

Cairngorms National Park Authority

INTERNAL AUDIT REPORT

Partnership Management

October 2018

LEVEL OF ASSURANCE

Design	Operational Effectiveness
Substantial	Substantial



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REPORT STATUS	
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DISTRIBUTION LIST	
David Cameron	Director of Corporate Services
Audit Committee	Members

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EXECUTIVE SUMMARY

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)			SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II)	
Design		There is a sound system of internal control designed to achieve system objectives.	High 	
			Medium 	
Effectiveness		The controls that are in place are being consistently applied.	Low 	2
			Total number of recommendations: 2	

OVERVIEW
<p>Background</p> <p>It was agreed with management and the Audit Committee within the 2018-19 internal audit plan that Internal Audit would assess the arrangements in place for partnership management. The purpose of this review was to provide management and the Audit Committee with assurance on whether Cairngorms National Park Authority (CNPA) has effective arrangements in place to strategically manage key relationships and to ensure common understanding of aims, roles and responsibilities, and effective partnership working.</p> <p>The Cairngorms National Park Partnership Plan (NPPP) is the overarching management plan for the park. It sets out how all those with a responsibility for the park will co-ordinate their work to tackle the most important issues over the five year period, 2017-2022. The creation of the NPPP involves a lengthy 18 month consultation period with the public and key partners to agree on themes for investment, development for the park and to establish the five year strategic framework for the park stakeholders.</p> <p>The NPPP is the key strategic document for the park, and is a statutory requirement for CNPA under the National Parks (Scotland) Act 2000. Under the act CNPA are required to lead and co-ordinate the development and implementation of the plan. The partnership plan provides strategic direction for key strategies and plans which support its delivery, and are developed through close partnership working with different sectors and stakeholders such as, local businesses, land managers, communities, charities and the public sector.</p> <p>The plan has three themes, Conservation, Visitor Experience and Rural Development, which all activities and projects are required to contribute towards. Within each of the themes, the NPPP details priorities, key issues, agendas for actions, targets, indicators, as well as the delivery partnerships and organisation which are responsible for the achievement of the actions and plans within the theme. The NPPP is the key document that ensures that the activities of park stakeholders are aligned towards a common set of goals.</p>

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CNPA have a Corporate Plan for 2018-2022 detailing how the authority will contribute towards the completion of the NPPP. The plan was written by the management team, with input from the heads of service. The Corporate Plan sets out the parts of the NPPP that CNPA deliver, co-ordinate, and for which they have a lead responsibility. The Corporate Plan period is aligned with the NPPP period, and both plans were approved by the Board, and are available on the CNPA website.

There are also sub-plans and strategies which contribute towards the Corporate Plan and the NPPP, including the local development plans, local development strategy, community strategies, the LEADER programme, and the economic development strategy.

CNPA have assigned a lead director for each key partner, responsible for communicating with the partner and also for managing the partnership relationship. These have been detailed within a stakeholder engagement plan that outlines who the key CNPA and Board contacts are for the partners, the work areas from the NPPP that the relationship aligns to, the form of engagement, and the date of the last meeting. The stakeholder engagement plan is maintained by the personal assistant for the CEO in conjunction with the CEO and management team.

The Head of Communications and Engagement conducted a stakeholder analysis at the end of 2017, which was reviewed by the management team and Operational Management Group (OMG) in early 2018. The analysis detailed key stakeholders ranked in relation to their influence levels and interest in the national park, the current status of the relationship, the desired status, the priority or effort level required, and who the lead is to improve the relationship.

There is a NPPP delivery group that meets twice a year, with representatives from all of the main partners. The agenda includes discussing issues, sharing best practice, identifying priority activities, providing feedback on the partnership and reviewing key projects that contribute towards the themes from the NPPP.

An annual report is distributed to the Board detailing overall performance and KPI performance against the NPPP targets. It highlights successes and areas where further improvement is required. All Board papers link to the performance of the NPPP since all activities align to one of the three themes from the NPPP. The OMG (which meets monthly) also covers the delivery of the NPPP as an agenda item at least twice a year.

Scope and Approach

The scope of this review was to assess whether:

- CNPA's plans are aligned with the plans of key partners.

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- Roles and responsibilities are clearly defined within each partnership.
- Communication arrangements with partners are managed effectively.
- The delivery of the NPPP has been planned for and managed effectively.
- Feedback mechanisms have been established to ensure there is oversight of how the partnership is working.
- Where weaknesses in a partnership are identified, corrective action is taken.

Our approach included the review of key documentation in relation to these areas, enquiries with key staff to assess whether appropriate controls are in place, and sample testing to confirm these controls are operating effectively.

Good Practice

A number of areas of good practice were noted during the review including, but not limited to:

- Key partners were involved in the formation of the NPPP during the 18 month development process for the plan, and the plan contains common aims and objectives for the Authority and the key partners.
- CNPA has assigned key contacts from the Management Team for managing relationships with the key partners.
- There is key partner representation at the six monthly NPPP delivery group meeting, providing an opportunity for best practice, issues and lessons learnt to be discussed, in furtherance of the successful completion of the NPPP.
- The roles and responsibilities of the Authority and key partners have been detailed and defined within each of the themes within the NPPP.

Key Findings

Notwithstanding the elements of good practice noted above we have found the following areas where further improvements could be made:

- **Formalised feedback process** - Feedback from partners is provided through various methods including informal discussions and meetings between the authority contact and the key partners, as well as at the six monthly NPPP delivery group meeting. However, there is currently no formalised documented feedback mechanism in place for key park partners.
- **Customer relationship management** - There is a Stakeholder Engagement Plan in place, which describes key communication points and contains notes of the last meeting. However, there is no customer relationship management system in place to structure communications, and record all contact points and discussions. 5

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Conclusion

We can provide substantial assurance over the design and operational effectiveness of the controls in place in relation to CNPA's partnership management.

EXECUTIVE SUMMARY

RISKS REVIEWED GIVING RISE TO NO FINDINGS OF A HIGH OR MEDIUM SIGNIFICANCE

✓	Cairngorms National Park Authority's plans may not be aligned with the plans of key partners.
✓	Roles and responsibilities within key partnerships may not be clearly defined.
✓	Communication with key partners may not be managed effectively.
✓	The delivery of the National Park Partnership Plan is not being planned for and managed effectively.
✓	Feedback mechanisms from partners may not be established or may indicate weaknesses in the management of the relationship which are not addressed.

DETAILED FINDINGS AND RECOMMENDATIONS

RISK: Feedback mechanisms from partners may not be established or may indicate weaknesses in the management of the relationship which are not addressed.			
Ref.	Finding	Sig.	Recommendation
1	<p>Obtaining regular feedback assists in maintaining successful partnerships.</p> <p>Feedback from partners is provided through various methods including informal discussions and meetings between the authority contact and the key partners, as well as at the six monthly park partnership plan delivery group meeting. However, there is currently no formalised documented feedback mechanism in place for key park partners, or clear method for surfacing actionable feedback in time to maximise it's impact.</p> <p>There is a risk that partners feedback is not being collated and effectively analysed.</p>	●	<p>We recommend that the Authority issue a questionnaire or feedback request on an annual basis to all key partners to seek feedback and thoughts on how the partnership, communication methods and ways of working could be further improved. We further recommend that feedback provided is collated and actions recorded.</p>
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
<p>We accept the finding regarding the gap in collation and analysis of partners' feedback and accept the merits of considering the recommendation. As one option, it is possible that the annual report process could be preceded or followed by a feedback request to partners covering the points flagged up by the recommendation.</p>		<p><i>Responsible Officer: Chief Executive with Head of Planning and Rural Development</i></p> <p><i>Implementation Date: 30 June 2019</i></p>	

DETAILED FINDINGS AND RECOMMENDATIONS





RISK: Feedback mechanisms from partners may not be established or may indicate weaknesses in the management of the relationship which are not addressed.			
Ref.	Finding	Sig.	Recommendation
2	<p>A customer relationship management system allows key partner information and contact points to be recorded, and can assist in implementing a structure for regular communication and stakeholder / partner engagement and recording interactions, feedback and actions.</p> <p>There is a Stakeholder Engagement Plan in place, which describes key communication points and contains notes of the last meeting. However, there is no customer relationship management system in place to structure communications, and record all contact points and discussions.</p> <p>There is a risk that key discussion points or actionable feedback may not be captured, and that knowledge of key partners could be lost.</p>	●	<p>We understand that there are already plans to improve the engagement process further by implementing a Customer Relationship Management System (CRM).</p> <p>We recommend that the Authority continues with plans for implementing a CRM.</p>
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
<p>As noted in the recommendation, management have also identified this gap in our systems and procurement of a CRM system is underway. At the time of completion of audit work, we have identified two potential tenders, with a view to install new systems by end of March 2019 and move to full implementation by end June 2019.</p>			<p>Responsible Officer: <i>Director of Corporate Services</i></p> <p>Implementation Date: 30 June 2019</p>




APPENDIX I - STAFF INTERVIEWED

NAME	JOB TITLE
David Cameron	Director of Corporate Services
Francoise Van Buuren	Head of Communications & Engagement
Grant Moir	Chief Executive

BDO LLP appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and cooperation.

APPENDIX II - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

Recommendation Significance	
High 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX III - TERMS OF REFERENCE

BACKGROUND

It was agreed with management and the Audit Committee within the 2018-19 internal audit plan that Internal Audit would assess the arrangements put in place to strategically manage key relationships and how the relationships are managed to ensure common understanding of aims, roles and responsibilities, and effective partnership working.

PURPOSE OF REVIEW

The purpose of our review is to provide management and the Audit Committee with assurance that Cairngorms National Park Authority has effective arrangements in place to strategically manage key relationships and to ensure common understanding of aims, roles and responsibilities, and effective partnership working.

KEY RISKS


Based upon the risk assessment undertaken, discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- Cairngorms National Park Authority's plans may not be aligned with the plans of key partners;
- Roles and responsibilities within key partnerships may not be clearly defined;
- Communication with key partners may not be managed effectively;
- The delivery of the National Park Partnership Plan is not being planned for and managed effectively;
- Feedback mechanisms from partners may not be established or may indicate weaknesses in the management of the relationship which are not addressed.

SCOPE

The scope of this review will be to assess whether:

- Cairngorms National Park Authority's plans are aligned with the plans of key partners;
- Roles and responsibilities are clearly defined within each partnership;
- Communication arrangements with partners are managed effectively;
- The delivery of the National Park Partnership Plan is being planned for and managed effectively;
- Feedback mechanisms have been established to ensure there is oversight of how the partnership is working; and
- Where weaknesses in a partnership are identified, corrective action is taken.



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