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cutting through complexity

Cairngorms National Park Authority

Internal audit report 2015

Post-implementation of Records Management Report

29 October 2015

Contents

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Introduction and scope

In accordance with the 2015-16 internal audit plan for Cairngorm National Park Authority ("the Authority"), we have undertaken an internal audit review of the records management plans and processes at the Authority.

The specific objective, scope and approach, as agreed with management, is detailed in appendix one.

Background

In January 2013, the Public records (Scotland) Act 2011 came into force. This Act requires all Scottish public authorities to submit a Records Management Plan ("RMP"), to the Keeper of the Records of Scotland ("the Keeper"), which sets out arrangements for the management of records. The process of scrutinising all the RMPs is likely to take some time and a rolling programme will run until 2017.

The Authority has followed the guidance supplied by the Keeper in the form of a model plan and have updated relevant policies and procedures.

A governance and corporate performance manager oversees the management of the project. A new process of records management procedures was introduced and implemented as part of the first phase of the project in 2014-15 financial year. The Authority is aware of the larger impact and importance of the migration of electronic data onto the new system and are currently planning for this process.

The pre-implementation review of records management was carried out as part of the 2014-15 internal audit plan in respect of pre-implementation, with a post-implementation review planned for 2015-16. Given the stages of implementation the post-implementation review will focus on:

■ policy and procedures;

■ training of new staff and communication of user testing and remapping responsibilities;

■ reviews of file structure; and

■ ownership of the retention policy.

Key findings and recommendations

We identified no 'critical' or 'high' risk graded recommendations in the course of our work.

We identified one 'moderate' and one 'low' graded recommendation.

We also identified areas of good practice through the course of our review.

The findings identified during the course of this internal audit are summarised below. A full list of the findings and recommendations are included in this report.

	Critical	High	Moderate	Low
Number of internal audit findings	-	-	1	1
Number of recommendations accepted by management	-	-	1	1

Our review of the Authority's records management system showed that guidance has been followed and the new structure has largely been implemented effectively at the Authority. We have reviewed the 3 recommendations noted in our 2014-15 review and found these to have been fully implemented.

The 'moderate' graded risk recommendation relates to:

■ a lack of a formal review of the file structure related to the business classification schedule and retention schedule not yet being complete.

Good practice

■ the training provides new joiners with concise information and informs staff that there are a number of policies relating to records management;

■ the team approach to department specific aspects of the records management system enables employees to access knowledge in relation to their department processes;

■ full implementation of Phase 2 of the records management plan is on track; and

■ a proactive approach has been adopted to implement the draft business classification scheme.

Summary of findings

We outline the main findings of the review.

Identified potential risk	CNPA Processes		KPMG finding
Verify policy and procedures have been updated to reflect changes in the records management system			
Policies and procedures have not been updated to reflect the changes implemented across the records management system.	The records management policy was reviewed and approved by management. The policy addresses the 14 elements as set out by 'The Keeper of the Records' when implementing changes to the records management plan as required by the Public Records (Scotland) Act 2011. We reviewed the content of the records management policy for appropriateness in reference the to the aforementioned 14 elements, as well as evidence of review and approval of the policy. The Authority is on track with implementation of the records management plan. The records management plan is in line with good practice and was supported with relevant evidence. The policy has been in place from October 2014 with a review of policy scheduled for October 2015.		**Satisfactory**
Test the regular reviews of file structure to ensure the new file structure is being followed			
Lack of regular review could lead to an inconsistent application of the records management policies and procedures.	The business classification schedule and Retention Schedules are a prerequisite to allow appropriate review of file structures. The formalisation of these schedules is on track to be completed and formal reviews will be performed once the structure is properly defined.		A lack of a formal review of the file structure related to the business classification schedule and retention schedule not yet being complete. **Recommendation one**

Identified potential risk	CNPA Processes	KPMG finding
Assess the plans for training of new staff		
New employees to the organisation may not be sufficiently and appropriately trained leading to an inconsistent application of the records management policies and procedures.	We have reviewed that induction training has been performed on arrival of new joiners. New joiners are provided with induction packs and relevant policies. The onus is on each team to ensure that new staff develop effective records management skills that adhere to policies and procedures.	There is a lack of a formal review of the records management performance of new joiners. The onus is on the new joiner's team to ensure the new joiner develops effective record management skills within the Authority. **Recommendation two**
Verify named individuals have responsibility for the retention policy and test to ensure it is being adhered to		
File structure at an operational level is not conforming to records management policies.	The Records Management Policy clearly details the roles and responsibilities of users of the records management plan. The policy details information relating to responsibilities at an operational level of the records management plan ranging from senior management, to operational managers, all employees and third parties. We reviewed the policy to verify allocation of roles and responsibilities across the organisation is clear to staff. We reviewed the responsibilities verifying they include detail for staff at all levels including how each seniority level should implement the policy at an operational level.	**Satisfactory**

The action plan summarises specific recommendations, together with related risks and management's responses.

Finding(s) and risk	Recommendation(s)	Agreed management actions
1 Approval of business classification and retention schedules		**Moderate**
The business classification and retention schedules are not completed and formally approved. There has been no formal review of file structure. The lack of review could lead to ineffective records management as there is no review mechanism for records.	We recommend that the schedules are completed and formally approved as soon as possible, to allow for reviews of the file structure to then be performed.	Accepted. An outline schematic of the filing structure adopted – covering levels 1 and 2 - will be prepared which will be reviewed and signed off by the Director of Corporate Services as the filing structure adopted. This will then be used as a benchmark for future reviews. As this project is current, and likely to run until mid 2016, levels 3 and under are still being created and it is not feasible at this time to adopt in detail. **Responsible officer:** Helen Jenkins – Governance and Corporate Performance Manager **Implementation date:** 31 January 2016

Finding(s) and risk	Recommendation(s)	Agreed management actions
2 Lack of formal review of new joiners		**low**
New joiners are provided with high level training, relevant policies and handbooks on joining the Authority. The onus is on the team to ensure the new joiner develops effective record management skills. The risk is that employees are not formally trained to the required standard and this is not identified until a formal review of file structure is performed.	We recommend that management establishes a procedure whereby formal spot checks by the new joiner's line manager are performed during an initially agreed 'probation period', to ensure that the documentation retained on the centrally adheres to the records management plan.	Accepted. A revision will be made to the recent probation policy to include an additional question to new starts on their familiarity and "comfort" with the records management processes and structures. The exact phrasing of this will be jointly undertaken by the CGPM and Head of Operational Development. **Responsible officer:** Helen Jenkins – Governance and Corporate Performance Manager **Implementation date:** 31 January 2016

Appendices

Objective, scope and approach

In accordance with the 2015-16 internal audit plan for Cairngorm National Park Authority ("the Authority"), we will undertake an internal audit review of post-implementation of records management..

Objective

The pre-implementation review of records management was carried out as part of the 2014-15 plan in respect of pre-implementation, with a post-implementation review planned for 2015-16.

The overall objective of the audit is to review the records management arrangements post-implementation, to assess if they are sufficient to mitigate the risks that:

■ data is not transferred appropriately, resulting in efficiencies or service deterioration;

■ the records management system is not structured in an efficient and user-friendly manner; and

■ staff are not aware of the functionality of the new system or their responsibilities in respect of date integrity.

Scope

We will:

■ verify policy and procedures have been updated to reflect changes in the records management system;

■ assess the plans for training of new staff;

■ test the regular reviews of file structure to ensure the new file structure is being followed; and

■ verify named individuals have responsibility for the retention policy and test to ensure it is being adhered to.

Approach

We will adopt the following approach in this review:

■ project planning and scoping;

■ conduct interviews with staff to gain an understanding of the Authorities' current status of the new records management system;

■ identify and agree key risks and processes with management;

■ review the adequacy and effectiveness of key processes through sample testing and discussion; and

■ agree findings and recommendations with management.

Classification of findings

The following framework for internal audit ratings has been developed and agreed with management for prioritising internal audit findings according to their relative significance depending on their impact to the process.

Rating	Definition	Examples of business impact	Action required
Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	■ Potential financial impact of more than £400,000. ■ Detrimental impact on operations or functions. ■ Sustained, serious loss in brand value. ■ Going concern of the organisation becomes an issue. ■ Decrease in the public's confidence in the Authority. ■ Major decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. ■ Life threatening.	■ Requires immediate notification to the audit and compliance committee. ■ Requires executive management attention. ■ Requires interim action within 7-10 days, followed by a detailed plan of action to be put in place within 30 days with an expected resolution date and a substantial improvement within 90 days. ■ Separately reported to chairman of the audit and compliance committee and executive summary of report.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	■ Potential financial impact of between £200,000 to £400,000. ■ Major impact on operations or functions. ■ Serious diminution in brand value and/or market share ■ Probable decrease in the public's confidence in the Authority. ■ Significant decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. ■ Extensive injuries.	■ Requires prompt management action. ■ Requires executive management attention. ■ Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months. ■ Reported in executive summary of report.

Classification of findings (continued)

Rating	Definition	Examples of business impact	Action required
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.	■ Potential financial impact of between £50,000 to £200,000. ■ Moderate impact on operations or functions. ■ Brand value and/or market share will be affected in the short-term. ■ Possible decrease in the public's confidence in the Authority. ■ Moderate decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. ■ Medical treatment required.	■ Requires short-term management action. ■ Requires general management attention. ■ Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months. ■ Reported in executive summary of report.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	■ Potential financial impact of less than £50,000. ■ Minor impact on internal business only. ■ Minor potential impact on brand value and market share. ■ Should not decrease the public's confidence in the Authority. ■ Minimal decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. ■ First aid treatment.	■ Requires management action within a reasonable time period. ■ Requires process manager attention. ■ Timeframe for action is subject to competing priorities and cost/benefit analysis, eg. 9-12 months. ■ Reported in detailed findings in report.