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Loch Lomond & The Trossachs National Park Authority and Cairngorms National Park Authority

Internal audit report

Partnership working

11 June 2013

This report is for:

Action

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Information

Audit committee

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Notice: About this report

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Introduction and scope

In accordance with the 2012-13 internal audit plan for Loch Lomond & The Trossachs National Park Authority (“LLTTNPA”) and Cairngorms National Park Authority (“CNPA” or together “the Authorities”), we have undertaken an internal audit review of partnership working. The overall objective of this audit was to consider the policies and procedures for partnership working and the impact on the delivery of strategic priorities.

Background

The key strategic documents for each Authority concerning partnership working are the National Park Partnership Plans (“NPPPs”) supported by the internal corporate and business plans. The NPPPs contain strategic guidance for areas to be delivered by the Authority and partner organisations. Management at each Authority recognise that regular interaction and communication with partners is essential to achievement of the underlying outcomes of the NPPP. It is, therefore, important that a strong emphasis is placed on actively working with partners to deliver these outcomes.

Establishment of strong, effective partnerships

Individual partnership agreements (“IPAs”) have been drafted for LLTTNPA which clearly define the role of the partner in the achievement of specific actions within the NPPP and highlight the importance of the partnership providing clear lines of accountability and details of monitoring arrangements. The IPAs provide agendas and objectives for meetings with partners. The IPAs were issued to each of the key partners for agreement and signed letters were received by the Authority confirming agreement of working to deliver the relevant outcomes.

Annual ministerial meetings are planned for later in 2013; these will increase focus on partners to deliver and will highlight partnerships that are working well and where there are areas for improvement.

Impact of policy in development of relationships with partners

Both Authorities recognise the importance of communication with partners when planning projects and policy development to ensure engagement. For example, the project initiation documentation for the LLTTNPA NPPP included objectives on engaging with the Authority's key external stakeholders to ensure joint ownership of the agreed priorities, outcomes and programmes for implementation of the NPPP.

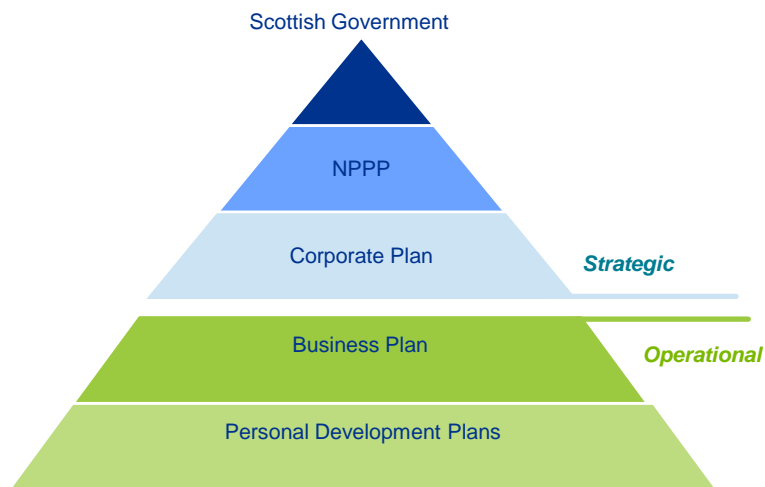
Working and interacting with partner organisations

Management at both Authorities demonstrate a clear commitment to engagement with partners through regular participation by board members and management at a variety of partnership working groups and community forums. The executive and senior management teams are responsible for managing relationships and identifying important interactions for current focus and prioritisation. Management at LLTTNPA also maintain a stakeholder map which shows the relationship between the Authority and partners it is required to engage with.

Partnership working and strategic planning and delivery

Delivery of strategic objectives relies on effective partnerships between a variety of stakeholders and the effective joining up between plans and strategies that influence key issues in the national parks. Plans and strategies for particular issues show how the NPPPs will be delivered, for example, the corporate and business plans, tourism strategy and biodiversity action plans. These policies all assist in obtaining strategic and operational buy in from partners and detail how overall objectives are to be achieved. The corporate and operational plans of partners will set out their contributions to delivery as part of their business.

The diagram below illustrates the relationships at LLTTNPA. The NPPP is the top tier of wider policy and performance management framework at LLTTNPA.



Source: LLTTNPA draft performance management framework

The diagram below illustrates the relationships at CNPA:



Source: CNPA NPPP 2012-2017

While these two diagrams reflect a difference in the overall approach, each reflects close underlying working with partner organisations. Due to the focus in delivering the NPPPs, any new opportunities to work with partners or suggested changes to operational purposes must be considered against the priorities of the NPPP for each Authority.

Due to the small size of the Authorities they are dependent on the cooperation and willingness of partners. Steering groups are used by both Authorities, consisting of internal and external partners, to support delivery of significant projects which support the NPPP and corporate plans.

Key findings and recommendations

At LLTTNPA, we identified two 'low' graded recommendations.

At CNPA, we identified two 'low' graded recommendations.

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. Management has accepted the findings and agreed reasonable actions to address the recommendations.

	Authority	Critical	High	Moderate	Low
Number of internal audit findings	LLTTNPA	-	-	-	2
	CNPA	-	-	-	2
Number of recommendations accepted by management	LLTTNPA	-	-	-	2
	CNPA	-	-	-	2

Classification of internal audit findings is provided in appendix two.

'Critical' and 'high' graded risk recommendations highlighted to the audit committee

We did not identify any 'high' risk recommendations.

Summary of internal audit findings

Communication and partner engagement

In 2011-12 management at LLTTNPA developed an annual marketing communications plan which identified the main focus of communication activities for the financial year supporting the three main strategic themes of conservation, visitor experience and rural development along with a section for business services. A summary of subjects to be communicated for each theme, target audiences, key messages and timings were detailed.

A similar plan was not produced for 2012-13, however management has indicated that they are in the process of developing engagement planners for 2013-14 for individual stakeholders, including partners. It is important that in developing the engagement planners that there are links between specific partners and individual objectives and that timing and communication channels are clearly documented. Management should ensure that appropriate communication pathways are established with relevant partners to ensure that engagement is established as part of the annual reporting process for the national park partnership plan ('NPPP') in 2013-14.

Recommendation one

Partner corporate plans

The NPPP states that key partner public bodies should identify and report in their own corporate plans how they contribute to delivering against the NPPP and through that, the four national park statutory aims, their own organisation's key aims and the Scottish Government outcomes. We selected a sample of key partners as part of our work and reviewed their corporate plans. We identified one instance where there was no reference made to delivery of the national park partnership plans. Management should ensure that partnership agreements are formalised and that there is accountability for NPPP delivery through partners reporting in their corporate plans how they contribute to delivery.

Recommendation two

Detailing partner responsibility within NPPP

The LLTTNPA's NPPP clearly identifies the key partners responsibility against specific outcomes however, while the Cairngorm's NPPP makes reference to the importance of partners in delivery of the NPPP, it does not identify the specific partner involvement in individual outcomes or work programmes which form part of the five year plan for the Authority.

In order to formalise the partnership agreement and demonstrate clear accountability of partners for outcomes and monitoring requirements, management should ensure that agreements are put in place to identify the responsibility of partners in outcome delivery, monitoring of indicators and reporting requirements. Specific partners should be identified within the NPPP against outcomes to demonstrate accountability and how the partners contribute to the delivery of the NPPP.

Recommendation one

Partner corporate plans

The NPPP states that key partner public bodies should identify and report in their own corporate plans how they contribute to delivering against the NPPP and through that, the four national park statutory aims, their own organisation's key aims and the Scottish Government outcomes. We selected a sample of key partners as part of our work and reviewed their corporate plans. We identified one instance where there was no reference made to delivery of the national park partnership plans. Management should ensure that partnership agreements are formalised and that there is accountability for NPPP delivery through partners reporting in their corporate plans how they contribute to delivery.

Recommendation two

Action plan

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

Recommendations are provided in order of risk to the organisation.

Finding(s) and risk	Recommendation(s)	Agreed management actions
<p>1 Communication and partner engagement</p>		
<p>In 2011-12 LLTTNPA management developed an annual marketing communications plan which identified the main focus of communication activities for the financial year which supported three main themes. For each theme a summary of subjects to be communicated, target audiences, key messages and timings were detailed.</p> <p>A similar plan was not available for 2012-13. Discussion with management identified that they are in the process of developing engagement planners for 2013-14 for individual stakeholders, including partners. There is a risk that communications with partners in 2012-13 are not aligned to delivery of strategic goals.</p>	<p>Management should ensure that appropriate communication pathways are established with partners to ensure the required engagement is established as part of the annual reporting process for the NPPP in 2012-13. LLTTNPA should ensure that through the development of the 2013-14 engagement planner that there is clear linkage of specific partners to the objectives outlined in the Partnership plan.</p>	<p style="text-align: center;">Low</p> <p>Accepted. Engagement is currently being undertaken but arrangements will be formalised. We are currently in the process of developing engagement planners for individual stakeholders.</p> <p>Responsible officer: Geoff Miles</p> <p>Implementation date: August 2013</p>
<p>2 Partner corporate plans</p>		
<p>The NPPP requires key partner entities to identify and report in their corporate plans how they contribute to delivering the NPPP.</p> <p>As part of our sample testing of partnership arrangements, we identified one where no reference was made in the corporate plan to delivery of the NPPP.</p>	<p>Partnership agreements should be formalised to ensure accountability for delivery of the NPPP; management engage with partners to ensure they meet the requirement to report in their corporate plans how they contribute to delivery.</p>	<p style="text-align: center;">Low</p> <p>Accepted</p> <p>Responsible officer: Gordon Watson</p> <p>Implementation date: September 2013</p>

Finding(s) and risk	Recommendation(s)	Agreed management actions
<p>1 Key partner responsibility</p> <p>The LLTTNPA NPPP clearly identifies the key partners responsibility against specific outcomes . However, while the CNPA NPPP makes reference to the importance of partners in delivery of the NPPP, it does not identify the specific partner involvement in the outcomes or work programmes which form the five year plan period.</p>	<p>Formal IPAs should be in place to identify the responsibility of partners in outcome delivery, monitoring of indicators and reporting requirements. Specific partners should be identified within the NPPP against each outcome to demonstrate accountability and demonstrate how each partner contributes to the delivery of the NPPP.</p>	<p style="text-align: center;">Low</p> <p>The Authority considered the development of one to one agreements to support NPPP delivery along the lines of the IPAs established in LLTNP. There are other structures and processes in place to support the delivery of the NPPP in the Cairngorms NP, such as a Strategic Delivery Group which brings together key partner representatives to consider and monitor NPPP delivery. The Ministerial letters issued to partners at the time of the launch of the NPPP also did a great deal to support implementation of the Plans and we will continue to work with colleagues in Scottish Government to seek to follow up these letters. We will consider further the potential additional use of IPAs within this context over the course of this year, 2013/14, to consider their potential added benefit.</p> <p>Responsible officer: Management team</p> <p>Implementation date: during 2013-14</p>
<p>2 Partner corporate plans</p> <p>The NPPP requires key partner entities to identify and report in their corporate plans how they contribute to delivering the NPPP.</p> <p>As part of our sample testing of partnership arrangements, we identified one where no reference was made in the corporate plan to delivery of the NPPP.</p>	<p>Partnership agreements should be formalised to ensure accountability for delivery of the NPPP; management engage with partners to ensure they meet the requirement to report in their corporate plans how they contribute to delivery.</p>	<p style="text-align: center;">Low</p> <p>Minister's letters to partners at the time of launch of NPPPs made clear partners responsibilities in delivery and reporting. We will continue to seek to reinforce this direction and work with Scottish Government colleagues in this respect. As with recommendation 1, we will continue to evaluate whether any other local arrangements such as IPAs may help support and supplement the guidance given to partners from Ministers and Scottish Government.</p> <p>Responsible officer: Management team</p> <p>Implementation date: during 2013-14</p>

Appendices

In accordance with the 2012-13 internal audit plan for Loch Lomond & The Trossachs National Park Authority and Cairngorms National Park Authority (“the Authorities”), we will undertake an internal audit review of partnership working.

Objective

The overall objective of this audit is to consider the policies and procedures in place for managing partnership working and the impact on the delivery of strategic priorities through the national park partnership plan.

Scope

This joint review will focus on:

- processes for establishing strong, effective partnerships;
- the impact of policy in development of relationships with partners;
- policies for working and interacting with partner organisations; and
- the extent to which effective partnership working is embedded in strategic planning and delivery.

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’ processes and procedures in relation to partnership working;
- 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.

Appendix two

Classification of internal audit 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.	<ul style="list-style-type: none"> ■ Potential financial impact of more than 1%* of total expenditure. ■ 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. ■ Serious decline in service/product delivery, value and/or quality recognised by stakeholders and customers. ■ Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. ■ Life threatening. 	<ul style="list-style-type: none"> ■ Requires immediate notification to the Authority's audit 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 Authority's audit 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.	<ul style="list-style-type: none"> ■ Potential financial impact of 0.5% to 1%* of total expenditure. ■ Major impact on operations or functions. ■ Serious diminution in brand value. ■ Probable decrease in the public's confidence in the Authority. ■ Major decline in service/product delivery, value and/or quality recognised by stakeholders and customers. ■ Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. ■ Extensive injuries. 	<ul style="list-style-type: none"> ■ 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 internal audit 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.	<ul style="list-style-type: none"> ■ Potential financial impact of 0.1% to 0.5%* of total expenditure. ■ Moderate impact on operations or functions. ■ Brand value 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 stakeholders and customers. ■ Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. ■ Medical treatment required. 	<ul style="list-style-type: none"> ■ 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.	<ul style="list-style-type: none"> ■ Potential financial impact of less than 0.1%* of total expenditure. ■ Minor impact on internal business only. ■ Minor potential impact on brand value. ■ Should not decrease the public's confidence in the Authority. ■ Minimal decline in service/product delivery, value and/or quality recognised by stakeholders and customers. ■ Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. ■ First aid treatment. 	<ul style="list-style-type: none"> ■ 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.

* Materiality is quantified on the next slide.

Classification of internal audit findings (continued)

The definitions of the materiality used to classify the impact of our findings are detailed below and are based on the 2011-12 financial statements.

Rating	Definition	Loch Lomond & The Trossachs National Park Authority	Cairngorms National Park Authority
Critical	Potential financial impact of more than 1% of total expenditure	Greater than £80,000	Greater than £50,000
High	Potential financial impact of 0.5% to 1% of total expenditure	Between £40,000 and £80,000	Between £25,000 and £50,000
Moderate	Potential financial impact of 0.1% to 0.5% of total expenditure	Between £8,000 and £40,000	Between £5,000 and £25,000
Low	Potential financial impact of less than 0.1% of total expenditure	Less than £8,000	Less than £5,000



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