



cutting through complexity

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

Internal audit report

Visitor experience

11 June 2013

This report is for:

Action

David Cameron – corporate services director (Cairngorms National park)

Cheryl Findlay – finance and performance manager (Loch Lomond & The Trossachs National Park)

Information

Audit committee

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Notice: About this report

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The contacts at KPMG in connection with this report are:

Stephen Reid

Director, KPMG LLP

Tel: 0131 527 6795

Fax: 0131 527 6666

stephen.reid@kpmg.co.uk

Brian Curran

Senior Manager, KPMG LLP

Tel: 0141 300 5631

Fax: 0141 204 1584

brian.curran@kpmg.co.uk

Carol Alderson

Assistant Manager, KPMG LLP

Tel: 0141 309 2502

Fax: 0141 204 1584

carol.alderson@kpmg.co.uk

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 visitor experience. The overall objective of this audit was to consider the policies and procedures for working with tourism businesses to encourage tourism development and improve service, managing visitors, investing in visitor infrastructure and promoting the overall enjoyment of visitors to the national parks. It also considers the extent to which these processes support the Authorities in achieving their objectives.

Background

An estimated five million people visit the national parks each year. While management work to encourage visitors to the parks, this brings with it risks over protecting their heritage and communities in the longer term. The designation as a national park aims to ensure that protection is balanced against remaining a successful visitor destination. Working with private sector tourism businesses the Authorities aim to encourage tourism development and improve service, the management of visitors, investment in visitor infrastructure and the overall enjoyment of visitors to both parks. This is key to ensuring the continued success of the national parks and is recognised in both the National Park Partnership Plans (“NPPPs”) and the Authorities’ corporate plans.

Visitor experience and feedback procedures

Management of both Authorities recognise the importance of visitor experience and have undertaken independent visitor surveys in 2010 (CNPA) and 2011 (LLTTNPA). These included consideration of the general awareness of the national park as well as knowledge and opinions of the park. In a bid to ensure that the aims of the local authorities are met, updated NPPPs were published in 2012. They provide a focus and a framework for those who are involved in managing the areas to clearly identify what is required of them to ensure the overall aims for the parks are achieved and that all involved are working towards the same vision.

Within LLTTNPA, the NPA directly manages a wider range of visitor facilities and infrastructure than CNPA and is currently investing significant amount of capital money into their improvement or to provide new facilities. Specific work to understand visitor needs at these locations has been undertaken.

LLTTNPA undertook an economic evaluation of the Loch Lomond and the Trossachs national park in June 2011 (valuing the park) which identified the need to measure visitor experiences and perceptions. A visitor survey providing more primary research into visitor attitudes to the park was reported in November 2011. A number of categories of other visitor information is collected on an *ad hoc* basis by both Authorities to help inform policies and project initiatives including ranger monitoring, independent accommodation audits and focus groups.

CNPA also undertook an economic evaluation of the Cairngorms national park in 2011 which emphasised the large role tourism has in the sustainability of the park. This prompted further visitor surveys which measured visitor experiences and perceptions.

Monitoring visitor enjoyment and policy development

The NPPPs 2012-17 are the guiding document which coordinates the work of the Authorities with partners to improve visitor experience throughout the national parks. Through the development of the NPPPs and corporate plans the Authorities have identified the need to consider objectives to ensure long-term success and to identify stakeholder priorities. The economic evaluations of the national parks identified the need to measure visitor experiences and perceptions and it is important to ensure that these are embedded in strategic planning and delivery.

At LLTNPA the results of the 2011 (valuing the park) and visitor surveys have been used to assist in informing partners and prioritising projects and initiatives. Two visitor management plans have been approved, including the five lochs visitor management plan and the east Loch Lomond management plan, with three further plans currently being drafted. These management plans focus on specific areas and are informed by stakeholder groups including local authorities, police and local residents. Visitor management groups have been established to monitor delivery of the management plans and updates are presented to the board on a regular basis.

CNPA have established two five year action plans containing objectives for sustainable visitor numbers. There are meetings of stakeholders three times annually at the sustainable tourism forum which allows community groups, businesses and agencies to discuss local tourism and identify areas for improvement. Management undertakes multiple activities to collect feedback on visitor experiences, including annual and five yearly surveys, and the collection of information obtained by external organisation. Results of these surveys are then fed into the CNPA strategy and action plans.

Embedding visitor experience through the organisation

Visitor experience at both Authorities is embedded within the corporate plan and NPPP. A number of policies have been developed to enhance the visitor experience and updates against the corporate plan and NPPP are presented to the board on a regular basis. The NPPP and the national park local plans underlie the national park tourism strategy which aligns with a number of partners' strategies including Scottish Enterprise, local authorities and Tourism Scotland 2020. At LLTNPA the tourism strategy will be delivered through a series of actions which will be reviewed and refined over time. CNPA has a strategy and action plan for sustainable tourism 2011-2016 which outlines a number of strategic objectives including the expected outcome and indicators / measurements.

Our work on this review included consideration of the results of the visitor surveys carried out by the Authorities and testing whether areas which scored low were fed into strategic plans to improve the visitor experience. Evaluation of the NPPP and the corporate plans did not identify any areas for improvement that had not been included; improvement had been reported to management in all challenging areas identified by the visitor surveys.

Key findings and recommendations

At LLTTNPA, we identified one 'moderate' and one 'low' graded recommendation.

At CNPA, we identified one 'low' risk recommendation.

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	-	-	1	1
	CNPA	-	-	-	1
Number of recommendations accepted by management	LLTTNPA	-	-	1	1
	CNPA	-	-	-	1

Classification of internal audit findings is provided in appendix two.

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

We did not identify any 'critical' or 'high' graded recommendations.

Summary of internal audit findings

Feedback procedures

As part of the review of visitor experience we considered the current feedback procedures. In 2011 management undertook an economic survey (valuing the park) along with a visitor survey. In addition, a number of smaller *ad hoc* surveys were carried out to inform specific project initiatives and policies. There is a destination group at Loch Lomond consisting of representatives of local business which meet with management.

Management had planned to carry out independent visitor surveys on a biannual basis; the last such survey was carried out in 2011 with a smaller survey carried out by VisitScotland in 2012. Management considers that it does not represent value for money to carry out such a survey in 2013 and plan to link with the VisitScotland survey in 2014. It is important that management reviews this to ensure it does not impact the future delivery of strategic plans and milestones and that objectives will still be met. We note that this decision was undertaken taking into account the range of information sources available to the Authority on visitor experience. Management should consider the objectives of the planned VisitScotland survey and whether there are any areas they would like to influence or amend to ensure it is meaningful to the Authority's objectives.

Recommendation one

Policies and procedures

Management has recently drafted a tourism strategy for 2012-17, driven by the NPPP and the national park local plan. The LLTTNPA tourism strategy clearly links to the tourism strategy of a number of the key partners and 61 actions have been identified which will aid the delivery of the strategy. Although actions have been identified for delivery, there is no outcome, measurement, timescale or responsibility for delivery outlined within the draft strategy document.

Recommendation two

Summary of internal audit findings

Communication

Management acknowledge that soliciting representation and feedback from visitors can be difficult and has therefore taken action to improve this through the use of social media, such as facebook and twitter. CNPA has developed a smart phone 'app' ('Visit Cairngorms') which gives free, up-to-date information on where to stay, what to do, where to eat, local offers and events. A similar app for LLTNPA is currently under development.

In order to improve the feedback process management should consider the use of IT to measure and improve visitor experience. This could include a feedback survey on the website or the development of a similar 'app' to CNPA, or ways to leverage from the CNPA 'app', which would help to address some of the areas for improvement highlighted in visitor surveys.

Feedback procedures

CNPA has planned to carry out detailed independent visitor surveys on a five yearly basis, the last survey carried out at CNPA was in 2010 and there are plans for the next survey to take place in April 2014. A quantitative survey on visitor numbers and spending is performed annually, with additional feedback on visitor experience obtained through a range of third party activities. CNPA carry out a structured survey of local businesses to help understand what the customer is looking for from the area to inform targeting of resources and investment and ensure the businesses have strong product knowledge of what the park has to offer.

Policies and procedures

Management has developed a strategy and action plan for sustainable tourism 2011-16, driven by the NPPP and the national park local plan. In this, 53 actions are identified which will aid the delivery of the strategy; this includes the outcome, method of measurement and timescale. This draft strategy document does not, however, outline responsibility for delivery of actions.

Recommendation one

Finding(s) and risk	Recommendation(s)	Agreed management actions
Low		
<p>1 Timing of feedback procedures</p>		
<p>Management had planned to undertake independent visitor surveys on a biannual basis. The last survey was carried out in 2011 with a smaller VisitScotland survey carried out in 2012.</p> <p>It is anticipated that no survey will be carried out in 2013 and that management will link to the VisitScotland survey in 2014. There is a risk that issues are not identified or rectified on a timely basis and that feed back is insufficient.</p>	<p>While we recognise there are a number of sources of information on visitor experience, we recommend that management carry out a more formal review of the timing of visitor surveys to ensure that not carrying out the survey on the planned biannual basis will not impact the future delivery of strategic objectives and milestones.</p> <p>Management should also consider the objectives of the VisitScotland survey and whether they are able to influence these if necessary.</p>	<p>Responsible officer:</p> <p>Implementation date:</p>
Moderate		
<p>2 Policies and procedures</p>		
<p>Management has recently drafted a tourism strategy 2012-17, driven by the NPPP and the national park local plan. This strategy clearly links to the tourism strategy of a number of the key partners and 61 actions have been identified which will aid the delivery of the strategy.</p> <p>Although actions have been identified for delivery of the strategy there are no outcomes, measurement, timescales or responsibilities for delivery outlined in the draft strategy.</p>	<p>To ensure there is focus on the outcome of the actions the Authority should include milestones for the actions and a timescale for delivery.</p> <p>To improve accountability responsibility for achievement of the actions should be included within the strategy.</p>	<p>Agreed.</p> <p>Responsible officer: Mairi Bell</p> <p>Implementation date: July 2013</p>

Finding(s) and risk	Recommendation(s)	Agreed management actions
<p>1 Policies and procedures</p>		<p>Low</p>
<p>There is a draft strategy and action plan for sustainable tourism 2011-16 which identifies actions to aid the delivery of the strategy, including outcomes, measurements and timescales.</p> <p>There is no responsibility for delivery outlined within the draft strategy document.</p>	<p>Management should update the actions detailed within the tourism strategy to include details of responsibility for delivery to encourage increased accountability and transparency for the delivery of the tourism strategy 2011-16.</p>	<p>The recommendation has to an extent already been implemented, with lead delivery responsibility and timetable already set out in the adopted action plan used by the Sustainable Tourism Forum. We will also include these lead responsibilities in the Sustainable Tourism Strategy when the next opportunity to do so arises.</p> <p>Responsible officer: head of service</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 visitor experience.

Objective

The overall objective of this audit is to consider the policies and procedures in place for working with tourism businesses to encourage tourism development and improve service, managing visitors, investing in to visitor infrastructure and promoting the overall enjoyment of visitors to the National Parks. It will also consider the extent to which these processes support the Authorities in achieving their objectives.

Scope

This joint review will consider:

- Processes for monitoring visitors enjoyment and use of the National Park and how this feeds into our policy development.
- Policies and procedures which promote a positive visitor experience and feedback procedures.
- The extent to which visitor experience is embedded in the organisations through the NPPP, the NPA Corporate Plan and our policies and procedures.

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 visitor experience;
- 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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