

CAIRNGORMS NATIONAL PARK AUTHORITY INTERNAL AUDIT REPORT

Follow up review

March 2020



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REPORT STATUS	
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DISTRIBUTION LIST	
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EXECUTIVE SUMMARY

Scope and Work Undertaken

Background

As part of the provision of continual assurance with regard to internal control arrangements, a review of the degree of implementation of previously agreed Internal Audit recommendations was conducted in March 2020. In accordance with the Internal Audit Annual Plan 2019-20, we have considered the implementation status of all recommendations raised from previous Internal Audit work which were due to be implemented at the time of this review.

In total there are 44 recommendations that we considered during the follow up. A total of 13 recommendations were followed up from the work undertaken by BDO during 2019/20 with one changing its date of implementation to December 2020 so this was considered as not yet scheduled for completion, a further 7 recommendations made in 2019/20 are not yet scheduled for completion and have not been followed up. We also followed up on 24 recommendations carried forward from work undertaken in previous years. The recommendations relate to 16 audit areas, as listed below:

- Risk Management 2016/17 (2 recommendations)
- Financial Processes 2016/17 (1 recommendation)
- Grant Funding & Management 2016/17 (2 recommendations)
- Tomintoul & Glenlivet Partnership Management 2016/17 (2 recommendations)
- IT General Controls 2016/17 (3 recommendations)
- Project Management 2017/18 (2 recommendations)
- Communications & Social Media Strategy 2017/18 (1 recommendation)
- Partnership Management 2018/19 (2 recommendations)
- Resource Planning 2018/19 (2 recommendations)
- Business Continuity Planning 2018/19 (7 recommendations)
- Payroll Administration 2019/20 (4 recommendations)
- Risk Management 2019/20 (1 recommendation)
- Expense Claims Process 2019/20 (4 Recommendations)
- Staff Objective Setting and Appraisal 2019/20 (4 Recommendations)

Methodology

Cairngorms National Park Authority's Internal Audit recommendation progress report was reviewed to determine the degree of implementation achieved. Where the responsible person stated that recommendations had been implemented, evidence was sought, and testing undertaken where relevant, to verify continued compliance.

Acknowledgement

We appreciate the assistance provided by the staff involved in the review and would like to thank them for their help and on-going co-operation.

EXECUTIVE SUMMARY

Scope and Work Undertaken

Status of recommendations as at March 2020

The summary below and overleaf provides a simple overview of the status of each recommendation. Of the 36 recommendations due to be implemented, 8 recommendations (22%) have been categorised as fully implemented, 19 (51%) have been categorised as partially implemented and 9 (24%) as not implemented. Details of the not implemented and partially implemented recommendations are included from page 6 onwards.

On this basis, we conclude that Cairngorms National Park Authority has made some progress in implementing the recommendations made, however, the implementation rate is low and continued focus is necessary to ensure the remaining outstanding recommendations are implemented within a reasonable timeframe.

Audit	Status at March 2020					Total
	Fully implemented	Partially Implemented	Not implemented	Superseded	Not due for implementation	
Risk Management 2016/17	-	2	-	-	-	2
Financial Processes 201/17	-	-	1	-	-	1
Grant Funding & Management 2016/17	-	1	1	-	-	2
Tomintoul & Glenlivet Partnership Management 2016/17	-	2	-	-	-	2
IT General Controls 2016/17	-	1	2	-	-	3
Project Management 2017/18	-	2	-	-	-	2
Communications & Social Media Strategy 2017/18	1	-	-	-	-	1
Partnership Management 2018/19	-	2	-	-	-	2
Resource Planning 2018/19	-	-	2	-	-	2


(continued overleaf)

EXECUTIVE SUMMARY


Audit	Status at March 2020					Total
	Fully implemented	Partially implemented	Not implemented	Superseded	Not due for implementation	
Business Continuity Planning 2018/19	-	6	-	-	1	7
Payroll Administration 2019/20*	2	1	2	-	1	6
Risk Management 2019/20	1	-	-	-	2	3
Expense Claims Process 2019/20	3	1	-	-	3	7
Staff Objective Setting & Appraisal 2019/20	1	1	1	-	1	4
TOTAL	8	19	9	0	8	44

- For the 2 recommendations noted as Not Implemented in the Payroll Administration Review, CNPA have informed us that there is are monthly reports completed, reviewed and signed as agreed in the original recommendation. However, due to the sensitive nature of the evidence we have not been provided with the evidence electronically. Following the outbreak of COVID-19 BDO were unable to travel to the client to confirm this. CNPA consider this as Fully Implemented but we have been unable to confirm this is the case.

RECOMMENDATION STATUS - RISK MANAGEMENT 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	We recommend that, on development of a risk management policy, staff with risk management responsibilities are required to sign a checklist to confirm whether they are aware of the organisation's risk management approach or require further training in this area.		<p><u>Original</u> Agreed. I think the recommendation for staff to sign a checklist and self-certify awareness of risk management approaches or need for further training is a very practical recommendation that can help avoid staff undergoing unnecessary "mandatory" training.</p> <p><u>April 2019</u> The Director of Corporate Services emailed all Heads of Service on 31 May 2017 highlighting the approach to risk management and seeking staff training requirements. We accept that we have not developed a checklist for staff to sign - however, the email approach was intended to act as a surrogate for a separate checklist.</p>	<i>Governance & Information Officer</i>
Status at March 2020 & Revised Recommendation				
Partially Implemented				
Management Response at March 2020				
Status remains same as 2019.				

RECOMMENDATION STATUS - RISK MANAGEMENT 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	<p>We recommend that all project risk registers should be developed using a consistent approach aligned to the Strategic Risk Register.</p> <p>We recognise that management have identified that in practice projects evolve their own approach to developing risk registers and have accepted this, providing the project teams are recognising and managing risk. However, implementing a consistent approach for developing risk registers will ensure risks are being assessed and understood consistently throughout the organisation, ensure consistent high quality and will improve the process for escalating and de-escalating risks to the Strategic Risk Register.</p>		<p><u>Original</u> Agreed. While the key point remains to ensure that risks and recognised, documented and managed, we accept that risk registers should ideally be in a consistent format to aid review and escalation processes. We will reinforce the need for use of the template to support consistency of practice in our project management communications and internal reviews.</p> <p><u>August 2018</u> The entirety of the project management support system is currently under review, and this low level risk will be captured within that review. We will aim to complete this work by January 2019.</p> <p><u>April 2019</u> As noted in the above status update, this recommendation is substantially complete within revised timetable. The risk template is included within updated project management toolkit and we simply have not had an opportunity yet to trial on projects. The first trial is currently underway for the Customer Records Management System implementation project.</p>	<p><i>Governance & Information Manager</i></p>

RECOMMENDATION STATUS - RISK MANAGEMENT 2016/17

Status at March 2020 & Revised Recommendation

Partially Implemented

A template has been developed to standardise the approach to risk management, once projects begin to adopt the template we will be able to verify the implementation of the recommendation.

Management Response at March 2020

Status remains same as 2019 no signed checklist in place as yet.

RECOMMENDATION STATUS - FINANCIAL PROCESSES 2016/17


Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	<p>We recommend that the Finance Management schedule is updated to provide detailed policies and guidance on all financial processes. These should be reviewed on an annual basis.</p> <p>We also recommend that clear roles and responsibilities demonstrating segregation of duties are documented within the guidance notes for all financial processes.</p> <p>We recognise that management have made progress in developing the schedule and that completion of this was delayed due to the implementation of the new Sage system.</p>	●	<p><u>Original</u> Accepted. We are currently reviewing and updating all procedures.</p> <p><u>August 2018</u> High level tasks relating to month end and year end routines and procedures are in place. Documentation of lower level tasks to implemented by 31 December as part of general review of policies, procedures and responsibilities. It should be noted that when a specific spreadsheet is developed for either reporting or financial management notes are imbedded stating the reason for the spreadsheet and how it is to be prepared. These are usually high level and currently maintained by the finance manager , specifically for recording and tracking LEADER claims.</p> <p><u>April 2019</u> Review and updating of documentation will be carried out before the 18/19 audit in June, ie by 16th June.</p>	<i>Finance Manager</i>
Status at March 2020 & Revised Recommendation				
<p>Not Implemented</p> <p>This has not yet been implemented. Management have informed us that the routines and processes will be reviewed and updated by mid-June.</p>				

RECOMMENDATION STATUS - FINANCIAL PROCESSES 2016/17

Management Response at March 2020

Delayed: while changes to practices are updated in advance of the annual external audit, for the benefit of the external auditors and walk through tests, a comprehensive rework has not taken place due, most recently, staffing issues. It is still the intention to have a comprehensive refresh and realistically this will not be until after the 19/20 audit which is due to complete mid-June. We will target this work in quarters 2 and 3 of 2020/21.


RECOMMENDATION STATUS - GRANT FUNDING & MANAGEMENT 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	<p>We recommend that the Grant Toolkit is completed, encompassing all processes in place for the awarding, recording and monitoring of grant funding. The toolkit should also clearly define the following:</p> <ul style="list-style-type: none"> - Actions to be taken when grant conditions are not being met or terms and conditions are breached; - The process for consideration of the risk and value of grant funding applications to determine the proportion of resource required to evaluate these; and - Review and scrutiny arrangements for progress reports provided by grantees. 		<p><u>Original</u> Accepted. Finalisation of the toolkit has been delayed by other priority activities and will now be accelerated.</p> <p><u>August 2018</u> Work to recommence in October and linked to project management: To be implemented by January 2019. The intention is to complete this in parallel with work on projects to ensure a commonality in a risk based approach to project and grant management.</p> <p><u>April 2019</u> Revised date for completion 30 September 2019</p>	<p><i>Responsible Officer: Director of Corporate Services</i></p> <p><i>Implementation Due Date: 30 September 2017</i></p>
Status at March 2020 & Revised Recommendation				
<p>Not Implemented</p> <p>This recommendation has not yet been implemented, management have advised that it will not be implemented until 20/21.</p>				
Management Response at March 2020				
<p>We will give resource priority to developing and rolling out the use of a grant toolkit over the course of 2020/21.</p>				

RECOMMENDATION STATUS - GRANT FUNDING & MANAGEMENT 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	<p>We recommend that management develops and maintains a grant register which records all grant funding provided. The performance requirements detailed within each grant award terms and conditions should be recorded and monitored within the tracker.</p> <p>The register should be reviewed on a regular basis to ensure funds are used effectively and agreed objectives are achieved.</p>	●	<p><u>Original</u> Agreed. This is a sensible recommendation and one which mirrors recent thinking within the Finance Team that we should establish and maintain a central register of live grant funding initiatives.</p> <p><u>April 2019</u> Priority will be given to populating the 19/20 register and then back filling previous 2 years by 30 September with all relevant terms and conditions.</p>	<p><i>Responsible Officer: Finance Manager</i></p> <p><i>Implementation Due Date: November 2017</i></p>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented</p> <p>This recommendation has not yet been implemented, management have advised that it will not be implemented until after the year end.</p>				
Management Response at March 2020				
<p>Delayed: This remains partially implemented having falling into arrears due to recent staffing issues. This will be addressed post completion of the annual audit when the finance department will be back to full capacity.</p>				

RECOMMENDATION STATUS - TOMINTOUL & GLENLIVET PARTNERSHIP MANAGEMENT 2016/17


Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	<p>We recommend that all project management templates are completed for the delivery phase of the TGLP project.</p> <p>We also recommend that more detailed project management protocols are defined within the Project Management Guidance and Process documents. The protocols should clearly define the process to be followed for the following stages of a project:</p> <ul style="list-style-type: none"> - Option selection and prioritisation; - Collaboration with partners; - Solution development; - Delivery (including monitoring and reporting); and - Changes (including time, cost, quality and risk changes). <p>The change management process for the delivery phase of the project should be clearly documented, including the identification of defined limits outlining at which point HLF approval is required.</p>		<p><u>Original</u> Agreed. The Programme Manager has now been recruited for this programme and will be charged with completing all project management templates to enhance robustness of management controls. As the documentation will be completed and owned by the Programme Manager this will also enhance lines of management responsibility.</p> <p><u>August 2018</u> To be fully implemented by 30 November 2018.</p>	<p><i>Responsible Officer: Tomintoul & Glenlivet Programme Manager with Head of Land Management and Conservation</i></p> <p><i>Implementation Due Date: 31 July 2017</i></p>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented</p> <p>This recommendation has not yet been implemented and the project is reaching completion. Spreadsheets were developed to monitor changes however not all points of the recommendation have yet been addressed.</p>				

RECOMMENDATION STATUS - TOMINTOUL & GLENLIVET PARTNERSHIP MANAGEMENT 2016/17

Management Response at March 2020

The project is now 7 months from closure and more work is being undertaken on monitoring the finance position and project outturns. A number of spreadsheets are now used as a basis of making reports to the Project Board (TGLP Budget monitoring live v4 and onwards). We have provided a copy of the key spreadsheet which was reviewed and which reinforces significant financial management oversight and controls implemented since audit. The wider finding on project management has been superseded as we are now in the final half year of delivery. Accordingly, the resource focus is now on programme closure and development of legacy arrangements.

RECOMMENDATION STATUS - TOMINTOUL & GLENLIVET PARTNERSHIP MANAGEMENT 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	We recommend that changes in spend profile exceeding an agreed threshold are reported to the TGLP Board on a monthly basis.		<p><u>Original</u> Agreed.</p> <p><u>August 2018</u> Finance risk is now being considered in more detail by the board as more major projects are either due to start or project plans are revised. To date, as only 1 major project has been undertaken, and is currently showing a £6k underspend, there has been no need to set a variance against project budgets, especially as the Museum Refurbishment was closely monitored by the Project manager. What has been agreed is that in September a comprehensive review of all project costs will be undertaken and the recast project costs and profiled spend will then be used as the benchmark for cash management, cost monitoring on a monthly basis. This will then be included in the monthly finance paper and supplemented by any specific concerns by the Project manager.</p> <p>As a first step a Contingency Request form has been introduced. This is a request to the Board for contingency funding where cost overruns have been identified on review. Secondly post September review variances against plan will be reported to the Board monthly. No reporting level has been set but greater emphasis will be placed on the high value construction projects.</p>	<p><i>Responsible Officer: CNPA Finance Manager</i></p> <p><i>Implementation Due Date: 30 September 2017</i></p>

RECOMMENDATION STATUS - TOMINTOUL & GLENLIVET PARTNERSHIP MANAGEMENT 2016/17

Status at March 2020 & Revised Recommendation


Partially Implemented

Client have provided documentation on spend and what is discussed at meetings - not exact implementation of recommendation but appropriate monitoring is conducted. Partially Implemented as evidence of agreed threshold not provided.


Management Response at March 2020

The project is now 7 months from closure and more work is being undertaken on monitoring the finance position and project outturns. A number of spreadsheets are now used as a basis of making reports to the Project Board (TGLP Budget monitoring live v4 and onwards). We have provided a copy of the key spreadsheet which was reviewed by CNPA finance to ensure reported costs are in line with the financial system. Also provided is a list of discrepancies identified and coded on a RAG system (differences identified). Another spreadsheet, monthly build-up of costs (T&G monthly), has also been developed which is autocompleted and compared with the agreed budgets so and independent monitoring can be carried out by CNPA Finance. (This is the first iteration of this spreadsheet and it is imbedded in the main tracker used to record and consolidate all CNPA finances from TB to final accounts.) It should be noted that the 4 largest projects are either complete or in the final stages of completion (Museum, Blairfindy, Scalan and Access.). Other than increased financial oversight from CNPA it is not proposed to introduce any further monitoring and controls.


RECOMMENDATION STATUS - IT GENERAL CONTROLS 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
6	<p>We recommend that, as per the requirements of the Security Policy, there is regular full-restore testing of backups i.e. the full recovery of systems on a bare-metal server using backup media.</p> <p>We also recommend that a formal backup plan/policy is developed to ensure a consistent approach is taken to managing backups including implementation, monitoring over their success/failure, rerunning failed backups and regular testing.</p>		<p><u>Original</u> Agreed.</p> <p>April 2019 There are no current plans to attempt a full-restore of backups.</p>	<p><i>Responsible Officer: Governance and Corporate Performance Manager with IT Manager</i></p> <p><i>Implementation Due Date: 31 January 2018</i></p>
Status at March 2020 & Revised Recommendation				
Partially Implemented.				
Management Response at March 2020				
There has been 'testing' of back up arrangements necessitated by server failure in Autumn 2019 - therefore a formal run of procedure rather than desk or artificial testing exercise. More comprehensive test plans are being incorporated within the Business Continuity Plan in development and covered by responses to other audit findings.				


RECOMMENDATION STATUS - IT GENERAL CONTROLS 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
10	We recommend that all network devices are configured with reference to recognised security baselines to ensure that all active network components have met a minimum security standard.		<p><u>Original</u> Agreed.</p> <p><u>August 2018</u> To be completed by 31 December 2018. April 2019</p> <p><u>April 2019</u> Revised date for implementation 31 December 2019.</p>	<p><i>Responsible Officer: IT Manager</i></p> <p><i>Implementation Due Date:</i> 31 March 2018</p>
Status at March 2020 & Revised Recommendation				
Not Implemented				
Management Response at March 2020				
<p>Consider dropping: This isn't considered cost effective given the software landscape: our operations are geared to MS office, Sage products, GIS and iDox. We consider that existing practices are sufficient.</p> <p>Since completion of the internal audit, the Authority has focused on delivering infrastructure developments in line with Scottish Government's Cyber Security Plus criteria. To streamline processes and action plans, we will focus on this line of development and monitoring / review for IT infrastructure design.</p>				

RECOMMENDATION STATUS - IT GENERAL CONTROLS 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
11	<p>We recommend that the Authority consider developing and implementing a network security monitoring and logging strategy to ensure that areas of the network that are used to store or process sensitive data are subject to proactive monitoring controls.</p> <p>Also, we recommend that management consider introducing a syslog for securely capturing and retaining log information to ensure the availability and integrity of log data is maintained.</p>		<p><u>Original</u> Agreed.</p> <p><u>August 2018</u> The first phase of the Cyber Essentials certification is in progress and the initial report is awaited.</p> <p><u>April 2019</u> Cyber Essentials+ certification has been gained - completion was in December 2018.</p>	<p><i>Responsible Officer: IT Manager</i></p> <p><i>Implementation Due Date:</i> 31 March 2018</p>
Status at March 2020 & Revised Recommendation				
Not Implemented				
Management Response at March 2020				
<p>Considering dropping: in projections for spend to 31/03/20 is one piece of software - AD audit + - which would allow tracking of deleted, moved folders etc. which would additionally help us to comply with GDPR requirements. While this is in projections no requisition has yet been raised.</p> <p>We have implemented Cyber Security Essentials Plus with completion in December 2018 and reaccreditation now being pursued. We propose to retain this audit risk as partially implemented rather than superseded in order to ensure a cross-check is in place between controls implemented to meet cyber security requirements with controls being put in place for data access and wider security of data management systems.</p>				

RECOMMENDATION STATUS - PROJECT MANAGEMENT 2017/18

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	<p>We recommend that all project management templates are completed for future projects in line with the project management guidelines.</p> <p>We also recommend that a process for requesting and approving changes to defined limits relating to cost, time, quality and risk is documented and applied.</p> <p>We also recommend that all changes are recorded within a project change log.</p>		<p><u>Original</u> Recommendation accepted. The Operational Management Group, comprising all Heads of Service, have additionally commenced an internal review of the adequacy of the project management templates and whether the approach to project management approval and governance can be streamlined without compromising internal control standards. The results of this review will be applied while also ensuring the current recommendation is implemented: ensuring that the revised project toolkit is used fully and appropriately.</p> <p><u>August 2018</u> The entirety of the project management support system is currently under review, and this action will be captured within that review. We will aim to complete this work by January 2019.</p> <p><u>April 2019</u> As noted above, the updated project toolkit is complete and being rolled out. We are still to complete processes around change requests, being mindful of one of the Authority's key attributes of being flexible and adaptable. We will consider these final elements as we review the roll out of project management over 2019.</p>	<p>Responsible Officer: Director of Corporate Services with Head of Organisational Development</p> <p>Implementation Due Date: 30 June 2018</p>

RECOMMENDATION STATUS - PROJECT MANAGEMENT 2017/18

Status at March 2020 & Revised Recommendation


Partially Implemented

Once projects are undertaken with the new project management toolkit it will be possible for this to be sample tested.


Management Response at March 2020

We have established a list of priority projects for oversight and "gateway review" prior to start by the Operational Management Group. However, we accept that this process has not been looked at closely over the course of 2019/20 and there is still some work to do on ensuring an appropriate level of engagement with standardised project management processes by project managers and project sponsors.


RECOMMENDATION STATUS - PROJECT MANAGEMENT 2017/18

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	We recommend that roles and responsibilities are fully documented for all key people and groups with responsibilities for each project.		<p><u>Original</u> Agreed.</p> <p><u>August 2018</u> Management will revisit the register of projects and detail those significant and large scale projects for which the roles and responsibilities of all key people and groups should be documented.</p> <p><u>April 2019</u> As noted above in status update. How we best capture roles and responsibilities within the revised toolkit is under review.</p>	<p><i>Responsible Officer: Director of Corporate Services</i></p> <p><i>Implementation Due Date: 31 July 2018</i></p>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented Once projects are undertaken with the new project management toolkit it will be possible for this to be sample tested.</p>				
Management Response at March 2020				
<p>The project toolkit is in place as previously reported. However, this toolkit still requires to be tested to determine whether the identified control issue of establishing clarity in project roles and responsibilities has been adequately dealt with.</p>				

RECOMMENDATION STATUS - PARTNERSHIP MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	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.		<u>Original</u> 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.	<i>Responsible Officer: Chief Executive with Head of Planning and Rural Development</i> <i>Implementation Due Date: 30 June 19</i>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented Once survey closed and analysis undertaken it will be possible for this to be tested.</p>				
Management Response at March 2020				
<p>We have written to partners to seek their feedback both on their delivery against National Park Partnership Plan agreed objectives and also to consult with partners on overall partnership working arrangements. This process is continuing into 2020/21. We also have some instances of partners attending Board meetings to provide more direct communications to the Authority on partnership working and priorities. The stakeholder survey also feeds into this process. We have yet to compile and analyse the results of this work, hence partially implemented.</p>				


RECOMMENDATION STATUS - PARTNERSHIP MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	We understand that there are already plans to improve the engagement process further by implementing a Customer Relationship Management System (CRM). We recommend that the Authority continues with plans for implementing a CRM.		<u>Original</u> 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.	<i>Responsible Officer: Director of Corporate Services</i> <i>Implementation Due Date: 30 June 19</i>
Status at March 2020 & Revised Recommendation				
Partially Implemented CNPA have continued to make progress, not yet implemented due to delay in completing the project implementation.				
Management Response at March 2020				
This recommendation is complete, insofar as taking forward the CRM project. Implementation of the project itself has been delayed by staff turnover / resource shortage and some issues with data transfer into the new system.				


RECOMMENDATION STATUS - RESOURCE PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	<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>	●	<p><u>Original</u> 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><i>Responsible Officer: Head of Organisational Development</i> <i>Implementation Due Date: 31 March 19</i></p>
Status at March 2020 & Revised Recommendation				
Not Implemented as no update provided from CNPA.				
Management Response at March 2020				

RECOMMENDATION STATUS - RESOURCE PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	We recommend that a formal framework is put in place for identifying critical roles and developing succession plans for critical roles identified.		<u>Original</u> 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.	<i>Responsible Officer: Director of Corporate Services and Head of Organisational Development</i> <i>Implementation Due Date: 30 May 2019</i>
Status at March 2020 & Revised Recommendation				
Not Implemented CNPA have demonstrated succession planning action in Committee papers however no plan is yet available.				
Management Response at March 2020				
This work has not yet been taken forward in terms of a specific succession plan. Risk management work continues with specific arrangements, for example the use of "career graded" roles to encourage recruitment, retention and staff development in key areas, while the Workforce Management Strategy adopted recognises succession planning within wider approaches to workforce management.				

RECOMMENDATION STATUS - BUSINESS CONTINUITY PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	We recommend that CNPA ensures a non-redacted BCP can be fully accessible on the network, and a hard-copy held remotely by key staff members, with all omitted information included. Consideration should be given to who can access the full BCP, and whether staff members who are not members of the Continuing Functionality Team and BC/DR Team only have access to information that is not considered confidential. For example, a summary card of the key high level initial steps to be taken during a major incident could be provided to staff, with the full BCP being provided to only the Continuing Functionality and BC/DR Teams.		<p><u>Original</u> A hard copy of the BCP which includes all contact information held in the redacted version of the plan was issued to all key staff for them to hold remotely. We have a copy of this hardcopy version and have evidenced that key staff still have access to this document. Notwithstanding this note to this finding, we accept the recommendation.</p> <p>We also note that the BCP should not have been redacted and non-redacted version password protected. This is contrary to CNPA policy, which requires that documents should be held in file locations which carry appropriate levels of access security relevant to their content. The full version should therefore have been held in a folder with appropriate access control.</p>	<p><i>Responsible Officer: Director of Corporate Services</i> <i>Implementation Due Date: 31 July 2019</i></p>

Status at March 2020 & Revised Recommendation


Partially Implemented

Work has begun, to be reviewed once BCP Risk Register is available.


Management Response at March 2020

The BCP is now in development with expected presentation to May 2020 Audit and Risk Committee. It is therefore not possible to achieve the original target deadline for the production of a paper copy of the BCP. This will be implemented immediately after any amendments following on from Audit and Risk Committee's review of the Plan.


RECOMMENDATION STATUS - BUSINESS CONTINUITY PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	<p>We recommend that clear action plans are developed for each business critical system or function. The action plans should document the process to be followed in the event of disruption, actions to be taken and procedures to be followed to restore the function, and should be designed to achieve intended recovery times.</p> <p>In addition, we recommend that the Authority documents a range of incidents that could cause the BCP to be evoked, along with the procedures to be followed for each in a 'check list' format. Example incidents could include fire evacuation, a serious medical emergency, severe weather, terrorist threat, power failure and loss of gas supply.</p>		<p><u>Original</u> Recommendation agreed.</p>	<p><i>Responsible Officer: Director of Corporate Services to coordinate team</i></p> <p><i>Implementation Due Date: 30 November 2019</i></p>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented</p> <p>Work has begun, to be reviewed once BCP Risk Register is available.</p>				
Management Response at March 2020				
<p>As with the full BCP, this action is in progress as part of the overall approach to and structure of the BCP.</p>				


RECOMMENDATION STATUS - BUSINESS CONTINUITY PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	<p>We recommend that risk assessments are carried out to assess the business continuity risks applying to each function, and should be fully documented within the BCP risk register.</p> <p>We also recommend that the risks assessments and the business impact analysis are assessed and reviewed on a regular basis, to ensure these remain relevant and accurate.</p>		<p><u>Original</u> Recommendation accepted. We will incorporate a requirement for risk assessments, impact analysis and associated plans to be reviewed at least every 30 months.</p>	<p><i>Responsible Officer: Director of Corporate Services to coordinate team</i></p> <p><i>Implementation Due Date: 31 July 2019</i></p>
<p>Status at March 2020 & Revised Recommendation</p>				
<p>Partially Implemented Work has begun, to be reviewed once BCP Risk Register is available.</p>				
<p>Management Response at March 2020</p>				
<p>This aspect of BCP work has been completed through discussions between the Office Services Manager and individual teams. See BCP information provided.</p>				


RECOMMENDATION STATUS - BUSINESS CONTINUITY PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
5	<p>We recommend that CNPA develops a testing plan/schedule for BCP which should be reviewed regularly to ensure a strategic approach to testing is developed and implemented. This plan should ensure that varying categories of events are scheduled to be tested on a regular basis based upon likelihood and overall risk. A formal testing schedule should also be developed for the DRP. We note that the BCP states that testing of the BCP and DRP should be annual, with consideration given to a daily 'table top' exercise. However, from discussions with management, it is understood that this is not achievable due to the size of the organisation. Therefore, Management should decide on the most suitable frequency of testing, and this should be detailed within the BCP.</p> <p>In addition, we recommend that the outcomes, lessons learned and required actions are formally documented, and thereafter reflected within the plan for each test.</p>		<p><u>Original</u> Agreed.</p>	<p><i>Responsible Officer: Director of Corporate Services to coordinate team</i></p> <p><i>Implementation Due Date: 30 November 2019</i></p>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented</p> <p>This is currently being developed and the intention is to have it completed and signed off in May 2020 - after Audit Committee sign off.</p>				
Management Response at March 2020				
<p>Testing of the BCP has been delayed pending completion of the revised plan itself. However, CNPA experienced a serious server failure in late summer of 2019, which allowed a test of BCP implementation to be undertaken as regards the prioritisation of systems to be restored and approach to server support.</p>				


RECOMMENDATION STATUS - BUSINESS CONTINUITY PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
6	We recommend that the Authority documents each member of the BC/DR team within the BCP.		<u>Original</u> Agreed.	<i>Responsible Officer: Director of Corporate Services to coordinate team</i> <i>Implementation Due Date: 30 November 2019</i>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented To be reviewed when BCP Risk Register available.</p>				
Management Response at March 2020				
Incorporated within the BCP under development.				


RECOMMENDATION STATUS - BUSINESS CONTINUITY PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
7	We recommend that the Authority implements business continuity training for all staff. Regular refresher training should be provided going forward, and the Authority should ensure it records all training for each staff member, and obtains sufficient evidence of attendance/completion.		<u>Original</u> Agreed.	<i>Responsible Officer: Director of Corporate Services to coordinate team</i> <i>Implementation Due Date: February 2020</i>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented To be reviewed when BCP Risk Register available.</p>				
Management Response at March 2020				
Training will be put in place after approval and issue of the BCP.				


RECOMMENDATION STATUS - PAYROLL ADMINISTRATION 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	It is our recommendation that a review of the monthly payroll adjustment memo and spot check of changes is incorporated into the Director of Corporate Services review and authorisation of monthly payroll and the monthly payroll amendment memo prepared by the Head of Organisational Development.		<u>Original</u> Recommendation agreed.	<i>Responsible Officer: Director of Corporate Services/ Payroll & Finance Officer</i> <i>Implementation Due Date: November 2019</i>
Status at March 2020 & Revised Recommendation				
Not implemented. CNPA have informed us that there is a monthly payroll adjustment memo and spot check completed for this report. However, due to sensitive nature of the evidence required to confirm that this had been done, we required to see evidence of the payroll reports. Following the outbreak of COVID-19 BDO were unable to travel to the client to confirm this and we have not been provided with the evidence electronically. CNPA see this as Fully Implemented but we have been unable to confirm this is the case.				
Management Response at March 2020				
Appropriate spot check tests of payroll memo undertaken since November 19.				


RECOMMENDATION STATUS - PAYROLL ADMINISTRATION 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	We recommend that in addition to the payroll report and BACS reports run each month, CNPA produce a post payment report which should be reviewed and signed by the Director of Corporate Services.		<u>Original</u> Recommendation agreed.	<i>Responsible Officer: Director of Corporate Services/ Payroll & Finance Officer</i> <i>Implementation Due Date: November 2019</i>
Status at March 2020 & Revised Recommendation				
Not implemented. CNPA have informed us that there is a monthly post payment report completed, reviewed and signed as indicated. However, due to the sensitive nature of the evidence required to confirm that this had been done, we required to see evidence of these reports. Following the outbreak of COVID-19 BDO were unable to travel to the client to confirm this and we have not been provided with the evidence electronically. CNPA see this as Fully Implemented but we have been unable to confirm this is the case.				
Management Response at March 2020				
We already produce a 'Payment Detail Report' from online banking for each payment going out of the account. This includes one for payroll. We will place a copy of the Sage produced BACS report with the post payment banking report. The Payment Detail Report is now spot checked against the BACS report to ensure the payment amounts are consistent, no dummy employees have been added and the total amount out of the bank matches the BACS report.				


RECOMMENDATION STATUS - PAYROLL ADMINISTRATION 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
5	We recommend that all staff with access to payroll information are required to sign a confidentiality agreement.		<u>Original</u> Recommendation agreed.	<i>Responsible Officer: Director of Corporate Services and Head of Organisational Development</i> <i>Implementation Due Date: March 2020</i>
Status at March 2020 & Revised Recommendation				
Partially Implemented. Conversations have begun to address this matter and contracts will be reviewed on implementation.				
Management Response at March 2020				
This action has been highlighted through our Staff Consultative Forum to make clear there will be contractual changes made for some staff.				


RECOMMENDATION STATUS - STAFF OBJECTIVE SETTING & APPRAISAL 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	We recommend that a field is added to the Job Plan template which requires objectives to be referenced to the relevant priority from the Corporate Plan.		<u>Original</u> Recommendation agreed.	<i>Responsible Officer: Kate Christie</i> <i>Implementation Due Date: January 2020</i>
Status at March 2020 & Revised Recommendation				
Partially Implemented. We were provided with an example of what the additional field would look like but no examples of a revised template for the job plan were provided to confirm how this looked in practice.				
Management Response at March 2020				
The Job plan has been updated to require Corporate Plan references and issued as part of the HR standard documentation.				

RECOMMENDATION STATUS - STAFF OBJECTIVE SETTING & APPRAISAL 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	<p>We recommend that line managers are reminded of the importance of properly recording their review and approval of job plans.</p> <p>Random spot checks should be carried out by HR to check that job plans are in place and have been appropriately reviewed and signed off by management, including the date of sign off.</p>		<p><u>Original</u> Recommendation agreed.</p>	<p><i>Responsible Officer: Kate Christie</i></p> <p><i>Implementation Due Date: Immediate and on-going</i></p>
Status at March 2020 & Revised Recommendation				
<p>Not Implemented. Sufficient evidence of this happening has not been provided.</p>				
Management Response at March 2020				
<p>Heads of Service have been reminded of this. However, on review, minutes of meeting do not adequately / explicitly state actions to be taken therefore we cannot yet classify this as fully implemented on basis of available evidence.</p>				

RECOMMENDATION STATUS - EXPENSE CLAIMS PROCESS 2019/20





Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	We recommend that the Travel & Subsistence Policy is further developed to include the elements noted within our finding.		<u>Original</u> Recommendation agreed. Policy will be reviewed and updated to cover the findings from the audit.	<i>Responsible Officer: Director of Corporate Services</i> <i>Implementation Due Date: January 2020</i>
Status at March 2020 & Revised Recommendation				
<p>Partially Implemented</p> <p>Updated policy provided but not all points evidenced, for example, clarity on the delegated authority for approving the CEO's expense claims has not been addressed. Nor is the point made in respect of client entertaining, gifts and office expenses.</p>				
Management Response at March 2020				
Fully implemented.				




APPENDIX I - STAFF INTERVIEWED

NAME	JOB TITLE
Daniel Ralph	Finance Manager
David Cameron	Director of Corporate Services

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

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.
Reasonable 	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

As part of the 2019-20 Internal Audit plan for Cairngorms National Park Authority, it was agreed that internal audit will follow up on previously agreed recommendations made in Internal Audit reports in previous years, and where relevant during the current year.

PURPOSE OF REVIEW

The aim is to provide assurance to management and the Audit Committee that previous internal audit recommendations have been implemented effectively and within targeted timescales.

KEY RISKS

The key risk associated with the area under review is:

- Action is not taken to implement recommendations resulting in weaknesses in control and subsequent loss, fraud or error.

SCOPE OF REVIEW

We will review management's action taken to implement internal audit recommendations. This will involve the review of recommendations made in each of the internal audit reports issued during 2019-20, and a follow up of any outstanding recommendations from previous years. We will also review any recommendations made in the 2019-20 internal audit reports which are due for implementation.

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