



Cairngorms National Park Authority
Project Management Review – Land Management Support Officers
Internal Audit 2008/09
December 2008
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Section 1 - Executive summary

1.1 Introduction

This internal audit of the Land Management Support Officers Project was selected as one of two project reviews to be undertaken in the current financial year. The scope of this report was agreed with the Head of Corporate Services and Audit Committee prior to the commencement of fieldwork.

1.2 Background

A National Park plan was developed by the various public sector bodies involved in the National Park area, through a working partnership, so that they could all look forward with a collective sense of purpose to achieve all four of the Park's aims, being:

- To conserve and enhance that natural and cultural heritage of the area;
- To promote sustainable use of natural resources of the area;
- To promote understanding and enjoyment of the special qualities of the area by the public; &
- To promote sustainable economic and social development of the area's communities.

The plan sets out a long-term vision, a framework for management and Priorities for Action. Its aim is to create a rural development policy that capitalises on the assets of rural Scotland – its resourceful people and its outstanding landscapes and natural heritage. One of the key delivery mechanisms available to aid in the delivery of the Priorities for Actions is the Scottish Rural Development Programme (SRDP) 2008-2013.

1.3 Available funding

The SRDP is a £1.6 billion programme of economic, environmental and social measures designed to develop rural Scotland over a six-year period. Individuals and groups can seek support to help deliver the Government's strategic objectives in rural Scotland. There are two key streams of funding which directly involve CNPA through the SRDP – Rural Priorities and LEADER.

LEADER is a French acronym, standing for 'Liaison Entre Actions de Développement de l'Économie Rurale', meaning 'Links between the rural economy and development actions'. LEADER is part of the SRDP, aimed at promoting economic and community development within rural areas. LEADER is a bottom-up method of delivering support for rural development through implementing a local rural development strategy. The aim of LEADER is to increase the capacity of local rural community and business networks, to build knowledge and skills, and encourage innovation and co-operation in order to tackle local development objectives.

Section 1 - Executive summary (continued)

1.4 Project delivery

Priority for Action 6.2 in the National Park Plan describes the actions to be taken towards ‘Integrating Public Support for Land Management’. Seven strategic outcomes within this Priority for Action were formalised in the plan. As such, CNPA identified the requirement for additional resource to be able to support land managers in getting the best out of the new SRDP as well as ensuring that high quality applications are submitted for SRDP funding which deliver upon National Park aims and actions.

A paper was submitted to the Board in January 2008 seeking funding of £80,000 for 2 posts for Land Management Support Officers, for a period of two years, in order to provide support for land managers and to roll out the implementation of the project. This was approved and two officers were appointed in May 2008. The total forecast cost of the project is £134k, details of the funding can be found at **Appendix A**.

1.5 Progress to date

The project officers in their first six months of employment have:

- Organised a series of six roadshows around the Park area to promote their unique service to those considering applying for SRDP funding;
- Produced leaflets to aid promotion whilst in attendance at other events organised by CNPA and its partners;
- Attended other promotional events, including agricultural shows and Highland Games within the Park area;
- Made upwards of thirty site visits following on from the promotional events; &
- Attended formal training events organised by Scottish Government Rural Payments and Inspections Directorate (SGRID) to gain insight into the processing of applications for funding.

1.6 Approach

We sought to establish and document the key processes in place from inception to completion of this project through discussion with CNPA staff and a review of relevant documentation. We then tested the key controls to ensure adequacy and effectiveness.

Section 1 - Executive summary (continued)

1.7 Conclusion

The key objective is to ensure that the controls in place for the following audit areas are adequate and effective:

Audit areas	Overall Assessment	Report Ref.
There is an appropriate rationale for the implementation of the project.	****	
The project has clear aims and objectives which were outlined prior to approval.	****	
The impact of the project was appropriately assessed prior to approval.	****	
There is a clear link between the objectives of the project and the National Park and Corporate Plans.	****	
The project has been appropriately approved and funding determined, with all potential sources of funding considered.	***	2.3
The objectives of the project have been delivered and can be clearly demonstrated.	**	2.1 & 2.2
There is appropriate ongoing assessment and upwards reporting of progress against the objectives of the project.	**	2.1 & 2.2

Key:

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

Section 1 - Executive summary (continued)

1.7 Conclusion (continued)

We can conclude that the controls in place in respect of certain audit areas have some scope for improvement. We have summarised the weaknesses and issues below and further details of our findings and recommendations can be found within **Section 2** of this report.

Our key findings are as follows: -

- Land managers have been identified as being slow to submit applications, due to the complexities of the process (*Recommendation 2.1*);
- CNPA does not presently have any information on the number of applications made or those that have been successful (*Recommendation 2.2*); &
- There is no separately identifiable financial code for the project expenditure (*Recommendation 2.3*).

Our detailed findings and recommendations are within **Section 2** of this report. In total, we identified **three** recommendations as follows:

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

1.8 Acknowledgements

We would like to take the opportunity to thank all of the staff CNPA involved in assisting us in this audit. The findings and recommendations in this report were discussed with the Head of Corporate Services at the conclusion of our fieldwork.

Section 2 - Detailed findings and recommendations

2.1 Delivering project objectives

Finding	Recommendation	Rationale	
<p>The two support officer posts were initially created:</p> <ul style="list-style-type: none"> To engage proactively with land managers to enhance the value and impact of Rural Development funding programmes in order to deliver the National Park aims and outcomes of the National Park Plan; and To identify how public support programmes can make the most effective contribution to delivery of the National Park Plan. <p>However, CNPA have established that land managers have been slow to begin the application process. They have been discouraged by the complexity of the process, not knowing what type of projects will be successful, the cost of consultants, and also that their interest depends on whether they have a current agricultural-environment scheme.</p>	<p>CNPA should:</p> <ul style="list-style-type: none"> Look to identify the barriers to entry that the land owners are experiencing; Identify the most efficient method of developing information resources that can be issued to interested parties to ease the barriers to entry; Identify the types of projects that the various land managers would be interested in participating in; Identify the various types of projects and levels of funding that are available through the SRDP; & Look to match interested landowners within the Park area to SRDP supported projects. 	<p>By looking to match interested landowners with funded projects through the SRDP, CNPA would be taking a more proactive approach to increasing the investment in the Park area.</p> <p>The higher the investment in the National Park through the SRDP, the more effective the contribution to the delivery of the National Park Plan aims and the greater the benefit to the land managers as well as the users of the Park.</p>	
Management Response		Responsibility/ Deadline	Priority
<p>Recommendation agreed – this is what the LMSOs are currently doing. Having had the initial phase of awareness raising and promotion, they are now working on more proactive targeting, including for example catchment management and designated site options. They are also compiling evidence on the barriers to entry and potential improvements to provide feedback to the Scottish Government on the implementation of the scheme.</p> <p>They are also working with independent advisors and agents to encourage them to promote applications that will contribute to the Park Plan (ref meeting on 18/12./08).</p>		<p>Project Manager (FC) - ongoing with report on proactive approach at 08/09 year end.</p>	<p>Two</p>

Section 2 - Detailed findings and recommendations

2.2 Reporting of applications

Finding	Recommendation	Rationale	
<p>CNPA identified four opportunities that this project could generate in its paper to the Board on 18/01/08. Two of these were:</p> <ul style="list-style-type: none"> Assisting land managers, businesses and communities target applications to best effect; and Actively encouraging high quality applications that will contribute to delivery of the National Park Plan. <p>CNPA currently does not have information on the number of applications made within the area, relating to either direct or indirect contact with the organisation or the number of successful applications within the CNPA area.</p> <p>It is acknowledged that CNPA have made several attempts to gather this information and that the SGRPID will not currently release this information.</p>	<p>CNPA should continue making applications to SGRPID and also look to identify any other possible means of obtaining this information.</p> <p>In monitoring the success of the project in helping to deliver the National Park Plan, CNPA should:</p> <ul style="list-style-type: none"> Obtain information on the number of applications made within the CNPA area; Obtain information on the type and value of successful applications made within the CNPA area; Have follow-up meetings with organisations or individuals who have made either successful or unsuccessful application and assist with any other potential applications. 	<p>Being able to reporting an actual activity and funding levels will aid CNPA in assessing the success of this project and will aid any future decisions concerning extending the life of the project outwith the currently agreed two year period.</p>	
Management Response		Responsibility/ Deadline	Priority
<p>Agreed it is vital that a set of performance measures are established against which to monitor the success of the project. These measures must be appropriate to the type of project and capable of relatively easy data capture.</p>		<p>Project sponsor (Hamish Trench) with Project Manager (Fiona Chalmers) / End January 2009</p>	<p>Two</p>

Section 2 - Detailed findings and recommendations (continued)

2.3 Financial monitoring

Finding	Recommendation	Rationale	
<p>The salaries for the two Land Management Support Officers are currently coded to the CNPA core salaries budget rather than to a single defined financial project code.</p> <p>The expenses for this project, currently under £1k, are currently in a financial code that also includes expenditure for Land Based Business Training.</p> <p>It is acknowledged the CNPA is currently undertaking a review of its current budgets.</p>	<p>As part of the ongoing budgetary review process the salaries and related project expenditure should be reallocated to specifically defined project financial codes.</p>	<p>Having separately identifiable financial codes for the project will allow for more accurate monitoring of the actual spend against budgeted expenditure.</p>	
Management Response		Responsibility/ Deadline	Priority
<p>Recommendation agreed.</p>		<p>Finance Manager / End December 2008</p>	<p>Two</p>

Section 3 - Statement of responsibility

Statement of Responsibility

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

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

Deloitte LLP

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December 2008

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Appendix A – Funding

Project costs

2 post for 2 years	£114k
Travel & subsistence	£8k
Meetings, venue	£6k
Promotional materials	£6k
Total	£134k

Project funding

LEADER	£50k
CNPA	£84k
Total	£134k

Appendix B - Background & Objectives

CNPA has developed a National Park Plan, which brings together all those involved in managing the Park to set out a long-term vision, a framework for management and priorities for action.

A paper was submitted to the Board in January 2008 seeking funding of £80,000 for 2 posts for Land Management Support Officers in order to provide this support for land managers and to roll out the implementation of the project. This was approved and two officers were appointed in May 2008.

The overall objective of our review was to ensure that the rationale for the implementation of these posts was appropriate and that there were clearly defined links between the project and the National Park and Corporate Plans.

Our specific objectives were as follows:

- There is an appropriate rationale for the implementation of the project;
- The project has clear aims and objectives which were outlined prior to approval;
- The impact of the project was appropriately assessed prior to approval;
- There is a clear link between the objectives of the project and the National Park and Corporate Plans;
- The project has been appropriately approved and funding determined, with all potential sources of funding considered;
- The objectives of the project have been delivered and can be clearly demonstrated; &
- There is appropriate ongoing assessment and upwards reporting of progress against the objectives of the project.