delivery phase of the programme and that lessons learned from the development phase have been implemented.
Subtotal C:		**11**	**23**		
D. Information technology					
D.1 ICT Strategy	7			A17, A13	Review to ensure an up-to-date ICT strategy is in place and being actively maintained.
D.2 Data Management		7		A17, A13	A review of the adequacy of current data management processes in place that support the organisation, with particular consideration over processes emerging from COVID-19 and changes to CNPA's IT Infrastructure.
D.3 Cyber Security	7			A18	Review of the arrangements in place to mitigate cyber security risks.
Subtotal D:	**14**	**7**			
E. Compliance and Regulatory					
E.1 LEADER Administration	7	5		A11.1	To provide assurance on compliance with SLA between CNPA and Scottish Government on administration of EU LEADER funding.

E.2 Follow Up	3	3	3		To provide independent assurance to the audit and risk committee that agreed actions from previous internal audit reports are implemented as planned.
Subtotal E:	**10**	**8**	**3**		
F. Management					
Internal audit management and administration	2	2	2		
Audit and Risk Committee planning, reporting and attendance	3	3	3		
Audit needs analysis - strategic and operational IA planning	3	3	3		
Contract management	2	2	2		For coordination and efficiency
Annual internal audit report	1	1	1		
Subtotal F:	**11**	**11**	**11**		
TOTAL	**51**	**51**	**59**		

Allocation of audit days

The table below demonstrates how the internal audit days for 2022/23 are allocated across each area of the audit universe (Appendix 2).

Allocation of audit days

Legend:
- Financial Systems
- Governance and Corporate Systems
- Operational
- IT
- Compliance and Regulatory
- Management

Internal audit approach

Supporting the Governance Statement

Our Internal Audit Plan is designed to provide Cairngorms National Park Authority, through the Audit & Risk Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the improvement of governance, risk management and internal control processes by using a systematic and disciplined evaluation approach.

Compliance with best practice

Azet's internal audit methodology complies fully with the Public Sector Internal Audit Standards (PSIAS), which cover the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.

Risk based internal auditing

Our methodology links internal audit activity to the organisation's risk management framework. The main benefit to Cairngorms National Park Authority is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

By focussing on the key risk areas, internal audit should be able to conclude that:

- Management has identified, assessed and responded to Cairngorms National Park Authority's key risks;
- The responses to risks are effective but not excessive;
- Where residual risk is unacceptably high, further action is being taken;
- Risk management processes, including the effectiveness of responses, are being monitored by management to ensure they continue to operate effectively; and
- Risks, responses and actions are being properly classified and reported.

We have reviewed Cairngorm National Park Authority's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the risk register as one source of the information we use to inform our audit needs assessment.

Audit needs assessment

Our internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the Audit & Risk Committee from internal audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment involved the following activities:

- Reviewing Cairngorms National Park Authority's risk register,
- Reviewing Cairngorms National Park Authority's corporate operational plan,
- Reviewing previous internal audit reports,

- Reviewing external audit reports and plans,
- Reviewing the Cairngorms National Park Authority's website and internal policies and procedures,
- Utilising our experience at similar organisations, and
- Discussions with senior management and the Audit & Risk Committee

The plan has also been cross-referenced to the Cairngorm National Park Authority's risk register as at September 2021. The audit universe is included at Appendix 2.

Best value

Our work helps Cairngorms National Park Authority to determine whether services are providing best value. Every report includes an assessment of value for money; i.e. whether the controls identified to mitigate risks are working efficiently and effectively. Where we identify opportunities for improving value for money, we raise these with management and include them in the report action plan.

Liaison with external audit

We seek to complement the areas being covered by Cairngorms National Park Authority's external auditor. We welcome comments on the internal audit plan from Grant Thornton at any time. This will help us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of total audit resource.

Delivering the internal audit plan

Internal Audit Charter

At Appendix 3 we have set out our Internal Audit Charter, which details how we will work together to deliver the internal audit programme.

Internal Audit team – indicative staff mix

Grade	2022/23 Input (days)	Grade mix (%)
Partner / Director	6	12%
Manager	11	22%
Auditors	34	66%
Total	**51**	**100%**

Internal Audit Team Contacts

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Internal Audit Manager

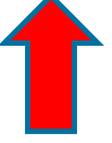**email:** stephanie.hume@azets.co.uk

telephone: 01463 704 866
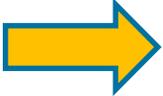
Appendix 1 – Corporate Risk Register

As part of our audit needs assessment, we reviewed the Corporate Risk Register (as at January 2022) to consider auditable areas against identified risks.

Risk	Ref	Resp	Mitigation	Comments	Trend Jun 21	Trend Sep 21	Trend Jan 22
Resources: public sector finances constrain capacity to allocate sufficient resources to deliver corporate plan.	A1	DC	Preventative: Ongoing liaison with Scottish Government highlighting achievements of CNPA. Preventative: Corporate plan prioritised around anticipated Scottish Government budget allocations, taking on Board expectation of funding constraints. Remedial: Focus resource on diversification of income streams to alternate, non-public income generation. Remedial: Continuing to support "delivery bodies" such as Cairngorms Nature, Cairngorms Trust in securing inward investment.	Now nearing end of current Corporate Plan period therefore this risk specifically about resourcing to March 22 managed to successful outcome. Corporate Plan outcomes may be extended beyond March 22 as part of agreed transitional corporate planning process. While Board has still to consider budget and allocations for 2022/23, the allocations from Scottish Government appear in line with expectations and requirements.	⬇	⬇	⬇

Risk	Ref	Resp	Mitigation	Comments	Trend Jun 21	Trend Sep 21	Trend Jan 22
Resourcing / Staffing / Policy: extended impacts of COVID19 to organisation impacts core strategic objectives and requires early strategic plan review.	A23	DC	Remedial: separate COVID19 operations risk register established to help identify and mitigate specific risks. Remedial: altered, widened management meetings to include all Heads of Service thus ensuring close monitoring of strategic impacts	Management of specific COVID strategic and operational risks are set out in the separate risk register document. Evidence over last periods of COVID mitigation being effective and focus remaining on strategic objectives.	⬇	⬇	⬇
Resourcing: future community led local development funding currently delivered through LEADER, together with wider funding previously from EU structural and agricultural sources is lost and creates a significant gap in our capacity to deliver against our development priorities	A12.2	DC	Preventative: prioritise engagement in consultations and events around the future development of structural and community funding. Remedial: continue to support work of Cairngorms Trust in attracting voluntary donations toward community action – although this is likely to remain at a much smaller scale for some time. Remedial: continue to review opportunities for funding bids to other non-governmental funding sources.	Positive movement across policy development areas within Scottish Government around the continuity of some form of CLLD. However, timetable for any development process still very unclear, as is potential of UK Government funding to replace EU losses. Wider changes to agri-environment schemes and impact of change also remains highly uncertain.	⬆	⬆	⬆

Risk	Ref	Resp	Mitigation	Comments	Trend Jun 21	Trend Sep 21	Trend Jan 22
Staffing: additional externally funded projects strains staff workload capacity with increased risks of stress and reduced morale.	A9.3	DC	Preventative: Strategic and operational plans for 2022/23 will be developed with externally funded project delivery as intrinsic elements of plans to ensure delivery capacity is considered fully. Importance of staff management and task prioritisation reinforced through leadership meetings. Focus on fewer, larger impact projects.	Risk escalation in recognition of success in significant Heritage Horizons award and early stages of planning resource deployment around that step-change in activity level.	(yellow arrow right)	(red arrow up)	(red arrow up)
Resourcing: Role as Lead / Accountable body for major programmes (e.g. LEADER, Landscape Partnership) has risk of significant financial clawback should expenditure prove to be not eligible for funding, while CNPA carries responsibilities as employer for programme staff.	A11.1	DC	Preventative: Ensure financial controls in place for programme management include effective eligibility checks. Test processes with funders if required and also undertake early internal audit checks. Workforce management plans must incorporate programme staff considerations. Ensure TGLP Management and Maintenance contracts are all in place to ensure eligibility of investment. Remedial: Utilise internal audit resources	LEADER Projects have been brought to a close by the 31 December 21 deadline with the final admin claim to be made by end January. To date, no closure issues have arisen and good work in partnership with the current central team in Edinburgh to reconcile and finalise positions. Work has progressed well on closure of Tomintoul and Glenlivet and on Badenoch programmes with no issues arising to date.	(green arrow down)	(green arrow down)	(green arrow down)

Risk	Ref	Resp	Mitigation	Comments	Trend Jun 21	Trend Sep 21	Trend Jan 22
Technical: Increasing ICT dependency for effective and efficient operations is not adequately backed up by ICT systems support.	A17	DC	Preventative: invest in additional staff resource. Deploy timetabled action plan against approved ICT Strategy Remedial: New ICT Strategy to be developed to reappraise position on IT dependencies and establish a focus for future digital development across the Authority. Clear action planning to evolve from final ICT strategic direction once agreed.	Added April 2018 Operational Scale of forward ICT investment to support infrastructure development work and organisational development plans as we move to a post-COVID "new normal" signifies significant workload and support requirements. ICT Strategy in place; added staff recruitment underway and timetabled action plan in development.	↑	↑	→
Technical: Cyber security is inadequate to address risk of cyber-attack on systems	A18	DC	Preventative: Implementation of Scottish Government Cyber Security Action Plans and internal audit recommendations on IT security. Ongoing review of systems and procedures in tandem with LLTNPA. Rescope arrangements through IT Strategy. Invest in cyber security software	Added by MT / OMG April 18. Cyber security plus accreditation received. Work underway to complete residual internal audit actions. Aware of increased risks highlighted by national agencies during COVID response. Investment in cyber security software completed	↑	→	→

Resourcing: CNPA IT services are not sufficiently robust / secure / or well enough specified to support effective and efficient service delivery.	A13	DC	Preventative: We will develop and consult on the forward plans for ICT service development to ensure these meet service requirements. Commissioned external review of our IT and data management processes to be implemented to give assurance.	Risk added through staff consultation with Staff Consultative Forum Sep 2016. Actions implemented on Cyber Security. Very high levels of service availability. It services have continued to support remote working over COVID BCP period. Size of team increased to resource work required to design and implement the service changes supporting hybrid operations.	⬆️ (red)	⬆️ (red)	➡️ (amber)
Reputation: One-off, high-profile incidents and / or vociferous social media correspondents have an undue influence on the Authority's positive reputation.	A14.1	GM	Preventative: Engagement and communications strategy, and stakeholder engagement will seek to take the front foot on managing the Authority's positive, public reputation Preventative: proactive communications initiated to address any potential incidents Remedial: involvement in emerging NPUK collective communications strategy and campaigns which will produce additional high profile positive reputational impact Remedial: Social media profile represents an opportunity to boost reputation.	Adopted by ARC November 20 to consolidate all reputational risks. Recruitment now complete to support this work within the communications team. While incidents and negative social media interactions occur from time to time, overall sense of current position is a decline in this risk area.	➡️ (amber)	➡️ (amber)	⬇️ (green)

Resourcing: scale of asset responsibilities such as for paths, outdoor infrastructure is not adequately recognised and does not secure adequate forward maintenance funding.	A16	DC	Remedial: Review of accounting procedures and asset recognition policy; review of forthcoming accounting technical guidance. Ensure full consideration is given in budget reviews. Preventative: Capital bids to government and Alternate funding sources such as visitor giving to be explored more actively. Work on Strategic Tourism Visitor Infrastructure Plan to focus action.	Added by MT / OMG April 18. Infrastructure maintenance issues exacerbated by end of existing agreements over key routes and by additional COVID19 related visitor pressures. Significant increase in capital allocation allows scope for increased programming of maintenance over next four-to-five-year period.	→	→	→
Resources: change in financing IT services and the switch from capital to revenue provision places an unmanageable pressure on the Authority's budget capacity.	A20	DC	Remedial: Monitor pattern of IT Investment costs as regards the capital and revenue split of resourcing requirements; build impacts into ongoing budget deliberations with Scottish Government.	Added by Audit Committee 8 March 2019 following "deep dive" IT risk review. Risk remains live as we develop a refreshed ICT Strategy and move to more cloud / service solutions	→	→	→
Reputation: The Authority is not perceived to be appropriately addressing the potential for conflict between 4 statutory aims.	A21	GM	Preventative: Ensure Board policy papers and Planning Committee papers are explicit in recognising strategic policy conflicts between 4 statutory aims and in addressing the evaluation of any potential conflict. Preventative: ensure clarity on this matter is established through high level NPPP and Corporate Plan documents	Added by Audit Committee 8 March 2019 following internal audit report on strategic planning processes. NPPP development process now underway where this can start to be underpinned.	→	→	→

Risk	Ref	Owner	Mitigation	Commentary			
Technical: Business Continuity Plans (BCP) are inadequate to deal with significant impacts to normal working arrangements and result in service failure.	A22	DC	Preventative: Overhaul of BCP developed in 2014 with reporting on development of plans through Management Team and Audit and Risk Committee. Test BCP arrangements once plan in place and communicated. Remedial: internal audit review of COVID19 over winter 20/21 will lead into lessons learned on wider BCP.	Added by Audit Committee May 2019 following internal audit review of BCP. Some delay in finalisation of BCP documentation itself. However, work on BCP has considerably assisted in roll out of initial and ongoing responses to Coronavirus pandemic with evidence, including very positive staff feedback, that BCP implementation has been effective.	→	→	→
Technical: The Authority's range of powers combined with strategic partnerships is insufficient to deliver outcomes on wildlife crime	A24	AF	Remedial: use NPPP development processes to explore partnership attitudes, engagement and powers which they may add to the current controls. Preventative: explore potential for licencing or other regulatory arrangements to contribute to more effective control framework	Added by SMT risk review May 2021 Mitigation actions still in formative stages and risk profile retained.	↑	↑	↑
Technical: The Authority's Peatland Programme outcomes may be adversely impacted by a lack of contractor capacity	A25	MF	Preventative: interaction with skills and economic development agencies to highlight the problems of contractor capacity and scale of future programme	Added by SMT risk review May 2021 Recent failure to procure tenders for contract confirms risk. Recent failure to procure tenders for contract confirms risk. Positive signals around the effectiveness of team in working with the contractor supply side of the sector with optimism that situation may improve as we move into period to tender for works over 2022/23. Risk profile retained pending evidence of contractor responses to tenders in 2022.	↑	↑	↑

Reputational: key communications activities, messaging and (in some cases) brand awareness raising can be dependent on partner collaboration rather than under direct control, with potential for ineffective or disjointed communication outcomes	A26	GM	Preventative: agree partnership frameworks that explicitly set out expectations and outcomes of collaborative activities and establish adequate control mechanisms. Preventative: specifically monitor and feedback on communications effectiveness where there are partnership dependencies Remedial: conduct review meetings which track and document progress and escalate and issues arising to appropriate governance groups.	Added by SMT risk review May 2021. Identified as a stable risk at present rather than escalating, while recognised that work remains to be undertaken around these preventative and remedial mitigation measures.	→	→	→
Technical: approaches to conservation and protection of endangered species may be insufficient to achieve associated strategic outcomes	A27	PM	Remedial: review current approaches in context of relevant data sources to determine adequacy of current approaches. Remedial: use NPPP development processes to test potential for enhanced / revised approaches to conservation and protection of endangered species	Added by SMT risk review May 2021. Identified as a stable risk at present rather than escalating, while recognised that work remains to be undertaken or is ongoing around these preventative and remedial mitigation measures.	→	→	→

Staffing: delivery of key outcomes is impacted by staff turnover, particularly in project teams.	A28	DC	Preventative: consider HR solutions to encourage retention Remedial: ensure succession planning and operational risk registers cover this strategic risk	Added following Board reflection on impact of turnover in TGLP Project.		→	→
Staffing: increasingly competitive and restricted recruitment climate prevents staff with the required experience and skill sets being secured	A29	DC	Preventative: focus on training and development and internal succession planning, in turn bringing recruitment into less experienced / less highly skilled markets; consider job design and flexibility of offer regarding part-time / job share. Remedial: contingency planning for example around out-sourcing of aspects of delivery.	Added by SMT review 18 Jan. Evidence of reducing number of applicants and candidate lists for vacancies and emerging trend in unsuccessful recruitment exercises.			→

Appendix 2 – Internal Audit Universe

Auditable area	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Notes
A. Financial Systems								
Project Financing			✔					
Grant Funding and Management Pensions Administration								
Payroll Administration			✔			✔		
Expense Claims Process			✔					
Procurement							✔	
Financial Reporting					✔			
Financial Ledger							✔	
Budget Management					✔			
Treasury and Cash Management								
Expenditure and Creditors							✔	
Income and Receivables								
Non-Current Assets								
Counter Fraud								
Financial Planning		✔			✔			
B. Strategic and Governance								
Corporate Governance	✔			✔				
Risk Management			✔				✔	
Strategic Planning		✔				✔		
Strategic Engagement		✔						
Partnership Management		✔					✔	

Sickness Absence									
Estates and Asset Management (Outdoor Access Infrastructure)									
Legacy Liabilities									
Marketing									

C. Operational

Business Continuity Planning		✔		✔					
Project Management		✔	✔				✔		
Resource Planning			✔			✔			
Communications and Social Media Strategy	✔								
Staff Objective Setting and Appraisal			✔						
Freedom of Information			✔						
Recruitment and Retention						✔			
Complaints Management									
Workforce Planning						✔			
Operational Planning									
Health and Safety							✔		
Performance Management		✔				✔			

D. Information Technology

ICT General Controls Review	✔								
ICT Performance and Strategic Development	✔								

Network Management						✔		
Data Management				✔		✔		
IT Strategy					✔			
IT Security					✔			
GDPR						✔		
Disaster Recovery Planning				✔				
IT applications review								
Cyber Security					✔			
E. Compliance and Regulatory								
LEADER Administration	✔	✔	✔	✔	✔	✔		
Follow Up	✔	✔	✔	✔	✔	✔	✔	

Appendix 3 – Internal Audit Charter

The mission for internal auditing is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Definition

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve Cairngorm's National Park Authority operations. It helps Cairngorm's National Park Authority accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Aim

The aim of this Charter is to set out the management by all parties of the internal audit process. The Charter sets out the context of the internal audit function, including the place of the Audit Committee, the key personnel, timescales and processes to be followed for each internal audit review.

Role

The internal audit activity is established by the Board of Directors or oversight body (hereafter referred to as the Board). The internal audit activity's responsibilities are defined by the Board as part of their oversight role.

Professionalism

The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Core Principles of Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The IIA's Practice Advisories, Implementation Guidance, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to Cairngorms National Park Authority's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Board.

Accountability

The Chief Internal Auditor will be accountable to the Audit & Risk Committee and will report administratively to the Director of Corporate Services.

The Audit & Risk Committee will approve all decisions regarding the performance evaluation, appointment, or removal of the Chief Internal Auditor.

The Chief Internal Auditor will communicate and interact directly with the Audit & Risk Committee, including between Audit & Risk Committee meetings as appropriate.

Independence and objectivity

The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content. This is essential in maintaining the internal auditors' independence and objectivity.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, manage risks, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Chief Internal Auditor will confirm to the Audit & Risk Committee, at least annually, the organisational independence of the internal audit activity. Any interference experienced should be disclosed by the Chief Internal Auditor to the Board and the implications discussed.

Scope and responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit include:

- Consistency of operations or programs with established objectives and goals and effective performance.
- Effectiveness and efficiency of operations and employment of resources.
- Compliance with significant policies, plans, procedures, laws, and regulations.
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information.
- Safeguarding of assets.

Internal Audit is responsible for evaluating all processes ('audit universe') of Cairngorms National Park Authority, including governance processes and risk management processes. In doing so, internal audit maintains a proper degree of coordination with external audit and where practical other assurance providers.

Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate for the organisation. It may also evaluate specific operations at the request of the Audit & Risk Committee or management, as appropriate.

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Audit & Risk Committee and to senior management, including fraud risks, governance issues, and other matters needed or requested by Cairngorms National Park Authority.

Annual internal audit plan

The audit year runs from 1 April to 31 March.

At least annually, the Chief Internal Auditor will submit to the audit committee an internal audit plan for review and approval. The internal audit plan will detail, for each subject review area:

- The outline scope for the review,
- The number of days budgeted,
- The timing, including which Audit & Risk Committee the final will report will go to,
- The review sponsor.

The Chief Internal Auditor will communicate the impact of resource limitations and significant interim changes to senior management and the Board.

The internal audit plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of senior management. Prior to submission to the Audit & Risk Committee for approval, the plan will be discussed with appropriate senior management. Any significant deviation from the approved internal audit plan will be communicated through the periodic activity reporting process.

Assignment Planning and Conduct

An assignment plan will be drafted prior to the start of every assignment setting out the scope, objectives, timescales and key contacts for the assignment.

Specifically, the assignment plan will detail the timescales for carrying out the work, issuing the draft report, receiving management responses and issuing the final report. The assignment plan will also include the name of the staff member who will be responsible for the audit (review sponsor) and the name of any key staff members to be contacted during the review (key audit contact).

The assignment plan will be agreed with the review sponsor and the key audit contact (for timings) before the review starts.

Reporting and Monitoring

The internal auditor will discuss key issues arising from the audit as soon as reasonably practicable with the key contact and/or review sponsor, as appropriate.

A written report will be prepared and issued by the Chief Internal Auditor or designee following the conclusion of each internal audit engagement and will be distributed to the review sponsor and key contacts identified in the assignment plan for management responses and comments.

Draft reports will be issued by email within 15 working days of fieldwork concluding. The covering email will specify the deadline for management responses, which will normally be within a further 10 days. The management comments and response to any report will be overseen by the review sponsor. Internal Audit will make time after issuing the draft report to discuss the report and, if necessary, meet with the review sponsor and/or key contact to ensure the report is factually accurate and the agreed actions are clear, practical, achievable and valuable.

The internal auditors will issue the final report to the review sponsor and the Director of Corporate Services. The final report will be issued within 10 working days of the management responses being received. Finalised internal audit reports will be presented to the Audit & Risk Committee. Finalised internal audit outputs must be in the hands of the Director of Corporate Services by prescribed dates annually.

The working days set out above are maximum timescales and tighter timescales may be set out in the assignment plan.

The internal audit activity will follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

Audit & Risk Committee

The Audit & Risk Committee meets four times a year, normally in February, May, September and November. Dates for Audit & Risk Committee meetings will be provided to internal audit as soon as they are agreed. The Chief Internal Auditor and/ or Internal Audit Manager will attend all meetings of the Audit & Risk Committee.

Internal audit will schedule its work so as to spread internal audit reports reasonably evenly over Audit & Risk Committee meetings. The annual internal audit plan will detail the internal audit reports to be presented to each Audit & Risk Committee meeting.

The internal auditor will generally present specific reports to the committee as follows:

Output	Meeting
Annual internal audit plan	February
Follow-up report	November and May
Annual report	May
Progress report	All meetings

The Audit & Risk Committee will meet privately with the internal auditors at least once a year.

Periodic Assessment

The Chief Internal Auditor is responsible for providing a periodic self-assessment on the internal audit activity as regards its consistency with the Audit Charter (purpose, authority, responsibility) and performance relative to its Plan.

In addition, the Chief Internal Auditor will communicate to senior management and the Audit & Risk Committee on the internal audit activity's quality assurance and improvement programme, including results of on-going internal assessments and external assessments conducted at least every five years in accordance with Public Sector Internal Audit Standards.

Review of Charter

This Charter will be reviewed by both parties each year and amended if appropriate.