

Cairngorms National Park Authority

INTERNAL AUDIT REPORT

Resource Planning

October 2018

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate



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REPORT STATUS	
Auditors:	Sean Morrison
Dates work performed:	09 - 19 July 2018
Draft report issued:	03 October 2018
Final report issued:	26 October 2018

DISTRIBUTION LIST	
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Audit Committee	Members

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The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)		SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II)	
Design		Generally a sound system of internal control designed to achieve system objectives with some exceptions.	High 
Effectiveness		Evidence of non compliance with some controls, that may put some of the system objectives at risk.	Medium 
			Low  
		Total number of recommendations: 3	

OVERVIEW

Background

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 to analyse resource requirements and to assess the skills required over the strategic plan period, and to plan for and deliver any skills development, recruitment or other changes required.

Cairngorms National Park Authority (CNPA) has an organisational Workforce Management Strategy, outlining the workforce projections and actions that the management team will take in relation to workforce management. The strategy was created by the Director of Corporate Services and approved by the Board for the Corporate Plan period 2015-18.

CNPA have a no compulsory redundancy agreement in place, in line with Scottish Government policy. The CNPA workforce is relatively static, with major deviations only occurring when new projects are undertaken and new grants received.

A recruitment and selection policy is in place and details the CNPA standpoint that when a member of staff leaves the default action is not to replace the position, but to conduct a business case to determine whether to replace the position, revise the post or remove the post. This ensures that when possible management take the opportunity to review and determine whether a specific position is required for the completion of the CNPA Corporate Plan.

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During the annual appraisal process line managers and staff identify their current skill levels and skills gaps. The HR officer then reviews the appraisals to identify common skills gaps, and arranges training where required. CNPA also have a skills register in place, which is available via the corporate drive. The register is updated by the Head of Organisational Development for training run by the authority, and by staff for unique training, qualifications and skills.

CNPA have strong relationships with key partners, such as Loch Lomond National Park, who can provide specialist staff and support when CNPA require additional resources, so that CNPA can access the capacity and capability required to meet operational and strategic priorities.

On an annual basis the Director of Corporate Services and the Finance Manager present an Operational Plan to the Board. The plan details the staff and financial costs allocated to activities and projects with reference to the National Park Partnership Plan and the Corporate Plan. Heads of Services and Management utilise this plan to assess their resourcing needs.

Agency staff are used on an ad-hoc basis for specific projects. The planning for these projects includes enough lead in time for the recruitment to take place, and to confirm costs are in line with the project budget. CNPA also utilise external service providers, for example Harper Macleod for legal services, when it is deemed more effective and efficient for this route to be chosen.

CNPA have a Staffing and Recruitment Committee, delegated from the Board. As part of the committee's remit they oversee the recruitment of senior staff (Directors and Chief Executive) including agreeing the job descriptions, adverts and salary; interviewing and selecting the successful candidates, and seeking the endorsement of the CNPA Board.

Scope and Approach

The scope of our review was to assess whether:

- CNPA has an effective workforce plan and a resourcing strategy which aligns with the Corporate Plan.
- CNPA has effectively evaluated the skills and teams required to deliver its priorities.
- There is sufficient capacity and capability within CNPA to deliver its immediate operational and strategic priorities, and resources have been budgeted for appropriately.

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- CNPA accurately predicts and efficiently sources requirements for agency staff and specialist input.
- CNPA has robust development plans in place to address skills/resource gaps.
- CNPA has taken a structured approach to identifying key (critical) roles within Cairngorms National Park Authority.

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:

- CNPA have a Staffing and Resource Committee in place, which as part of their remit oversee the recruitment of senior staff and staff turnover.
- There are KPIs reported to the Board on an annual basis relating to staff turnover and recruitment.
- CNPA have a detailed recruitment and selection policy.
- Workforce scenario analysis is undertaken on an annual basis, looking at areas such as reduction in staffing, which feed in to the operational plans.
- There are close relationships with partner organisations, such as Loch Lomond National Park, which can be utilised to provide skilled staff when required.

Key Findings

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

- **Workforce management strategy** - CNPA have a workforce management strategy in place. However, the strategy was developed for the 2015-18 Corporate Plan period and thus contains outdated information and does not link with the current Corporate Plan or the NPPP.
- **Skills register** - CNPA has a skills register in place. However, the completion of the skills register by staff has not been sufficiently enforced or encouraged and as a result the register has not been fully completed by all staff.

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- **Critical roles** - CNPA do not have a formal framework in place to identify critical roles within the authority, and develop succession plans for critical roles. However, we note that some succession planning measures have been adopted by CNPA, in particular the adoption of a youth employment strategy may provide the opportunity for new staff to take up permanent roles when available. Despite this there is still an opportunity for more formal succession planning to be considered.

Conclusion

We can provide moderate assurance over the design and operational effectiveness of the controls in place in relation to CNPA's resource planning.

EXECUTIVE SUMMARY

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

- ✔ Cairngorms National Park Authority does not have an effective workforce plan and a resourcing strategy which aligns with the Corporate Plan.
- ✔ Cairngorms National Park Authority has not effectively evaluated the skills and teams required to deliver its priorities.
- ✔ There is insufficient capacity and capability within Cairngorms National Park Authority to deliver its immediate operational and strategic priorities, and resources may not have been budgeted for appropriately.
- ✔ Cairngorms National Park Authority does not accurately predict and efficiently source requirements for agency staff and specialist input.
- ✔ Cairngorms National Park Authority does not have robust development plans in place to address skills/resource gaps.
- ✔ Cairngorms National Park Authority has not taken a structured approach to identifying key (critical) roles within Cairngorms National Park Authority.

DETAILED FINDINGS AND RECOMMENDATIONS

RISK: Cairngorms National Park Authority does not have an effective workforce plan and a resourcing strategy which aligns with the Corporate Plan.			
Ref.	Finding	Sig.	Recommendation
1	<p>A workforce management strategy outlines the activities that are required to manage and sustain a productive, cost effective workforce, and outlines the current resources and skills in place, as well as the future resource requirements.</p> <p>CNPA have a workforce management strategy outlining the workforce projections and workforce management. However, the strategy was last updated for the 2015-18 Corporate Plan period, and contains outdated information in relation to the workforce size, and does not link with the current Corporate Plan or NPPP.</p> <p>There is a risk that the strategic workforce direction is not being guided by an up to date workforce management strategy that aligns with the current aims of the national park.</p>	●	<p>We recommend that management produce an updated workforce management strategy that links in with the current Corporate Plan and National Park Partnership Plan, providing a framework for analysing the staff levels and skills requirements for the current plan periods.</p>
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
<p>We accept that the Workforce Management Strategy should be reviewed given a new Corporate Plan was approved around 6 months ago.</p> <p>We also agree this is a low level recommendation, given there have been no significant changes in over-arching government policy nor in the overall structure and strategic direction of the Corporate Plan since the previous Strategy was agreed.</p>			<p>Responsible Officer: <i>Director of Corporate Services</i></p> <p>Implementation Date: <i>31 March 2019</i></p>

DETAILED FINDINGS AND RECOMMENDATIONS

RISK: Cairngorms National Park Authority has not effectively evaluated the skills and teams required to deliver its priorities. Cairngorms does not have robust development plans in place to address skills/resource gaps.

Ref.	Finding	Sig.	Recommendation
2	<p>Evaluating the skills and training requirements within a workforce helps to provide management with an understanding of the skills gaps, which can then be addressed through recruitment and training.</p> <p>CNPA has a skills register in place. However, the completion of the skills register by staff has not been sufficiently enforced or encouraged and as a result the register has not been fully completed by all staff.</p> <p>Whilst skills and development needs are assessed through the appraisal process, there is a risk that key skills gaps are not easily identifiable due to the lack of a strategic approach to identifying requirements and analysing related skills and poor uptake in completion of the skills register.</p>	●	<p>We recommend that management encourage staff to complete the skills register to record existing skills and update this following the completion of any training courses. We further recommend that as part of the annual appraisal process, the completion of this register is reviewed by the respective line managers.</p> <p>This would allow for an assessment of the skills development and training opportunities required at an organisational level more effectively than through individual annual appraisal forms alone.</p>
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
<p>Agreed. We are planning a revised approach to the Authority’s staff appraisal process and a review of skills recording and development will be required as an element of that process. We will deliver the requirements of this recommendation within that process.</p>			<p>Responsible Officer: <i>Head of Organisational Development</i></p> <p>Implementation Date: 31 March 2019</p>

DETAILED FINDINGS AND RECOMMENDATIONS

RISK: Cairngorms National Park Authority has not effectively evaluated the skills and teams required to deliver its priorities. Cairngorms National Park Authority has not taken a structured approach to identifying key (critical) roles within Cairngorms National Park Authority.





Ref.	Finding	Sig.	Recommendation
3	<p>Identification of critical roles allows for organisations to take action to develop succession plans should those roles be vacated.</p> <p>CNPA do not have a formal framework in place to identify critical roles within the authority, and develop succession plans for critical roles. However, we note that some succession planning measures have been adopted by CNPA, in particular the adoption of a youth employment strategy may provide the opportunity for new staff to take up permanent roles when available. Despite this there is still an opportunity for more formal succession planning to be considered.</p> <p>There is also a risk that CNPA may be unaware of the critical roles that contribute towards its performance, and as a result may not have effectively planned for actions to be taken when these roles are vacated.</p>	●	<p>We recommend that a formal framework is put in place for identifying critical roles and developing succession plans for critical roles identified.</p>
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
<p>We agree with the spirit of this recommendation and the underlying value of the finding. Succession planning in public sector organisations is always a challenge given the recruitment policies adopted, and also our organisational commitment to equality of opportunity for all. We will look to implement some form of framework approach to deal with this recommendation.</p>			<p>Responsible Officer: <i>Director of Corporate Services and Head of Organisational Development</i></p> <p>Implementation Date: 30 May 2019</p>




APPENDIX I - STAFF INTERVIEWED

NAME	JOB TITLE
David Cameron	Director of Corporate Services
Kate Christie	Head of Organisational Development

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 in place to analyse resource requirements and to assess the skills required over the strategic plan period, and to plan for and deliver any skills development, recruitment or other changes required.

PURPOSE OF REVIEW

The purpose of this review is to provide assurance to management and the Audit Committee that effective processes are in place in relation to resource planning.

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 does not have an effective workforce plan and a resourcing strategy which aligns with the Corporate Plan;
- Cairngorms National Park Authority has not effectively evaluated the skills and teams required to deliver its priorities;
- There is insufficient capacity and capability within Cairngorms National Park Authority to deliver its immediate operational and strategic priorities, and resources may not have been budgeted for appropriately;
- Cairngorms National Park Authority does not accurately predict and efficiently source requirements for agency staff and specialist input;
- Cairngorms National Park Authority does not have robust development plans in place to address skills/resource gaps; and
- Cairngorms National Park Authority has not taken a structured approach to identifying key (critical) roles within Cairngorms National Park Authority.

APPENDIX III - TERMS OF REFERENCE

SCOPE

The scope of this review will be to assess whether:

- Cairngorms National Park Authority has an effective workforce plan and a resourcing strategy which aligns with the Corporate Plan;
- Cairngorms National Park Authority has effectively evaluated the skills and teams required to deliver its priorities;
- There is sufficient capacity and capability within Cairngorms National Park Authority to deliver its immediate operational and strategic priorities, and resources have been budgeted for appropriately;
- Cairngorms National Park Authority accurately predicts and efficiently sources requirements for agency staff and specialist input;
- Cairngorms National Park Authority has robust development plans in place to address skills/resource gaps; and
- Cairngorms National Park Authority has taken a structured approach to identifying key (critical) roles within Cairngorms National Park Authority.



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