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INFRASTRUCTURE, GOVERNMENT AND HEALTHCARE

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

Internal audit report
Community engagement / stakeholder satisfaction

17 April 2012

This report is for:

Action

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Information

Audit committee

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Notice: About this report

This Report has been prepared on the basis set out in our Engagement Letter addressed to Loch Lomond & The Trossachs National Park Authority and Cairngorms National Park Authority (“the Clients”) dated 15 June 2011 (the “Services Contracts”) and should be read in conjunction with the Services Contract. Nothing in this report constitutes a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the Services Contract. This Report is for the benefit of the Clients only. This Report has not been designed to be of benefit to anyone except the Clients. In preparing this Report we have not taken into account the interests, needs or circumstances of anyone apart from the Clients, even though we may have been aware that others might read this Report. We have prepared this report for the benefit of the Clients alone. This Report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Clients) for any purpose or in any context. Any party other than the Clients that obtains access to this Report or a copy (under the Freedom of Information (Scotland) Act 2002, through the Clients’ Publication Scheme or otherwise) and chooses to rely on this Report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this Report to any party other than the Clients. In particular, and without limiting the general statement above, since we have prepared this Report for the benefit of the Clients alone, this Report has not been prepared for the benefit of any other central government body nor for any other person or organisation who might have an interest in the matters discussed in this Report, including for example those who work in the central government sector or those who provide goods or services to those who operate in the sector.

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Introduction and scope

In accordance with the 2011-12 internal audit plan for Loch Lomond & The Trossachs National Park Authority (“LLTNPA”) and Cairngorms National Park Authority (“CNPA” or together “the Authorities”), we have undertaken an internal audit review of community engagement / stakeholder satisfaction. The overall objective of this audit was to consider the Authorities' policies and procedures for community engagement / stakeholder satisfaction and the extent to which they support the achievement of the strategic performance of the Authorities.

Background

Achievement of the strategic plans requires engagement by all staff and alignment of goals and objectives should contribute to strategic performance of the Authorities.

Stakeholder and community engagement in planning

The Authorities' individual National Park plans provide the context and framework for the strategic plans. Both Authorities have now completed public consultation on their National Park plans for 2012 – 2017, with comments currently being considered in preparation for the submission to the Scottish Ministers later in 2012. These will then be used to form corporate and local plans that set out the strategic objectives of each Authority.

As part of the development of National Park plans both Authorities will be participating in planning meetings with local partners chaired by the Scottish Ministers. The purpose of this is to ensure that local partners are being seen as ‘buying in’ to National Park plans and to provide a forum for discussing any queries or issues identified with the planned work of the participating bodies. In management's opinion this will also ensure that local organisations are incorporating the aims and objectives of the National Park plans into their own short and long-term corporate plans. Following finalisation of the National Park plans, and approval by the Scottish Government, both Authorities intend to present their final National Park plans to the public at the Highland Show in June 2012.

Both authorities recognise the vital role that communities play in delivering the aims of the National Parks. It is, therefore, important that a strong emphasis is placed by management on actively engaging with communities, both within and out of the park as well as supporting communities to deliver National Park and local plans.

Stakeholder identification

In recent years both Authorities have introduced new processes to ensure identification of stakeholders and their requirements. Communication plans and engagement strategies for identifying stakeholder audiences have been developed within both Authorities to assist in identifying key audiences and communication pathways to support achievement of the National Park corporate and local plans.

To ensure compliance with various legislation, including the Human Rights Act 1998 and Race Equality Duty (2002), CNPA has also introduced equality impact assessments for new projects. These allow the Authority to gain a full understanding of the views of the groups and individuals, who are likely to be affected, or have an interest in the results of new projects undertaken, to support the National Park plan.

Monitoring stakeholder and community engagement

Internal community engagement teams are established in both Authorities, who work with local communities to ensure their opinions and interests are being tracked. Community liaisons and representatives are identified within the Authorities to provide direct points of contact for the public to voice any queries or concerns over the running of the National Parks.

Senior management of both Authorities maintain regular communication with key stakeholders through routine attendance and membership of the boards of local partnership forums, project steering groups and community planning groups. LLTNPA promote sustained community engagement through 'Community Futures', a programme of community action planning and community engagement designed by the Small Town and Rural Development Group in 1998. Both authorities have actively provided guidance to local communities to support community action planning. For example, LLTPNA implemented the Community Futures Action plan programme in 2007 to offer support, training and resources in the preparation of new community action plans. CPNA also published a community action planning toolkit in 2008 to provide guidance to community councils and community groups.

Both Authorities recognise the importance of community engagement to allow appropriate consultation and input from key stakeholders in decision making processes. However, it is important to note that limits must be applied to the length of consultation permitted to ensure that key projects and developments are progressed in a timely manner. The key priority for both Authorities is delivering the objectives and outcomes of the National Park plan which are developed around the needs of individual stakeholders and communities. Therefore, any new opportunities to work with stakeholders or suggested changes to project purposes must firstly be considered against the priorities of the National Park plans before being progressed.

Other forms of communication

Both Authorities hold their board meetings in public and papers for the board and other key committees are accessible through both Authority's external websites. Other means of formal communication include national park magazines and e-bulletins published at regular intervals during the year. Both authorities also make use of press releases through local and national outlets to inform the public of significant events or matters which may be of public interest.

The nature and size of the operation of both Authorities results in regular media coverage during the year. Both Authorities have implemented monitoring procedures to track media publications concerning the national parks and are collated into 'positive', 'negative' and 'neutral' to highlight any matters requiring further consideration by senior management.

We have identified a number of areas of best practice in the procedures at both Authorities.

Identification of stakeholders at project level

Both Authorities recognise the importance of considering engagement and communication with stakeholders when planning projects to support delivery of annual plans. For LLTNPA a project initiation document is prepared which summaries the overall objective of the project. A required element of the document is the identification of both internal and external stakeholders associated with the project and setting out of a communications plan for ensuring participation in, and discussion of, the project with key stakeholders. Communication and consultation objectives are established which will be supported by the communication plans. For example, the project initiation document for the LLTNPA National Park plan 2012-17 includes objectives on engaging with the Authority's key external stakeholders to ensure joint ownership of the agreed priorities, outcomes and programme for implementation of the park plan.

CNPA considers stakeholders through its expenditure justification template required for all projects over £10,000. This identifies stakeholders that are likely to support or oppose a project. However, no consideration is given to how to engage with the stakeholders and manage their relationship with CNPA. Management has identified this shortfall and has undertaken training with staff in relation to the project management process. Management are also in the process of implementing project initiation documents, similar to LLTNPA, to allow project managers to consider for more detailed and complex projects.

Engagement with stakeholders

The leadership of both authorities demonstrate commitment to stakeholder and community engagement. This is achieved through regular participation by board and management at a variety of partnership working groups and community forums.

Delivery of National Park plans, in particular for CNPA given its lower staffing resources, is dependent on the cooperation and willingness of local partners. Community partnerships are in place at both Authorities to allow discussion of each National Park plan's progress and key projects with stakeholders. Monitoring groups are also in place for both Authorities, including representation from local partners and community members, to provide a forum for consideration of key issues and projects arising during the life of each National Park plan. These include the Loch Lomond Stakeholder Group and the Cairngorms National Park Strategy Group. Individual steering groups are also used by both Authorities consisting of internal and external members to support delivery of significant projects supporting the National Park and corporate plans.

Community networks

There is a clear culture of community engagement within both Authorities with community teams at both Authorities to ensure close working with community action and steering groups. Both Authorities also recognise the importance of engaging with communities in identifying community needs and aspirations. Community networks are in place within both Authorities to provide community organisations an opportunity to meet within their own geographical areas and communicate queries, ideas and concerns to their respective National Park authority. Community consultations during planning ensure that the needs and aspirations of the public are reflected in both Authorities visions and objectives set out in National Park, corporate and local plans.

Key findings and recommendations

We identified three ‘moderate’ and two ‘low’ rated findings for LLTNPA.

We identified four ‘moderate’ and two ‘low’ rated findings for CNPA.

The findings identified during the course of this internal audit are summarised below. A full list of the findings and recommendations are included in this report. Management has accepted the findings and agreed reasonable actions to address the recommendations.

	Authority	Critical	High	Moderate	Low
Number of internal audit findings	LLTNPA	-	-	3	2
	CNPA	-	-	4	2
Number of recommendations accepted by management	LLTNPA	-	-	3	2
	CNPA	-	-	4	2

Classification of internal audit findings is provided in appendix two.

LLTNPA marketing and communications plan

To assist in the identification of key stakeholders for the LLTPA National Park plan, the Authority has introduced an annual marketing and communications plan. The purpose of this document is to identify the main focus of communication activities for the financial year, by business plan project, which will support the national park's three main themes of conservation, visitor experience and rural development. We compared the marketing and communications plan with the business plan and noted that the projects listed in each were not consistent. For example, a planned intranet project within business services is not listed in the main business plan for 2011-12. Our discussions with management highlighted that specific projects may be grouped together within the business plan, for example the ongoing biodiversity project which includes a number of smaller projects. Furthermore, where projects do not have a specific budget, these are not directly recorded in the business plan.

Best practice would be for the marketing and communications plan to be aligned with the business plan to ensure that all key projects are listed in both, regardless of monetary value, to ensure that appropriate consideration is given to all key stakeholders associated with projects supporting the business plan. This could be achieved through inclusion of a summary section in the business plan for ongoing projects without specific budget considerations.

Recommendation one

Linkage of stakeholder audiences to individual projects

The LLTNPA marketing and communications plan includes the identified audience for each listed project. However, this is at a very high level, for example local communities, local businesses and partners, rather than naming specific communities or partnership bodies. The plan does include an audience matrix which names specific residents, visitors, local authorities and partner organisations. There is scope to strengthen the current plan by linking the specific bodies to each individually listed project. This information should be readily available from the project initiation documents prepared by LLTNPA for each project supporting the annual business plan.

Recommendation two

CNPA communications and engagement programme

CNPA has a communications and engagement programme which provides the focus for communications to support the CNPA park plan's key themes and desired outcomes. However, there does not appear to be any direct linkage with the key strategic objectives set out in the National Park plan, or the key priorities to achieve these objectives. The LLTPNA marketing and communications plan, developed for 2011-12, includes a listing of the three main themes of the LLTPNA National Park plan, together with the additional corporate plan theme relating to business services of LLTPNA. Significant projects undertaken through the business plan (equivalent to the CNPA operational plan) are also listed to provide linkage to corporate planning. This concept would be a useful addition to the planning processes within CNPA to ensure that relevant stakeholder and target audiences are identified for all projects supporting the CNPA park plan.

Recommendation three

Scottish Nature omnibus surveys

Independent surveys were carried out of the general public and members of the Scottish Parliament by the Scottish Nature omnibus for 2010 and 2011. This included consideration of the awareness of the public and their knowledge and opinions of the national parks. The results of these surveys were incorporated by CNPA into its communications and engagement programme, submitted to the CNPA board in January 2012. However, our review of documents supporting the LLTNPA planning process did not highlight any evidence of consideration of these surveys. It is important that both Authorities make use of available external consultations which may support development and implementation of long and short-term strategic plans.

Recommendation four

Stakeholder identification at project level

The expenditure justification form used by CNPA for authorising projects within its annual operational plan is only used for projects over £10,000. Review of the operational plan identified that a number of projects do not have an allocated budget, partly due to the financial resources not being directly provided by CNPA and instead supported by a local partner. As a result, a project expenditure form is not required. To ensure that effective stakeholder engagement and communication is considered for all key areas of development led by CNPA, the revised project initiation documents, being introduced to replace the expenditure justification form, should be used for all projects supporting the operational plan.

Recommendation five

LLTPNA stakeholder planning workshop

LLTNPA is due to undertake a stakeholder planning workshop with an external public relations company. The workshop is designed to help LLTNPA clearly articulate who the Authority's stakeholders are, build a strategy to win their support and ensure effective communication. Key objectives include: identification of stakeholders, identification of stakeholder relationships; identification of influence on stakeholders activities; identification of key messages the Authority needs to convey; and identification of necessary actions and communications.

In 2004, CNPA held an internal session with board members to identify stakeholders and audiences directly associated with the park plan 2005-2012. A stakeholder engagement and stakeholder communications strategy was formed to support delivery of the park plan. This has been subject to annual review with the strategy supported by a stakeholder engagement programme. At the meeting of the CNPA board in January 2012 a draft communication and engagement programme was developed setting out the main elements of the Authority's approach to communications and engagement in the park to support the National park plan's core themes and outcomes. While the LLTNPA work shop will focus specifically on the stakeholders associated with LLTNPA, CNPA should discuss the learning outcomes arising from this exercise with LLTNPA colleagues to identify any areas for improvement that may assist in strengthening existing practices.

Recommendation six

Summary of internal audit findings (continued)

Attendance at stakeholder and community working groups

Both Authorities engage with stakeholders and communities through attendance at local partnership working groups, forums and community planning meetings. However, while there is evidence of regular participation by both Authorities at a number of stakeholder and community groups there is no evidence of formal mechanisms for reporting to senior management on any issues identified that may impact the operations or reputations of LLTNPA or CNPA.

The LLTNPA chief executive's report submitted to each board meeting includes a section 'relationships and Scottish Government engagement' to note planned attendance by senior management at stakeholder and community meetings. Minutes of meetings of the management team at CNPA include an issues / action log for indentifying any matters arising from the present and previous management team meetings that require further consideration. Recognition of significant matters for both Authorities is based on the judgement of senior management in attendance at stakeholder and community meetings. However, it would be useful to use the simple format used for CNPA management team meetings as a basis for a stakeholder and communication engagement issues / action log detailing planned attendance by senior management at stakeholder and community meetings and recording of any issues / actions arising from such meetings that require further consideration. This would also ensure that responsible and accountable officers are identified to investigate and implement any required actions.

Recommendation seven

Business barometer

CNPA is informed of the results of a business barometer maintained by the Cairngorms Business Partnership, to provide an indication of the local views of the Cairngorms National Park and CNPA. This includes consideration of the views of the influence that the Cairngorms National Park has on businesses and how well business within the park region feel supported by CNPA. The results of this barometer are received quarterly. However, our review of committee minutes and papers indicated that this is not subject to regular review by senior management. To ensure any issues impacting changes in opinion are identified and considered in a timely manner a formal process should be established to ensure that business barometer findings are subject to regular review. Implementation of such processes would also assist in strengthening LLTPNA's own stakeholder monitoring procedures.

Recommendation eight

Review of media publications

The CPNA board received a monthly report via email in respect of monthly media analysis. A weekly email is also sent to all board members with scanned copies of media articles mentioning the national park for that week. A summary of media communications was included in the draft communications and engagement programme considered by the CPNA board in January 2012. However, this is not a regular paper issued to the board and while the board receives regular information in relation to media coverage, there does not appear to be any formal process for board members to discuss the potential impact on CPNA of any media publications. The LLTPNA executive group review this information at their monthly meetings with a summary included in the chief executives report submitted to each meeting of the board. This provides a formal process for discussion and challenge of any items reported. Formal consideration of media publications at board meetings would provide an opportunity for such discussion within CPNA and ensure actions required in response to publications are actioned in a timely manner.

Recommendation nine

The action plan summarises specific recommendations, together with related risks and management's responses.

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>1 LLTNPA marketing and communications plan</p> <p>To assist in the identification of key stakeholders for the LLTPA National Park plan, the Authority has introduced an annual marketing and communications plan to identify the communication activities required to support the 2011-12 business plan. However, comparison of the marketing and communications plan with the business plan identified that the listed projects in each were not consistent.</p> <p>There is a risk that communication plans are not established for all projects identified by management to support the LLTNPA park plan.</p>	<p>Management should ensure that the marketing and communications plan is aligned with the business plan to confirm that all key projects are listed in both. This should ensure that appropriate consideration is given to all key stakeholders associated with projects supporting the business plan.</p> <p>This could be achieved through inclusion of a summary section in the business plan for ongoing projects without specific budget considerations.</p>	<p style="text-align: center;">Moderate</p> <p>Agree that there should be a clear alignment between the business plan and marketing and communication plans.</p> <p>Responsible officer: Head of Marketing Communications.</p> <p>Implementation date: July 2012</p>
<p>2 Linkage of stakeholder audiences to individual projects</p> <p>The LLTNPA marketing and communications plan includes a high level note of communities and external partners that should be communicated for key projects, rather than listing actual specific stakeholders.</p> <p>There is scope to strengthen the current plan by linking the specific bodies to each individually listed project.</p>	<p>Management should update the marketing and communications plan to list specific stakeholders associated with each project.</p> <p>This information should be readily available from the project initiation documents prepared for each project supporting the annual business plan.</p>	<p style="text-align: center;">Low</p> <p>Agree recommendation. Will involve some additional time allocation, while benefits of identifying linkage of interest of each stakeholder group across a range of projects is noted.</p> <p>Responsible officer: Head of Marketing Communications</p> <p>Implementation date: September 2012</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>4 Scottish Nature omnibus surveys</p> <p>Independent surveys were carried out with the general public and members of the Scottish Parliament by Scottish Nature omnibus for 2010 and 2011. This included consideration of the awareness of the public and their knowledge and opinions of the national parks.</p> <p>However, our review of documents supporting the LLTNPA planning process did not highlight any evidence of consideration of these surveys. It is important that LLTNPA makes use of available external consultations carried out which may support development and implementation of long and short-term strategic plans.</p>	<p>Management should ensure that the findings of all external surveys conducted for key stakeholders are incorporated into planning processes.</p>	<p style="text-align: center;">Moderate</p> <p>Information from survey work is part of the consideration and development of the communications and engagement plans and activities. We accept the recommendation that the incorporation of this survey information into documented plans or development briefs should be done more explicitly.</p> <p>Responsible officer: Head of Marketing Communications</p> <p>Implementation date: September 2012</p>

Action plan – LLTNPA (continued)

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>7 Attendance at stakeholder and community working groups</p> <p>LLTPNA engages with stakeholders and communities through attendance at local partnership working groups, forums and community planning meetings. However, while there is evidence of regular participation by both Authorities at a number of stakeholder and community groups there is no evidence of formal mechanisms for reporting to senior management on any issues identified that may impact the operations or reputation of LLTNPA. There is a risk that matters identified at stakeholder and community groups, that may impact the reputation or operations of LLTPNA, are not subject to appropriate discussion and action by senior management.</p>	<p>Management should implement a tracker using the format used for CNPA management team meetings as a basis for a stakeholder and communication engagement issues / action log detailing planned attendance by senior management at stakeholder and community meetings and recording of any issues / actions arising from such meetings that require further consideration.</p>	<p style="text-align: center;">Moderate</p> <p>Agree recommendation. We will develop a tracker and issues log for stakeholder engagement activity working through the Business Planning Group.</p> <p>Responsible officer: Head of Business Services</p> <p>Implementation date: July 2012</p>
<p>8 Business barometer</p> <p>CNPA receives the findings of a business barometer, from the Cairngorms Business Partnership, to provide an indication of the local views of the Cairngorms National Park and CNPA. Implementation of a similar process within LLTPNA would assist in strengthening LLTPNA's own stakeholder monitoring procedures.</p>	<p>Management should discuss the supporting processes implemented by CNPA for obtaining this information to identify if this would be a cost effective option for LLTPNA.</p>	<p style="text-align: center;">Low</p> <p>Agreed. We will consider the best way to develop business health information within the Park as part of our work on Performance Monitoring systems over the course of 2012-13.</p> <p>Responsible officer: Director of Corporate Services.</p> <p>Implementation date: March 2013</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>3* Communications and engagement programme</p> <p>CNPA has a communications and engagement programme which provides the focus for communications to support the CNPA National Park plan's key themes and desired outcomes. However, there does not appear to be any direct linkage with the key strategic objectives set out in the park plan or the key priorities to achieve these objectives. The LLTPNA marketing and communications plan developed for 2011-12 includes a listing of the main themes of the LLTPNA National Park plan. Significant projects undertaken through the business plan (equivalent to the CNPA operational plan) are also listed to provide linkage to corporate planning.</p> <p>There is a risk that the objectives of the communications plan do not support the priorities of the CNPA National Park and corporate plans.</p>	<p>Management should update the current communications and engagement programme to show linkage between communication objectives with corporate planning.</p> <p>This may include development of a marketing and communications plan in line with that developed by LLTPNA.</p>	<p style="text-align: center;">Moderate</p> <p>Agree Recommendation. This work fits well with the developing Communications and Engagement Strategy working with Management Team and the Operational Management Group (OMG) with the OMG group in particular aiming to evolve a communications plan linked to Operational Plan activities which will be similar to the LLTNPA arrangements.</p> <p>Responsible officer: Communications and Information Manager</p> <p>Implementation date: September 2012.</p>

*Note that recommendations 1, 2, 4, 7 and 8 relate only to LLTNPA.

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>5 Stakeholder identification at project level</p> <p>The expenditure justification form used by CNPA for authorising projects within its annual operational plan is only used for projects over £10,000. Review of the operational plan identified that a number of projects do not have an allocated budget cost, partly due to the financial resources not being directly provided by CNPA and instead supported by a local partner. As a result a project expenditure form is not required.</p> <p>A required element of the revised project initiation document, being introduced to assist in project planning, is the identification of both internal and external stakeholders associated with the project and setting out of a communications plan for ensuring participation in, and discussion of, the project with key stakeholders. Communication and consultation objectives are established which will be supported by the communications plan.</p>	<p>To ensure effective stakeholder engagement and that communication is considered for all key areas of development led by CNPA, management should ensure that expenditure justification forms are used for all projects, supporting the operational plan.</p>	<p style="text-align: center;">Moderate</p> <p>The use of project proposal or PID documents as relevant is advised for all projects, while only a formal requirement under financial regulations for those with an expenditure commitment of more than £10,000. These documents have evolved to help capture required communication activity.</p> <p>This work will be augmented over 2012/13 by the development of more complete Operational Plan project tools and reports, with additional database support, which will produce a more complete oversight of communications activities / requirements.</p> <p>Responsible officer: Director of Corporate Services and Communications and Information Manager</p> <p>Implementation date: September 2012</p>

Action plan – CNPA (continued)

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>6 LLTPNA stakeholder planning workshop</p> <p>LLTNPA is due to carryout a stakeholder planning workshop with an external public relations company. The workshop is designed to help LLTNPA clearly articulate who the Authority’s stakeholders are, build a strategy to win their support and ensure effective communication. The learning outcomes from this project may identify areas for improvement which should be considered against the CNPA communication and engagement programme.</p>	<p>CNPA should discuss the learning outcomes arising from this exercise with LLTNPA colleagues to identify any areas for improvement that may assist in strengthening existing practices.</p>	<p style="text-align: center;">Low</p> <p>Agree recommendation. We will review outcomes of LLTNPA work to determine whether there may be any benefit for adoption by CNPA following implementation and review of the scheme within LLTNPA.</p> <p>Responsible officer: Director of Communications and Engagement.</p> <p>Implementation date: March 2013</p>
<p>7 Attendance at stakeholder and community working groups</p> <p>CNPA engages with stakeholders and communities through attendance at local partnership working groups, forums and community planning meetings. While there is evidence of regular participation at stakeholder and community groups there is no evidence of formal mechanisms for reporting to senior management on any issues identified that may impact the operations or reputation of CNPA.</p> <p>There is a risk that matters identified at stakeholder and community groups, that may impact the reputation or operations of CNPA, are not subject to appropriate discussion and action by senior management.</p>	<p>Management should implement a tracker using the format used for CNPA management team meetings as a basis for a stakeholder and communication engagement issues / action log detailing planned attendance by senior management at stakeholder and community meetings and recording of any issues / actions arising from such meetings that require further consideration.</p>	<p style="text-align: center;">Moderate</p> <p>Agree recommendation. An issues log will be developed for regular review by Management Team and subsequently used to inform Corporate monitoring reports to Board, to be considered in tandem with other corporate delivery and strategic risk items within the same review cycle (3 times per year currently).</p> <p>Responsible officer: Director of Communications and Engagement, through Operational Management Group.</p> <p>Implementation date: July 2012</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>8 Business barometer</p> <p>CNPA receives the findings of a business barometer, from the Cairngorms Business Partnership, to provide an indication of the local views of the Cairngorms National Park and CNPA. The results of this barometer are received quarterly, but there is little evidence to show that this is subject to regular review by senior management.</p> <p>There is a risk that issues that may impact the reputation or operations of CNPA are not considered and actioned in a timely manner.</p>	<p>Management should implement a formal process for considering and reporting the results from the business barometer.</p>	<p style="text-align: center;">Low</p> <p>Agreed. We will consider this as part of the overall review of Corporate and National Park Plan Performance Monitoring systems over the course of 2012-13.</p> <p>Responsible officer: Director of Corporate Services</p> <p>Implementation date: March 2013</p>
<p>9 Review of media publications</p> <p>The CPNA board received a monthly report via email in respect of monthly media analysis. A weekly email is also sent to all board members with scanned copies of media articles mentioning the national park for that week. However, there is no formal process for discussion amongst board members of the impact on CPNA of any articles noted.</p> <p>There is a risk that without formal discussion that any matters impacting the reputation or operations of CPNA are not considered and responded to by senior management in a timely manner.</p>	<p>Management should ensure that discussion of media analysis is included as a standing item at CNPA board meetings.</p>	<p style="text-align: center;">Moderate</p> <p>Agreed. We will review the presentation of media analysis as an element of the overall review of Corporate Performance Management and Monitoring systems over the course of 2012-13.</p> <p>Responsible officer: Director of Corporate Services</p> <p>Implementation date: March 2013</p>

Appendices

Objective, scope and approach

In accordance with the 2011-12 internal audit plan for Loch Lomond & The Trossachs National Park Authority and Cairngorms National Park Authority (“the Authorities”), we will undertake an internal audit review of Community Engagement/ Stakeholder Satisfaction.

Objective

Achievement of the strategic plans requires the engagement by all staff and alignment of goals and objectives should contribute to strategic performance of the Authorities.

The overall objective of this audit is to consider the Authorities' policies and procedures in place for Community engagement/stakeholder satisfaction and the extent to which they support achievement of these outcomes.

Scope

This joint review will consider, and compare the extent to which:

- service offerings are not appropriately targeted to stakeholders requirements;
- the engagement of stakeholders is being achieved and if the opportunities to work with stakeholders are being identified; and
- that reputation of the Authorities may be affected though potential insufficient communication with stakeholders;

Approach

We will adopt the following approach in this review:

- project planning and scoping;
- engage with wider community including partners, local authorities and residents to gain an understanding if stakeholders service needs are being met;
- reviewing policies and procedures are in place to ensure that stakeholder survey findings are reported to senior management and being incorporated into decision making processes;
- reviewing the extent to which stakeholder engagement has had on operations and strategies and if the impact of this has been followed and acted upon; and
- agreeing findings and recommendations with management.

Classification of internal audit findings

The following framework for internal audit ratings has been developed and agreed with management for prioritising internal audit findings according to their relative significance depending on their impact to the process.

Rating	Definition	Examples of business impact	Action required
Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Potential financial impact of more than 1%* of total expenditure. • Detrimental impact on operations or functions. • Sustained, serious loss in brand value. • Going concern of the organisation becomes an issue. • Decrease in the public's confidence in the Authority. • Serious decline in service/product delivery, value and/or quality recognised by stakeholders and customers. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening. 	<ul style="list-style-type: none"> • Requires immediate notification to the Authority's audit committee. • Requires executive management attention. • Requires interim action within 7-10 days, followed by a detailed plan of action to be put in place within 30 days with an expected resolution date and a substantial improvement within 90 days. • Separately reported to chairman of the Authority's audit committee and executive summary of report.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Potential financial impact of 0.5% to 1%* of total expenditure. • Major impact on operations or functions. • Serious diminution in brand value. • Probable decrease in the public's confidence in the Authority. • Major decline in service/product delivery, value and/or quality recognised by stakeholders and customers. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries. 	<ul style="list-style-type: none"> • Requires prompt management action. • Requires executive management attention. • Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months. • Reported in executive summary of report.

* Materiality is quantified on page 21.

Classification of internal audit findings (continued)

Rating	Definition	Examples of business impact	Action required
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Potential financial impact of 0.1% to 0.5%* of total expenditure. • Moderate impact on operations or functions. • Brand value will be affected in the short-term. • Possible decrease in the public's confidence in the Authority. • Moderate decline in service/product delivery, value and/or quality recognised by stakeholders and customers. • Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. • Medical treatment required. 	<ul style="list-style-type: none"> • Requires short-term management action. • Requires general management attention. • Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months. • Reported in executive summary of report.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Potential financial impact of less than 0.1%* of total expenditure. • Minor impact on internal business only. • Minor potential impact on brand value. • Should not decrease the public's confidence in the Authority. • Minimal decline in service/product delivery, value and/or quality recognised by stakeholders and customers. • Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. • First aid treatment. 	<ul style="list-style-type: none"> • Requires management action within a reasonable time period. • Requires process manager attention. • Timeframe for action is subject to competing priorities and cost/benefit analysis, eg. 9-12 months. • Reported in detailed findings in report.

* Materiality is quantified on page 21.

Classification of internal audit findings (continued)

The definitions of the materiality used to classify the impact of our findings are detailed below and are based on the 2009-10 financial statements.

Rating	Definition	Loch Lomond & The Trossachs National Park Authority	Cairngorms National Park Authority
Critical	Potential financial impact of more than 1% of total expenditure	Greater than £80,000	Greater than £50,000
High	Potential financial impact of 0.5% to 1% of total expenditure	Between £40,000 and £80,000	Between £25,000 and £50,000
Moderate	Potential financial impact of 0.1% to 0.5% of total expenditure	Between £8,000 and £40,000	Between £5,000 and £25,000
Low	Potential financial impact of less than 0.1% of total expenditure	Less than £8,000	Less than £5,000



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