Cairngorms National Park Authority

Internal Audit Report 2023/24

Heritage Horizons

November 2023

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Heritage Horizons

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Audit Sponsor	*Key Contacts*	*Audit team*
David Cameron, Deputy Chief Executive	*David Clyne, Head of Programme* *Jenny Allen, Programme Manager*	*Elizabeth Young, Partner* *Stephanie Hume, Senior Audit Manager* *Hatice Kizil, Assistant Manager*

Executive Summary

Conclusion

We have confirmed the Cairngorms National Park Authority Heritage Horizons Programme has clear governance and reporting arrangements in place, with established reporting structures to provide timely updates to management and to the board. We also note management are in the process of moving to MS project to ensure all project information is in one place.

We identified some opportunities to improve reporting by providing further details on risks, assumptions, issues and dependencies, KPIs and progress against budget. This is particularly key with the programme potentially moving into the delivery phase from January 2024.

Background and scope

The Heritage Horizons programme has been created to put the power to tackle the climate and nature crises in the hands of people who live, visit and work in the national park.

Across 20 long-term projects, Heritage Horizons will bring about transformational change in the Cairngorms, benefitting people's health and wellbeing, delivering on climate change and enhancing nature across the National Park. The programme is on a larger scale than anything previously attempted in the UK through National Lottery Heritage Funding support and aims to inspire rural and urban communities throughout Scotland and beyond to take action and make a difference.

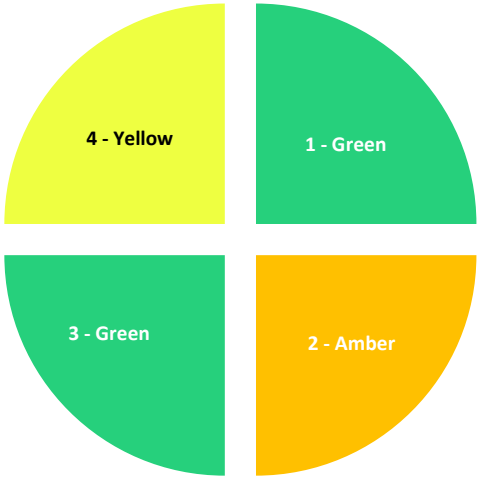
In particular Heritage Horizons will focus on:

- Projects for empowering communities.
- Projects for improving travel connectivity.
- Projects for restoring landscapes; and
- Projects for improving people's health and wellbeing.

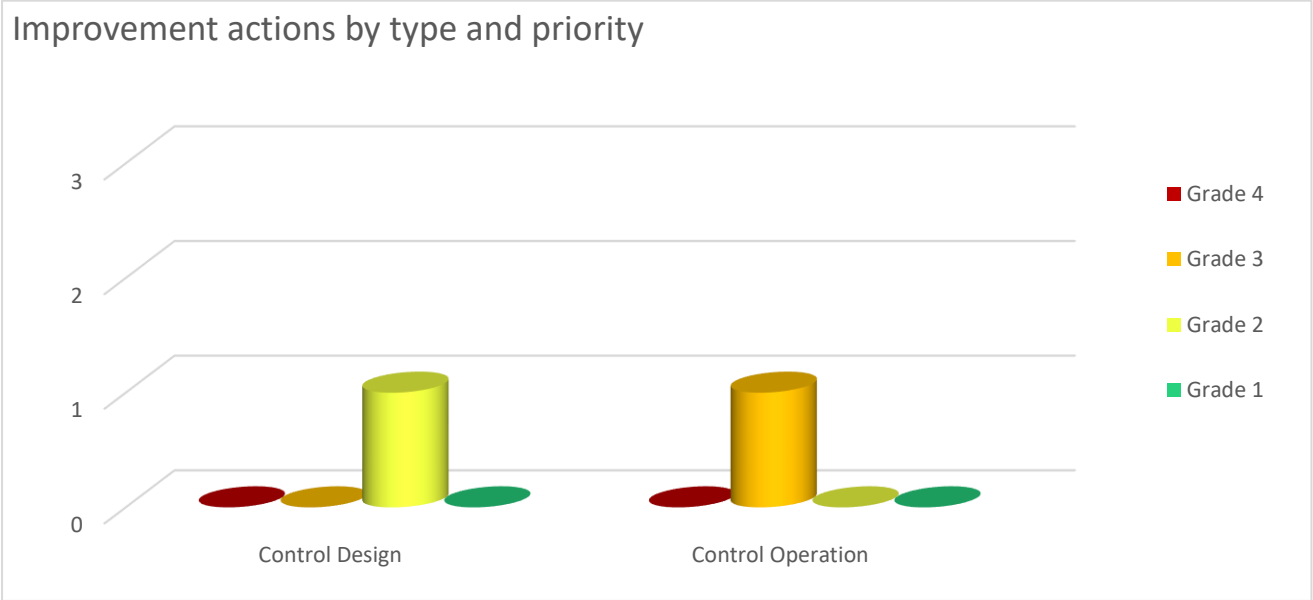
Heritage Horizons uses National Lottery Heritage Funds to support over 45 partnerships. In order to ensure that the Heritage Horizons programme is successfully launched and delivered, it is crucial that there are suitable governance and reporting oversight in place.

In accordance with the 2023/2024 Internal Audit Plan, we reviewed the governance and reporting arrangements for the Heritage Horizons programme. This included ensuring processes are suitable for the delivery phase of the programme and that lessons earned from the development phase have been implemented.

Control assessment



- 1. The governance and reporting arrangements for all stages of the Heritage Horizons programme are clearly documented, with regular reporting to management and the Board.
- 2. Programme reporting includes updates on overall progress and partnership activities alongside budget, actual spend, forecast outturn and risk identification.
- 3. There is a clear project plan in place for the delivery phase of the programme that has been reviewed and approved through the governance structure.
- 4. CNPA has processes which to capture lessons learned for inclusion in the delivery phase of the Heritage Horizons programme.



Two improvement actions have been identified from this review, one of which relates to compliance with existing procedures, rather than the design of controls themselves. See Appendix A for definitions of colour coding.

Key findings

Good practice

- The governance and reporting arrangements for the Heritage Horizons Programme are clearly documented within the full programme report, detailing roles and responsibilities of relevant parties. This ensures that updates on individual projects progress are fed into the overall programme reporting
- Heritage Horizons Programme consists of 20 projects. We confirmed that all the individual project plans have been developed, reviewed and were included in the bid submission to National Lottery Heritage Fund in August 2023.
- Quarterly programme update reports are used to monitor programme progress and risks. There is a clear review approval procedure in place to provide scrutiny of information cascaded.

Areas for improvement

We have identified two areas for improvement which, if addressed, would strengthen the Cairngorm National Park Authority's control framework. These are:

- Updating project reports to include progress updates on risks, assumptions, issues and dependencies, project spending again budget and KPIs.
- Developing processes and templates to ensure lessons learned at project level are documented and shared with key internal/external stakeholders throughout the delivery phase.

These are further discussed in the Management Action Plan below.

Impact on risk register

The Cairngorm National Park Authority corporate risk register (as at January 2023) included the following risks relevant to this review:

- Risk A1: Resources- public sector finances constrain capacity to allocate sufficient resources to deliver corporate plan.

We have not identified any issues during the course of our fieldwork which would require an update to the current risk register.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: The governance and reporting arrangements for all stages of the Heritage Horizons programme are clearly documented, with regular reporting to management and the board.

Green

No weaknesses identified

We were provided with a copy of the full Heritage Horizons Programme report which clearly details the governance and reporting arrangements in place for the programme.

The Cairngorms 2030 programme has a six-tier governance structure as follows:

- Park Authority Board and Performance Committee
- Cairngorms 2030 Programme Board (meeting quarterly): reports on a quarterly basis to the Cairngorm National Park Authority Performance Committee and annually to the full Board. It will also report as required to the Audit and Risk Committee.
- Programme Management Group (meeting monthly): consists of the Park Authority's Executive Management Team. It monitors strategic and operational performance and risk.
- Theme Leads (meeting monthly): consists of Park Authority managers with line management responsibility for co-ordinating project delivery.
- Communications and Engagement Group (meeting monthly): consists of the Park Authority managers and staff responsible for effectively co-ordinating Cairngorms 2030 communications and engagement activities. It will meet at least monthly and more frequently during peak engagement periods.
- Project teams (meeting bi-weekly): consist of Park Authority managers and project staff responsible for project delivery.

We confirmed management have considered the workforce requirements for the delivery phase and new posts were identified to deliver from January 2024. We were advised that there will be an internal round of recruitment in November 2023 and if all posts can't be filled internally, then an external recruitment will take place in January to ensure all staffing needs addressed by March 2024.

We were provided examples of reports including a copy of quarterly update report to the Theme Leads and a copy of report to Programme Board. The Head of Programme advised that ongoing monitoring will remain broadly similar to the development phase, however, will refine reporting using Microsoft Project reporting tools. This is expected to include integration with financial system and records management system to streamline corporate reporting.

The Head of Programme confirmed that the above structure and reporting identified above will continued to be implemented during the delivery phase.

Control Objective 2: Programme reporting includes updates on overall progress and partnership activities alongside budget, actual spend, forecast outturn and risk identification.

Amber

2.1 Programme reporting

The Head of Programme advised that ongoing monitoring during the programme delivery phase will remain broadly similar to the development phase, however they propose to refine the reporting using MS Project reporting tools. This is expected to include integration with the finance system and records management system to streamline corporate reporting.

We reviewed an example of the quarterly report Project Leads utilise to provide progress updates to Theme Leads and the Head of Programme. The content included past activities, planned activities, changes to scope, successes, challenges, key project risks and project performance with a rag status.

We found that reporting would further benefit from including a Risks, Assumptions, Issues and Dependencies (RAID) section where risks, assumptions, issues and dependencies are clearly detailed, and each risk is scored for severity and identifies a trend analysis on the risk in the last quarter. Further, we identified that currently the quarterly reports do not provide an update on budget, outlining spend in the last quarter, spend to date and spend against budget.

We found that although current reports allow the project managers to reflect on successes, challenges and learning points for their project, the programme and their personal performance, there are no references made to KPIs for the project. Moving into the delivery phase will require clear identification and reporting on KPIs that are linked to the delivery of programme outcomes. This will enable project managers to understand the project performance better so that they can make critical adjustments in their execution to achieve programme outcomes.

Risk

There is a risk that project progress reporting does not provide sufficient information on risks, budget and KPIs which may lead to failures to provide key information on project progress, resulting in action not being taken in a timely manner.

Recommendation

We recommend management update project reports to include progress updates on:

- RAID where each risk is scored, and risk trend analysis noted.
- Project budget including spend in the last quarter, spend to date and spend against budget.
- KPIs and how are they linked to the delivery of programme outcomes.

Management Action

Grade 3 (Operation)

Recommendation agreed. We will amend project reporting procedures to incorporate these elements which we agree will enhance the overall reporting and control environment established through project reporting arrangements.

Action owner: Head of C2030 Programme with C2030 Programme Manager

Due date: End March 2024

Control Objective 3: There is a clear project plan in place for the delivery phase of the programme that has been reviewed and approved through the governance structure.

Green

No weaknesses identified

The Cairngorms 2030 Programme received £1.7 million from NLHF Heritage Horizons to complete the development phase from 7 July 2021 – 17 August 2023. An NLHF Interim Review was held on 20 April 2023 – 21 April 2023. The purpose of the review was to assess development phase progress and readiness for submitting the second phase funding application.

Through reviewing the NLHF feedback and having discussions with relevant staff, it was confirmed that project plans including project briefs, action plans and cost plan have been reviewed and updated to reflect feedback received from NLHF.

We confirmed the individual project plans are reviewed and the latest versions covering 20 projects were included in the bid submission to National Lottery Heritage Fund in August 2023.

We were advised that all the plans are in the process of being moved to MS Project. This will provide one point of access to all plans within the programme. Each project will have its own tab with details on activities and milestones. The Head of Programme advised there will also be a tab for a programme wide plan which will provide an overview of key milestones and any dependencies across the projects.

We note the team are working to ensure licences are secured for MS Project and relevant training provided by December 2023.

Control Objective 4: CNPA has processes which to capture lessons learned for inclusion in the delivery phase of the Heritage Horizons programme.

Yellow

4.1 Lessons learned

We were advised that during the delivery phase, the Knowledge and Research Exchange officer will be responsible for capturing lessons learned across projects to share internally and externally.

The Programme Manager advised that the quarterly reports that have been completed by each Project Manager have sections on successes, challenges and learning, allowing the project managers to reflect on these points for their project. Part of the Programme Manager's role is to read the quarterly reports and attend bi-weekly meetings with project staff to discuss their projects, and share ideas and strategies that could help others.

We confirmed that during the development phase, programme level lessons learned were captured and documented by an external consultant, however we were not able to confirm that relevant processes and templates are in place to document project level lessons learned during the delivery phase.

Risk

There is a risk that project level lessons learned are not documented during the delivery phase due to lack of processes around capturing project level lessons learned, leading to failures in sharing experience and knowledge gained during the delivery phase of the programme.

Recommendation

We recommend the Knowledge and Research Exchange Officer develops appropriate processes and templates to ensure lessons learned at project level are documented and shared with key internal/external stakeholders throughout the delivery phase.

Management Action

Grade 2 (Design)

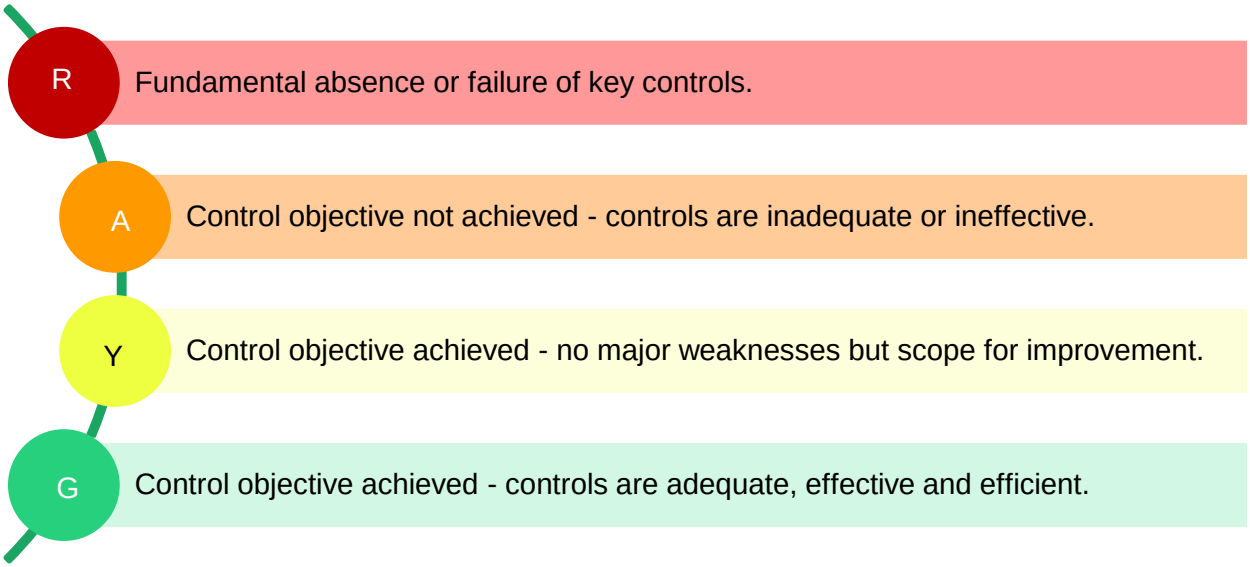
Recommendation agreed. Due date for implementation reflects uncertainty around programme start and recruitment timetable for relevant officer.

Action owner: C2030 Programme Manager with Knowledge and Research Exchange Officer

Due date: End June 2024

Appendix A – Definitions

Control assessments



Management action grades

4	•Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
3	•High risk exposure - absence / failure of key controls that create significant risks within the organisation.
2	•Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
1	•Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

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