

REPORT OF THE INTERNAL AUDITOR

SUBJECT: INTERNAL AUDIT REPORT 2019/20

This report summarises the outcome of work completed by the Authority's Internal Auditors against the 2019/20 operational audit plan approved by the Authority's Audit and Corporate Services Review Committee. It incorporates cumulative data in support of internal audit performance and how our work during the year feeds in to our annual opinion.

The internal audit service reviewed a number of areas during the year:

- Car Parks
- Grant Making
- Business Continuity
- Information Governance
- Risk Management
- Key Financial Controls
- Health and Safety
- Fleet Management – Follow Up
- Rangers

From these examinations, taking into account the relative risk of the business areas the internal audit service formed generally very positive conclusions regarding the policies, procedures and operations in place.

Recommendation: Members are asked to NOTE and COMMENT on this report

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Pembrokeshire Coast National Park Authority

Internal Audit Annual Report

2019/20

March 2020

Internal Audit Annual Report

Introduction

This is the 2019/20 Annual Report by TIAA on the internal control environment at Pembrokeshire Coast National Park Authority. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control. This report is designed to assist the Authority in making its annual governance statement.

HEAD OF INTERNAL AUDIT’S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Pembrokeshire Coast National Park Authority has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Authority from its various sources of assurance.

Internal Audit Planned Coverage and Output

The 2019/20 Annual Audit Plan approved by the Audit and Corporate Services Review Committee was for 25 days of internal audit coverage in the year. During the year there were no changes to the Audit Plan.

All the planned work has been carried out and the reports have been issued (Annex A).

There was no work carried out which was in addition to the work set out in the Annual Audit Plan.

Assurance

Gateway carried out four assurance reviews (Block 1) and TIAA carried out four assurance reviews and two follow up reviews (Block 2) which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Authority’s objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	3	5
Reasonable Assurance	3	1
Limited Assurance	2	0
No Assurance	0	6

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2019/20.

Urgent / Fundamental	Important / Significant	Routine / Merits Attention
2	9	19

Audit Summary

Control weaknesses: There were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' assurance. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below for the Block 2 audit work. Block 1 was undertaken by Gateway and the recommendations have not been classified in this way.

Risk Area	Urgent	Important	Routine
Directed	-	-	-
Compliance	1	6	4
Operational	-	2	6
Reputational	-	-	-

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
6

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2017 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

Release of Report

The table below sets out the history of this Annual Report.

Date Report issued:	16 th March 2020
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Annexes

Annex A

Actual against planned Internal Audit Work 2019/20

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Car Parks	N/A	4	4	Substantial	Block 1 – undertaken by Gateway
Grant Making	N/A	2	2	Substantial	Block 1 – undertaken by Gateway
Business Continuity	N/A	3	3	Limited	Block 1 – undertaken by Gateway
Information Governance	N/A	2	2	Substantial	Block 1 – undertaken by Gateway
Risk Management	Appraisal	1	1	Reasonable	Block 2 – undertaken by TIAA
Key Financial Controls	Assurance	2	2	Reasonable	Block 2 – undertaken by TIAA
Health and Safety	Compliance	2	2	Limited	Block 2 – undertaken by TIAA
Fleet Management – Follow Up	Follow Up	2	2	N/A	Block 2 – undertaken by TIAA
Rangers	Assurance	3	3	Reasonable	Block 2 – undertaken by TIAA
Follow Up	Follow Up	1	1	N/A	Block 2 – undertaken by TIAA
Management	N/A	3	3		
	Total Days	25	25		