Cairngorms National Park Authority

**Internal Audit Plan
2020/21 - DRAFT**

April 2020

Scott-Moncrieff
business advisers and accountants

Cairngorms National Park Authority

Internal Audit Plan – 2020/21

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

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

Internal Audit Plan

The PSIAS require the Chief Internal Auditor to produce a risk-based plan, which takes into account Cairngorms National Park Authority's risk management framework, its strategic objectives and priorities, and the views of senior managers and the Audit and 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.

This paper sets out a detailed plan for 2020/21 in the context of a three-year Strategic Internal Audit Plan.

Audit and Risk Committee Action

The Audit and Risk Committee are asked to review and, if content to do so, approve this Internal Audit Plan for 2020/21.

Once finalised, this plan can be reviewed and revised at any time to reflect changes in Cairngorms National Park Authority's risk profile and assurance requirements. Any significant changes will be subject to Audit and Risk Committee approval.

Internal Audit Approach

Supporting the Governance Statement

The main purpose of the internal audit plan is to provide Cairngorms National Park Authority (CNPA), through the Audit and Risk Committee, with the assurance it needs to prepare an annual Governance Statement that demonstrates good practice in corporate governance, risk management and internal control. We also aim to support continuous improvement in these areas by making constructive and practical recommendations.

Risk Based Internal Auditing

Our methodology links internal audit activity to the organisation's risk management framework. This helps deliver a strategic, targeted internal audit function that focuses on the key risk areas and delivers 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 the 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 are monitored by management to ensure they continue to operate effectively, and

- Risks, responses and actions are properly classified and reported.

Audit Needs Assessment

Internal audit plans are based on an assessment of audit need. "Audit need" represents the audit assurance required by the Audit and Risk Committee and senior management 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 takes both a top-down and bottom-up approach followed by a reasonableness check. The top-down approach involves identifying the areas of highest inherent risk and the control systems in place to manage those risks. The bottom-up approach involves defining CNPA's audit universe (potential auditable areas) and covering all systems on a cyclical basis in line with their relative risk and significance. The reasonableness check involves us using our experience of similar organisations to ensure that all key risk areas and systems have been considered and the resulting internal audit plan is appropriate.

Our audit needs assessment involved the following activities:

- Reviewing the corporate risk register,

- Reviewing the CNPA corporate plan 2018 - 2022,

- Reviewing previous internal audit reports,

- Reviewing external audit reports and plans,

- Reviewing the CNPA website and internal policies and procedures,
- Discussions with the Chief Executive, Senior Management and the Audit and Risk Committee.

The audit needs assessment is revised on an ongoing basis (at least annually) to take account of any changes in CNPA's risk profile. Any changes to the internal audit plan are approved by the Audit and Risk Committee.

Best Value

Our internal audit work helps CNPA to determine whether services are providing best value. This plan contains reviews that focus on assessing whether the current processes provide best value, as a core aspect of each audit. Where we identify opportunities for improving value for money, we raise these with management and include them in the report action plan.
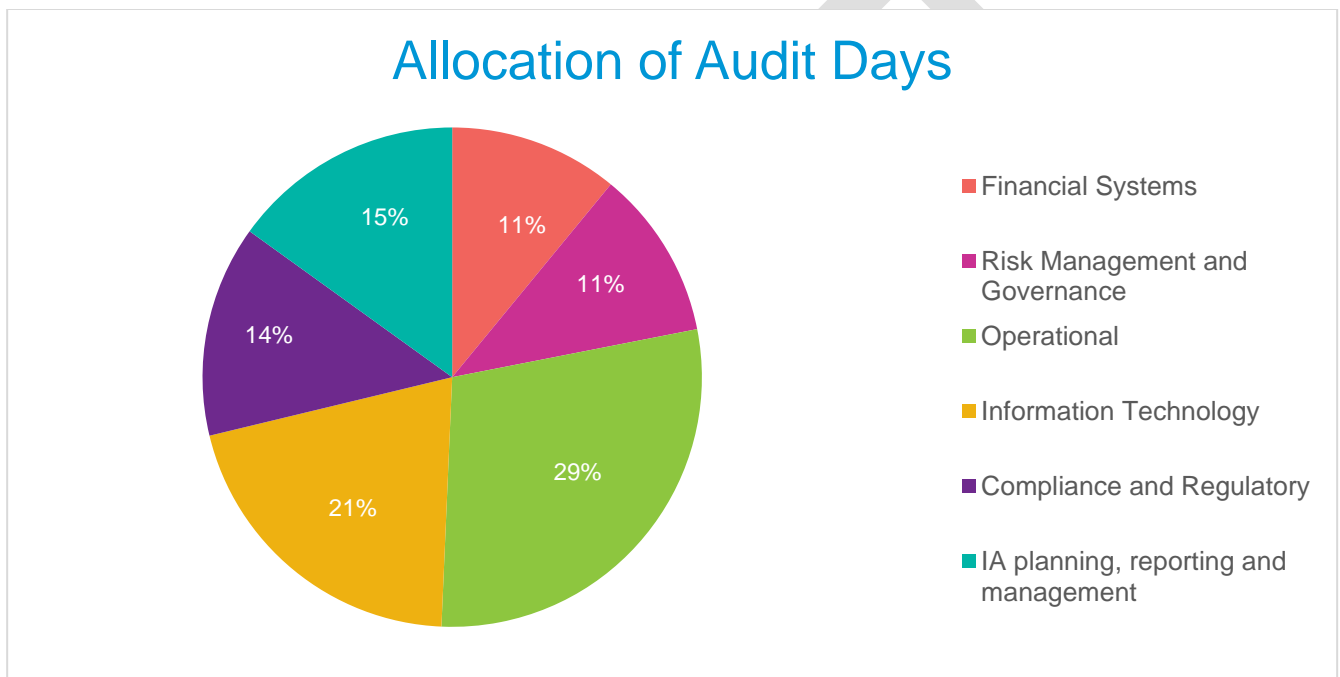
Proposed Internal Audit Plan

Appendix 1 presents the internal audit plan for 2020/21-2022/23

As our internal audit approach is based on risk, the proposed plan is also cross-referenced to the strategic risk register, which is included in Appendix 2 for reference.

We seek to complement the areas being covered by external audit. This helps us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of the total audit resource.

The table below demonstrates how the internal audit plan days agreed for 2020/21 have been allocated across each area of the audit universe:

Allocation of Audit Days

Legend:
- Financial Systems
- Risk Management and Governance
- Operational
- Information Technology
- Compliance and Regulatory
- IA planning, reporting and management

Delivering the Internal Audit Plan

Internal Audit Charter

Appendix 5 sets out our Internal Audit Charter, which details how we will work together to deliver the internal audit plan.

Internal Audit team – Indicative Staff Mix

Grade	2020/21 Input (days)	Grade mix (%)
Partner	6	8%
Audit Manager	26	36%
Specialist IT and related staff	8	10%
Auditor staff	35	46%
Total	**75**	**100%**

Confirmation of Independence

PSIAS require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We can confirm that the staff members identified to complete the reviews in the annual plan are independent and their objectivity has not been compromised.

Internal Audit Team – Key Contacts

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Chief Internal Auditor

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Quality Assurance and Improvement

Key Performance Indicators

As set out in our Internal Audit Charter, we assess our performance in three ways:

- On-going internal monitoring of performance
- Periodic internal assessment
- Periodic external assessment.

The proposed KPIs we will work to are:

KPIs	Description
1	The annual internal audit plan is presented to and approved by the Audit and Risk Committee at the start of the audit year.
2	90% of audit input is provided by the core team and continuity of staff is maintained year on year.
3	Draft reports are issued within 15 working days of completing fieldwork.
4	Management responses are received within 15 working days and final report issued within 10 working days.
5	At least 90% of the audit recommendations we make are agreed with and accepted by management.
6	The majority of Audit and Risk Committee meetings are attended by an Internal Audit Partner, and all Audit and Risk Committees will have senior representation (i.e. at least client Manager grade).
7	The annual internal audit plan is delivered within agreed cost and time parameters.
8	The annual internal audit report and opinion is presented to and approved by the Audit and Risk Committee at the agreed meeting post year-end, to support annual assurance and accounts sign off.

Performance Reporting

We will report on any issues/exceptions arising from the KPI monitoring within the progress reports presented to the Audit and Risk Committee. We will also share relevant information on the periodic internal and external quality assessments as they are undertaken.

Appendix 1 – Internal Audit Plan 2020-23

Audit area	2020/21 days	2021/22 days	2022/23 days	Risk Reg Ref	Notes / comments on scope
A. Financial systems					
A.1 Financial management and reporting			8	A1	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.
A.4 VAT Healthcheck	8			A1	Specialist review of VAT arrangements to ensure VAT position is maximised.
Sub-total A	**8**	**7**	**14**		
B. Governance and corporate systems					
B.1 Corporate Governance	8			A2, A21	Review systems of governance to ensure they follow best practice appropriate to the size and type of organisation and that maximum value is obtained.
B.2 Strategic Planning			8	A14, A15, A21	Review of process for developing corporate plans, including engagement with stakeholders.
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.

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Audit area	2020/21 days	2021/22 days	2022/23 days	Risk Reg Ref	Notes / comments on scope
B.4 Partnership Management		8		A11.1, A11.2	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.
B.5 Marketing			8	A14, A21	Review of the policies, procedures and mechanisms to raise awareness of the CNP brand.
Sub-total B	**8**	**8**	**23**		
C. Operational					
C.1 Covid Recovery	8			B22, All	To review effectiveness of business continuity arrangements in dealing with Covid and how lessons learned are being taken forward.
C.2 Legacy Liabilities	7			A11, A1	Review to ensure resource commitments made as part of prior projects are appropriately captured, budgeted and reported on.
C.3 Outdoor Access Infrastructure	6			A16, A1	Advisory review to ensure correct accounting for all outdoor access infrastructure.
C.4 Complaints management		7		A14	Review of the complaints management policies and procedures, and how complaints are reported within the organisation
C.5 Workforce Planning		7	8	A9.3, A11.2, A19	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.

Audit area	2020/21 days	2021/22 days	2022/23 days	Risk Reg Ref	Notes / comments on scope
C.6 Procurement		8		Financial Risk	Review of the arrangements in place over the procurement of services.
Sub-total C	**21**	**22**	**8**		
D. Information technology and related					
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 GDPR		7			To assess compliance/progress in relation to the general data protection regulation.
D.3 Cyber Security			7	A18	Review of the arrangements in place to mitigate cyber security risks.
D.4 Data Management	8			A17, A13	Advisory review, acting as a critical friend, to support the effective management of data within CNPA and develop a robust strategy.
Sub-total D	**15**	**7**	**7**		
E. Compliance and regularity					
E.1 LEADER Administration	7	7	7	A11, A12	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.
Sub-total E	**10**	**10**	**10**		
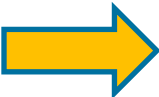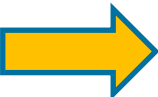
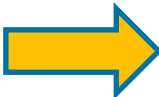| Audit area	2020/21 days	2021/22 days	2022/23 days	Risk Reg Ref	Notes / comments on scope
F. Planning, reporting and management					
Internal audit management and administration	2	2	2	-	
Audit and Risk Committee planning, reporting and attendance	3	3	3	-	
Audit needs analysis - strategic and operational IA planning	3	2	2	-	
Contract management	2	2	2	-	
Annual internal audit report	1	1	1	-	
Sub-total F	**11**	**11**	**11**	-	
TOTAL	**73**	**65**	**73**		

During our 2020/21 planning and audit needs assessment, the following areas have been identified for potential review. After feedback from management and given annual resources available, they will be taken forward for consideration in the 2021/22 audit plan:

- Operational Planning

- Corporate Performance Management

Appendix 2 – Strategic Risk Register

The Draft Internal Audit Plan in Section 1 is cross-referenced to the strategic risk register as at March 2020, which is copied below for ease of reference.

Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
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, LAG and OATS in securing inward investment.	Work with Scottish Government has successfully secured resources adequate to cover Corporate Plan expectations into the third year of the current 4-year Corporate Plan period. We also continue to take forward ideas for alternate income streams to support future investment, including collective work with all UK National Parks and now supporting work on charitable activities through Cairngorms Trust. Executive team has now developed balanced budget for 20/21 and submitted to Board.	→	→	↓

Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
Government and Policy: wider national political changes and policy direction force change away from current objectives.	A2	GM	Preventative: Invest time in maintaining key government contacts and relationships gaining notice of potential policy shifts. Work to get full government backing to NPPP which gives longer term strategy commitment.	Spending Review settlement for 2018/20 favourable for CNPA, therefore increasing confidence around capacity to deliver existing Corporate Plan objectives to 2022 and also on Government commitment to CNPA Strategic goals. NPPP and 18/22 Corporate Plan now approved. Monitoring ongoing potential impacts of EU exit and forward budget and policy developments, although no escalation at present.	⬇	⬇	⬇
Resourcing: UK vote to leave EU disrupts project delivery and financing plans and exposes Authority to longer term financial liabilities as a result of loss of EU funds.	A12. 1	DC	Remedial: Risk management analysis of specific EU funded activities – particularly of Authority's exposure as Accountable Body for LEADER. Instructions issued on timetable for funding commitments to be covered by CNPA. Remedial: Invest management time in opportunities to engage in new funding programmes designed to replace EU funding programmes.	LEADER funding contracts tailored to meet expected EU exit timetable. Greater clarity on Scottish Government position now in place.	➡	⬇	⬇
Resourcing: future community led local development funding	A12. 2	DC	Remedial: prioritise engagement in consultations and events around the	Added by MT November 2019.		➡	➡
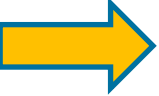
Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
currently delivered through LEADER is lost and creates a significant gap in our capacity to deliver against our community development priorities			future development of structural and community funding.

Preventative: 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. | Good access to other project funding for current strategic delivery period. This strategic risk begins to look beyond current corporate plan period.

Plans for replacement of current EU grant funds remain uncertain, and risk escalation now indicated to reflect this strategic future funding risk. | | | |
| Staffing: additional externally funded projects strains staff workload capacity with increased risks of stress and reduced morale. | A9.3 | DC | Preventative:

Ongoing review of Operational Plan with explicit identification of projects which can/must slip to accommodate successful funding bids. Importance of staff management and task prioritisation reinforced through leadership meetings. | Initial 2019 staff survey suggests some ongoing matters on workload management to be addressed while wellbeing results improving. Low risk however retail risk for time being. | ↓ (green) | ↓ (green) | ↓ (green) |
| 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 | 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. | Very positive movement in resolution of monitoring and eligibility issues over summer 2018. Enhanced by full acceptance of all CNPA interpretations during 2019 with no eligibility issues outstanding at programme level. Residual risk around dispute resolution processes and uncertainty over eligibility judgements and interpretation made by SG audit. | → (orange) | → (orange) | → (orange) |
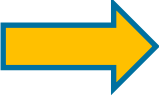
Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
carries responsibilities as employer for programme staff.			Ensure TGLP Management and Maintenance contracts are all in place to ensure eligibility of investment. Remedial: Utilise internal audit resources	Some work on TGLP needed to ensure management and maintenance agreements are all in place.			
Resourcing: the end of major programme investments (Tomintoul and Glenlivet, LEADER) requires significant ongoing staffing to manage audit and legacy which the Authority finds difficult to resource.	A11. 2	DC	Preventative: Early identification of post-programme audit and legacy management and resourcing requirements and planning for those. Early engagement with Cairngorms Trust for LEADER and Landscape Partnership Programme Board to identify and finalise long term management arrangements.	Added by Management Team November 2019 An internal working group has been established to progress preventative mitigation actions.		→ (amber)	→ (amber)
Technical: Increasing ICT dependency for effective and efficient operations is not adequately backed up by ICT systems support.	A17	DC	Remedial: ICT Advisory review commissioned from internal audit. Consultancy work also underway through Think Where for GIS and Avendris for customer management and electronic records management.	Added April 2018 Operational Management Group review. Cyber security and wider ICT functionality reviews completed. Some ongoing delays around IT elements of project delivery.	→ (amber)	→ (amber)	→ (amber)
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.	Added by MT / OMG April 18. Cyber security plus accreditation received. Work underway to complete residual internal audit actions.	→ (amber)	↓ (green)	↓ (green)

Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
			Ongoing review of systems and procedures in tandem with LLTNPA.				
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. Some outstanding improvement actions and IT project implementation to be delivered, however, overall level of risk declining.	→ (amber)	→ (amber)	→ (amber)
Reputation: the Authority's reputation is impacted by a small number of vociferous social media opinion leaders	A14	GM	Preventative: Staff and Board training on use of social media to best support organisational aims in communications and reputation management. Ongoing delivery of communications strategy. Remedial: Social media profile also represents an opportunity to boost reputation. Remedial: involvement in emerging NPUK collective communications strategy and campaigns which will	Added by Board Dec 16. Implementation of communications strategy and wider organisational delivery, including promotion of recent successes, effective in maintaining organisational profile. Ongoing downward trend in risk. However, maintain on register for time being recognising some ongoing pressures being managed.	↓ (green)	↓ (green)	↓ (green)

Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
			produce additional high profile positive reputational impact.				
Reputation: high profile incidents or one off stories, such as those associated with wildlife crime, mountain hares, affordable housing can have an undue influence on the Authority's wider reputation.	A15	GM	Remedial: Maintain good balance of traditional and social media releases. Remedial: Close partnership working to seek to balance incident reporting and appropriately reflect Authority's position and work.	Added by MT Jan 18. Wildlife crime initiative now launched. Other positive media around Snow Roads and Cairngorms as a destination. This risk diminishing in impact as wider balancing information becomes more widespread.	⬇	⬇	⬇
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: Alternate funding sources such as visitor giving to be explored more actively.	Added by MT / OMG April 18. Infrastructure maintenance issues exacerbated by end of existing agreement over Speyside Way Long Distance Route and end of maintenance period for some large scale investments – East Cairngorms Access Project (ECAP) for example.	⬆	⬆	⬆

Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
Resources / Staffing: failure to effectively manage staffing numbers with a view to the long term business need will reduce the capacity for the Authority to deploy adequate financial investment toward priority projects in the National Park.	A19	DC	Preventative: Workforce Management Strategy developed and in place. Analysis of staffing contract position over three year period completed with actions established. Review of all vacancies as they arise.	Added by Staffing and Recruitment and Audit and Risk Committees Feb / Mar 2019. Staff contract position now established and subject to ongoing monitoring through HR, with review at point of any vacancies arising. Ongoing management of staff numbers underway with some highlighted areas now resolved. Budget 20/21 shows positive picture on staffing.	⬇	⬇	⬇
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 and Risk Committee 8 March 2019 following "deep dive" IT risk review. 2020/21 budget estimates give balanced position between capital and revenue costs.	➡	➡	⬇
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 the conflict.	Added by Audit and Risk Committee 8 March 2019 following internal audit report on strategic planning processes. May have to increase profile of this moving forward.	➡	➡	➡

Risk	Ref	Resp	Mitigation	Comments	Trend Aug 19	Trend Nov 19	Trend Feb 20
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.	Added by Audit and Risk Committee May 2019 following internal audit review of BCP.

Some delay in finalisation of BCP itself. However, work on BCP has considerably assisted in roll out of initial responses to Coronavirus pandemic. | ⟹ | ⟹ | ⟹ |

Appendix 3 – Audit Timetable

Ref and Name of report	Audit Sponsor	Quarter	Start fieldwork	Complete fieldwork	Draft Report	Mgmt Response	Final Report	Audit C'ttee
A.4 VAT Healthcheck	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
B.1 Corporate Governance	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
C.1 Covid Recovery	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
C.2 Legacy Liabilities	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
C.3 Outdoor Access Infrastructure	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
D.1 ICT Strategy	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
D.4 Data Management	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
E.1 LEADER Administration	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
E.2 Follow-up	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Annual internal audit report	N/A	-	Year end	N/A	N/A	N/A	N/A	Jun 21

Appendix 4 – Internal Audit Universe

The Internal Audit Universe sets out all key systems which could be considered for internal audit review. Areas reviewed in previous years or proposed in the forward internal audit plan are indicated with an X. It should be noted that internal audit is not the only source of assurance.

Audit Area	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Notes
A. Key Financial Systems								
Project Financing	X			X				
Grant Funding and Management	X							LEADER audit in section E below
Pensions Administration	X							
Payroll Administration	X			X			X	
Expense Claims Process				X				
Procurement						X		
Financial Reporting		X					X	
Financial Ledger					X			
Budget Management							X	
Treasury and Cash Management	X				X			

Audit Area	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Notes
Expenditure and Payables						X		
Income and Receivables	X				X			
Non-Current Assets	X							
Counter Fraud								
Financial Planning			X				X	
B. Strategic & Governance								
Corporate Governance		X			X			
Risk Management	X			X			X	
Strategic Planning			X					
Strategic Engagement			X					Covered in strategic planning 18/19
Tomintoul and Glenlivet Landscape Partnership	X							
Partnership Management			X			X		
Sickness Absence								

Audit Area	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Notes
Estates and Asset Management (Outdoor Access Infrastructure)					X			
Legacy Liabilities					X			
Marketing							X	
C. Operational								
Business Continuity Planning			X					
Project Management		X	X					
Resource Planning				X				
Communications and Social Media Strategy		X						
Staff Objective Setting and Appraisal				X				
Freedom of Information				X				
Recruitment and Retention							X	
Complaints Management						X		
Workforce Planning							X	

Audit Area	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Notes
Operational Planning								
Health and Safety								
Performance Management			X					
D. Data and ICT								
ICT General Controls Review	X	X						
ICT Performance and Strategic Development		X						
Network Management								
Data Management					X			
IT Strategy					X			
IT Security								
GDPR						X		
Disaster Recovery Planning								
IT applications review								

Audit Area	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Notes
Cyber Security							X	
E. Compliance and Regulatory								
LEADER Administration	X	X	X	X	X	X	X	Annual review required by SG SLA
Follow Up	X	X	X	X	X	X	X	

Appendix 5 – Internal Audit Charter

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of Cairngorms National Park Authority (CNPA).

It helps CNPA accomplish its objectives by bringing a systematic, 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 and Risk Committee, the key personnel, timescales and processes to be followed for each internal audit review.

Role

The internal audit activity is established by the Audit and Risk Committee on behalf of the Board. The internal audit activity's responsibilities are defined by the Audit and Risk Committee as part of its oversight role.

Professionalism

The internal audit activity will adhere to Public Sector Internal Audit Standards (PSIAS), which are based on mandatory guidance of The Chartered Institute of Internal Auditors (CIIA) including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The CIIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to CNPA'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 CNPA'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 Audit and Risk Committee.

Accountability

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

The Audit and 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 and Risk Committee, including between Audit and Risk Committee meetings as appropriate.

Independence and Objectivity

The internal audit activity will remain free from interference by any element in CNPA, 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, 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 judgements.

The Chief Internal Auditor will confirm to the Audit and Risk Committee, at least annually, the organisational independence of the internal audit activity.

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 programmes with established objectives and goals

- Effectiveness and efficiency of operations and use 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 CNPA, including governance processes and risk management processes. In doing so, internal audit maintains a proper degree of coordination with external audit.

Internal audit may perform consulting and advisory services related to governance, risk management and control. It may also evaluate specific operations at the request of the Audit and 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 and Risk Committee and to senior management, including fraud risks, governance issues, and other matters needed or requested by CNPA.

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 and Risk 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 and Risk Committee the final will report will go to,
- The review sponsor.

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 and Risk Committee for approval, the plan will be discussed with 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.

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.

Reporting and Monitoring

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 15 days. The management comments and response to any report will be overseen by the review sponsor.

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 and Risk Committee. Finalised internal audit outputs must be in the hands of the committee secretary in line with the formal papers deadline set before each meeting.

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 and Risk Committee

The Audit and Risk Committee meets throughout the year. Dates for Audit and 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 and Risk Committee.

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

The Internal Auditor will generally present specific reports to the committee as follows:

Output	Meeting
Annual internal audit plan	Dec / March
Follow-up reports	March
Annual report	June
Status report	All meetings

The Audit and 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 and 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.