

**REPORT OF THE INTERNAL AUDITOR**

---

**SUBJECT: INTERNAL AUDIT REPORT 2020/21**

The report is the outcome of work completed against the block two of the 2020/21 operational audit plan previously approved by the Authority's Audit and Corporate Services Review Committee

The internal audit service reviewed the following area:

- Planning Applications and Fees
- Cyber Security
- Income Generation

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.

The report on Cyber Security is included as part of item 8.

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

*(For further information, please contact Richard Griffiths, extension 4815  
richardg@pembrokeshirecoast.org.uk)*





Internal Audit

FINAL

## Pembrokeshire Coast National Park Authority

Assurance Review of Planning Applications and Fees - Block 2

2020/21

February 2021

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk 14 - "Risk of flawed decision on planning matters";  
 Risk 25 - "Risk of failure to maintain performance of DM service";  
 Risk 27 - "Risk of maintaining web access and document management for DM service".

### SCOPE

The review considered the process in place for pre-application, planning applications appeals and collection of planning fees ensuring compliance with stated procedures. The review did not comment on the outcomes of the process or the decisions made.

### KEY STRATEGIC FINDINGS



The Authority has well defined, comprehensive procedures in place to manage and process Planning Applications.



Invalid Planning Application letters not always sent out in the required timescales.



Lack of audit trail recorded on the Agile system where requests for an extension of time for decisions have been requested.

### GOOD PRACTICE IDENTIFIED



Currently as a result of the closure of Head Office due to the Covid-19 restrictions, clients are encouraged to pay by BACS (Bankers Automated Clearing Services) or via the on-line portal. This is a more effective and efficient method of fee collection for the Authority.



The Authority has adapted well to remote working with Planning Applications being received electronically. The Development Management Department is looking to develop and automate the process for Applications to be imported directly into the Agile system instead of manual input.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Section 7.2.17 under "Validating Applications for Planning Permission" of the Development Management Manual states " .....LPAs are encouraged to validate applications on the day they are received but in all cases, after receipt and to resolve minor validation issues as soon as possible by way of a telephone call/e-mail".</p> <p>A sample of 10 Planning Application forms was selected and testing undertaken to determine the timescale for registering the Application on the Agile system. The review revealed that for seven of the 10 selected, the Planning Application was not registered within the required timescale. Four of these were partially due to the Applications being invalid, but the invalid letters explaining why to either the Agent of the Applicant or the Applicant themselves, were not sent out in a timely manner following receipt of the Application. For the remaining three (of the seven), the delay was due to the fact that the Agile system was not accessible due to the Cyber Security issue at Brecon Beacons National Park Authority. It was noted that once further information requested or updated Applications were received, these were then registered in a timely manner.</p>	All invalid letters be sent to Applicants where their Planning Application has been rejected in a timely manner in accordance with the Development Management Manual.	2	To hold a validation session with planning officers and admin staff to review the current processes and implement new processes to reduce the timing for validation and automate the process as much as possible.	March 2021	Nicola Gandy / Matthew Griffiths

### PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
---	--------	--	---	-----------	--	---	---------	--

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A target of 56 days for determining a decision on Planning Application Forms for Local Development is set out in the Development Management Manual.</p> <p>For the same sample of 10 Planning Applications selected the timescales between the dates of the registration of the Application to the date the decision was checked to determine whether the target had been met.</p> <p>The review revealed that for eight out of the 10 Applications selected the decision was made outside of the 56 day timescale, however there was evidence on the Agile system of a request for an extension for each one. However, for three of the eight there was no reason for the request for an extension noted on the system.</p>	The reason and rationale for requesting an extension for decision making on Planning Applications be recorded on the Agile system to provide a full audit trail of the process and as an example of good case management practice.	3	<i>This matter was discussed at a Team meeting in February 2020 after initial feedback from the auditor. The case officers who are already using the action tool on Agile will show others how to use it at a forthcoming team meeting.</i>	March 2021	Matthew Griffiths
3	Directed	There is no formal process for undertaking quality assurance exercises to ensure the Planning Applications process, timescales for delivery and overall Planning Application Management is carried out in accordance with the Development Management Manual. It would be prudent to undertake this exercise especially given the issues identified during the audit.	A Quality Assurance process be put in place to assess the performance of the Planning Application process and to ensure compliance with the Development Management Manual.	3	<i>Director and Team Leader to run half yearly checks on a sample of 10 applications and feedback to team on findings.</i>	June 2021 and half yearly	Matthew Griffiths / Nicola Gandy

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There are no Operational Effectiveness Matters.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2, & 3	-

### Other Findings



The Authority uses the Development Management Manual published by the Welsh Government in May 2017 as a procedure for the entire Development Management (DM) and Planning Application process. The detailed manual "describes each step of DM procedure, referring to more detailed annexes where appropriate and provides a link to legislation or additional guidance, which will provide further assistance on the topic". The Manual sets out the fees "as set out in The Town and Country Planning (Fees for Applications, Deemed Applications and Site Visits) (Wales) (Amendment) Regulations 2016". The Welsh Government entered into a consultation in May 2020 to increase the Fees and these were duly increased from 4<sup>th</sup> August 2020.



## Other Findings



In May 2020 the Director of Planning and Park Direction requested a change to the Authority's Scheme of Delegation in light of the impact of Covid 19 due to the backlog of planning applications to the Development Management Committee. The Committee resolved that:

- i. Delegation to the Chief Executive/Director of Planning and Park Direction for applications submitted by the Authority or by a Member of the Authority or an employee of the Authority;
- ii. With agreement from the Chair and Vice Chair of the Development Management Committee, delegation to the Chief Executive/Director of Planning and Park Direction for applications with a recommendation contrary to the view of the city/town/community council;
- iii. With agreement from the Chair and Vice Chair of the Development Management Committee, delegation to the Chief Executive/Director of Planning and Park Direction for major applications which have not received any objections from third parties;
- iv. The Delegation Reports prepared in respect of items (ii) and (iii) above to be circulated to all Members and any comments to be returned to officers within 72 hours of receipt. These comments then to be supplied to the Chair and Vice Chair of the Development Management Committee prior to making their decision. This was extended at the December 2020 Committee meeting following a further extension request until June 2021.



Since the restrictions under the Covid-19 came into effect, Planning Applications are currently being received by email to a dedicated email address or via the Application Portal on the Authority's website. Prior to and during the early days of the restrictions under Covid-19 paper applications were also received, however when Head Office was closed this became an issue and so clients were instructed through the website and via telephone calls to use the portal or to email the forms. Periodic visits are made to Head Office to establish if there has been any hard copy Applications sent in the post or hand delivered.



The Authority uses the Agile database to record all planning application data. The Development Management Planning Support staff input the application data onto the Agile database. Applications are currently allocated on an area basis and based on the current officer workload, which allows for more efficient remote working. When operating from Head Office the applications are passed to the Head of Development Management who allocates the applications to planning officers.








The Authority's Local Development Plan 2 (end date 2031) was published in September 2020 and is available on the Authority's website. The plan sets out the "the long term vision for the Pembrokeshire Coast National Park and the objectives and land use policies needed to deliver that vision. It includes a key diagram, area wide and area specific policies and allocations (sites for development and restraint). The Plan also includes a Proposals Map illustrating each of the Plan's policies and proposals with a spatial component".



The Risk Register includes the following risks in relation to Planning Applications: Risk 14 - "Risk of flawed decision on planning matters" Risk 25 - "Risk of failure to maintain performance of DM service". Risk 27 - "Risk of maintaining web access and document management for DM service". Mitigating controls were evident to minimise the risk.

## Other Findings

-  The Authority's website includes a key link to Planning to find information on applications, forms, advice and general guidance. The link includes up to date information and changes in planning arrangements due to Covid-19. The link also includes access to Development Management Committee agendas, papers and minutes as well as normal public access to the detail on planning applications. The public can also view the weekly lists of applications that have been registered and determined online.
-  An acknowledgement letter or email will be sent to Agents or Applicants within five working days of a valid pre-application enquiry being received by the Authority and the acknowledgement confirms the details of the Case Officer handling it and the date the Agent or Applicant may expect to receive a written reply to an enquiry. The Authority aims to provide a full response within 21 working days of receipt, however, if, on researching the enquiry, the Authority does not have enough information to answer an enquiry or if the Authority considers further time will be needed to appraise the scheme then the Authority will contact the Agent or Applicant advising of the time period needed to respond.
-  Payments for Pre-application enquiries and Planning Applications can be made by Cash, Cheque, BACS or via the online via the Planning Portal. Currently as a result of the closure of Head Office due to the Covid-19 restrictions clients are encouraged to pay by BACS or via the on-line portal. This is a more effective and efficient method of income collection for the Authority.
-  Once a Planning Application has been registered on the Agile system consultation letters to relevant individuals that may be affected by the Planning Application and site notices are sent to the Agent or Applicants. The testing of Planning Application forms revealed that Consultation letters and appropriate site notices were sent to the Applicants in a timely manner following the registration of the Application forms.
-  The testing of Planning Application forms revealed that the fees were paid in a timely manner before the Application was formally registered on the Agile system and each payment value was in accordance with the nationally set fees.






### Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	Financial Constraint	The process operates within the agreed financial budget for the year.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

### Other Findings

-  The Performance and Compliance Coordinator presents quarterly Performance Reports on a timely basis to the Audit and Corporate Services Review Committee, the last report for the period ending 30 September 2020 was presented to the November 2020 meeting. The report includes various performance indicators against the appropriate Work Areas and each one is RAG (Red, Amber and Green) rated.
-  A review of the performance report revealed under-performance in two KPIs, which have been categorised as 'Red', one of which, "percentage of all planning applications determined within time periods required year-to-date" has been attributed to operational restrictions under the Covid-19 pandemic.  
 The second KPI, "percentage of Member made decisions against officer advice (recommendation) year-to-date ", where one out of seven was identified. As there was only one no comments were applied.
-  It was noted that one Planning Officer is currently absent on long term sick leave and the Authority has brought in a consultant to assist with catching up with the backlog of Planning Applications. At the time of the review the Authority was in the process of recruiting a new Planning Officer on a fixed term basis to provide cover during the absence.

## Other Findings



The annual budget for the Development Management Department for 2020-21 was reported as £269,571. The Management Accounts as at the end of December 2020 reported actual costs of £141,336 against a year to date budget of £199,838, an underspend of £58,503.

The annual budget for the Planning Application Fees for 2020-21 was reported as £165,000. The Management Accounts as at the end of December 2020 reported actual income of £160,625 against a year to date budget of £123,750, a positive income variance of £36,875. This accounts for the majority of the underspend in the Development Management overall budget.

The annual budget for Pre-Application fees for 2020-21 was reported as £20,000. The Management Accounts as at the end of December 2020 reported actual income of £6,225 against a year to date budget of £15,000, a negative income variance of £8,775.



The Authority has adapted well to remote working due to the restrictions under the Covid-19 pandemic with Planning Applications being received electronically. The Development Management Department is looking to develop and automate the process for Applications to be imported directly into the Agile system instead of manual input. This will improve the efficiency of the process.



Increased access to Head Office in Llanion Park in September 2020 has allowed the processing of applications that were submitted prior to the lockdown period including paper submissions. Officers are continuing to visit sites and to deal with and process applications. Virtual site visits have been conducted where possible. Video meetings have been undertaken by all staff to ensure that they continue to communicate effectively internally and externally. The constraints on the Planning Application service in quarter one and for part of quarter two due to staffing issues and COVID 19 restrictions and activities is reflected in quarter 1-2 planning performance statistics.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	9 <sup>th</sup> December 2020	9 <sup>th</sup> December 2020
<b>Draft Report:</b>	16 <sup>th</sup> February 2021	22 <sup>nd</sup> February 2021
<b>Final Report:</b>	23 <sup>rd</sup> February 2021	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Pembrokeshire Coast National Park Authority		
<b>Review:</b>	Planning Applications and Fees- Block 2		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Audit and Fraud Manager

<b>Outline scope (per Annual Plan):</b>	The review considers the process in place for pre-application, planning applications appeals and collection of planning fees ensuring compliance with stated procedures. The review will not comment on the outcomes of the process or the decisions made.		
<b>Detailed scope will consider:</b>	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	As above		
<b>Exclusions from scope:</b>	As above		

<b>Planned Start Date:</b>	28/01/2021	<b>Exit Meeting Date:</b>	5 <sup>th</sup> February 2021	<b>Exit Meeting to be held with:</b>	Director of Park Direction & Planning
----------------------------	------------	---------------------------	-------------------------------	--------------------------------------	---------------------------------------

### SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	Y – As a result of Covid, fees are paid electronically and Planning Applications processed electronically
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

## Pembrokeshire Coast National Park Authority

Assurance Review of Income Generation

2020/21

April 2021

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

1 and 2 - Short and Medium Term Risk of significant reduction of funding from Welsh Government, other public sector funders, or grant schemes

### SCOPE

The review considered the strategy in place to identify and attract alternative income funding streams including grants, collaborative arrangements and legacy and donation income and the delivery of the strategy. The review did not comment on the appropriateness of the funding streams.

### KEY STRATEGIC FINDINGS



The External Funding Manager developed a three year Fundraising Strategy in January 2018 which is currently in the process of being reviewed.



Social distancing rules and lockdown measures have resulted in park closures, cancellation of events, inability to attract income through sale of merchandise and car park fees all of which have adversely impacted the Authority and Trust's ability to fundraise income.



There are robust governance and performance management arrangements in place with a quarterly performance management reports on income generation presented to the Audit and Corporate Services Review Committee of the Authority and the Trustees of the Charity Trust.

### GOOD PRACTICE IDENTIFIED



The forecast revenue position for the 2020/21 year end was expected to show a deficit of £142k due to Covid-19. However the Authority has mitigated the loss of income by obtaining additional support grants totalling £487k from both Welsh and UK Governments.



Performance in relation to staff training and awareness was found to be compliant with key governing bodies and legislation (Data Protection Act, Fundraising Regulator and the Charity Commission).

### ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0



## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations were made.							

### PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
---	--------	--

2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
---	-----------	--

3	ROUTINE	Control issue on which action should be taken.
---	---------	--

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

### Other Findings



As income from Welsh Government and levy is being reduced year on year, with a strong indication that these cuts will continue, there are ever growing funding pressures to generate income from other areas. In July 2017 the Authority decided to invest in an External Funding Manager post. The purpose of the role was to undertake activities to generate and manage funding from a variety of different sources to support the work of Pembrokeshire Coast National Park Authority.

## Other Findings



The External Funding Manager developed the Fundraising Strategy which was reviewed and approved by the Authority in January 2018. The objectives of the Strategy were as follows:

- Raise restricted and unrestricted funds to support the work of the Authority;
- Increase the number of individuals and organisations that support and engage with the work of the Authority;
- Ensure that new income streams are sustainable year on year;
- Carry out income generation in line with Authority's purposes to;
- To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park;
- To promote public understanding and enjoyment of the special qualities of the National Park and its duty to foster the economic and social well-being of communities living within the Park.

The Strategy made a number of recommendations all of which were reviewed as part of this review.



The Strategy focused on realising income from seven work areas; individuals, campaigns, Trusts and Foundations, Corporate entities, Legacies/In Memory donations in wills, high net/worth individuals (large personal wealth), fundraising events and community involvement.



To achieve its objectives, the Strategy sets out a number of recommendations for each area. In order to gain support from individuals by personal donations (one-off or on a monthly/regular basis), it was recommended that the Authority should develop a growing supporter database. The External Funding Manager (EFM) confirmed that the Authority has successfully set up a membership programme which can be purchased for the year for an individual, joint or family rate.





One of the biggest challenges recognised by the EFM within the Strategy was that the Authority did not have a charitable status and could not apply for certain types of funding. During the 2019/20 year the Authority was involved in the creation of Pembrokeshire Coast National Park Trust. In addition to staff time the Authority contributed £5k on setting up the Trust. The Trust is registered with the Charity Commission with the status of a charitable incorporated organisation.





The EFM stated that the development of the Customer Relationship Management system ThankQ has played a crucial part in developing the membership programme. The system, which went live in March 2018 holds supporter contact data for the Charity's supporters and the Authority's volunteers and Sustainable Development Fund (SDF) contacts, but does not hold supporter data for the Centre's contacts (individuals who have bought Membership or signed up to receive updates). This data still sits with the centres itself, as requested by the Centre Managers at the time. The EFM recognised the legal obligation under the Data Protection Act 2018 to maintain and manage data securely, so before embarking on the development, training for the relevant staff (whose role requires usage) was delivered. Training was held with a variety of staff at the time and facilitated by ThankQ itself. In addition to the initial training, there are on-going resources available through ThankQ including training videos, guidance and support emails.


## Other Findings

- 

Alongside the individual membership programme, the EFM recommended that the Authority should launch campaigns or appeals for funding. The appeals and campaigns are run through the Charity Trust and to date, there has been an appeal for 'Make More Meadows' and more recently 'Wild About Woodlands', both are on-going campaigns and funds generated are recorded in the Charity Trust accounts. The EFM stated that due to Covid-19, further events and campaigns were not delivered, but the Charity Trust has a provisional date booked for an event at Oriel-y-Parc and will also be exploring an event at Carew, once Centre Managers have returned from furlough.
- 

Memory and legacy giving includes support from individuals who want to donate in memory, or someone leaving a donation in their will to the Charity Trust. The Strategy recommended that an interactive space for In Memory giving and a 'sponsor a gate' scheme be created and added to the Authority's website. The External Funding Manager's also recommended that further improvements be made to the website with better capabilities for donation handling and data capture. It was confirmed that donations can be made by text as well as online via the Trust website. It was noted that the website also has a section on company giving and guidance on leaving a donation in a will.
- 

Each year the Authority is required to submit a bid to the Welsh Government for its core funding for the following year. The bid is submitted as a combined Welsh National Parks' Grant Bid document and following consultation with Natural Resources Wales, the Welsh Government determines the National Park Grant for the forthcoming year.
- 

The Authority's overall revenue funding decreased by 12.4% in 2019/20. There are early indication signs from Welsh Government are that the National Park Grant will remain unchanged, the ongoing income reductions have been recognised by the Authority and captured in the Strategic Register under risk 2 Medium to Long Term Risk of significant reduction of funding from Welsh Government, other public sector funders, or grant schemes. The risk is assessed with an overall inherent risk of 12 (3 for likelihood and 4 for impact) and residual score of 9. The Authority has recognised that planned cost reduction, budget planning, increase of local income and other external funding arrangements will mitigate the risk.
- 

The Charity Trust has secured two partnerships for 2021; South Hook and Millie Marotta Partnership. The South Hook LnG donated £10k in 2020 and £10k in 2021 to fund the Roots project – working with schools to share with learners more about local produce in their local communities. The partnership with Millie Marotta involved a £1,000 donation to the Wild About Woodland appeal and a programme of joint marketing and communication to increase the presence of the charity. In addition to this, last year the Charity Trust had a partnership with Stena who supported the cost of an electric vehicle for the Pollinator project, and the year before Welsh Water supported the Trust with a £10k donation to the work with Invasive Non-Native Species. The other corporate donations are generally low level – under £500.



#### Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	Financial Constraint	The process operates within the agreed financial budget for the year.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

#### Other Findings



The Authority reviews performance through the performance report which is presented to the Audit and Corporate Services Review Committee. The latest Performance Report – (April to December 2020/21) was provided to the Committee which met in February 2021. A review confirmed that the performance report includes an update on the fundraising/Income generation and membership development work streams. The forecast revenue position for the 2020/21 year end was expected to show a deficit of £142k, versus a nil surplus in the original budget. This variance was due mainly to a loss of income from the Authority's Centres and car parks following their closure due to COVID-19, together with additional costs for vehicle hire.



The Authority has mitigated the losses by obtaining various additional support grant support. These are made up of the rate support grant scheme of £45k, the Welsh Government 1<sup>st</sup> quarter revenue support grant of £292k and the UK Government Job Retention Scheme £150k. The Welsh Government announced a supplemental National Park grant of £248k and a further bid was submitted to Welsh Government for projects to the value of circa £120k of which £70k can be offset against planned expenditure.

Additional funding under the Sustainable Landscapes Sustainable Places fund of approximately £1.7m has been awarded. Under the terms of this grant 10% can be used to offset core support costs and it is anticipated £670k will be spent in 2020/21. The Authority has also submitted claims under the Local Government Cultural Services Fund. The other impact of the loss of Authority generated income, additional costs associated with pandemic and the significant additional grant income is that instead of having to draw down £176k from an allocated reserve to balance the revenue budget the Authority will be able to add £110k to this reserve.

## Other Findings



Performance in relation to staff training and awareness was found to be compliant with key governing bodies and legislation:

- Data Protection Act;
- Fundraising Regulator;
- Charity Commission.



In addition to the Performance Report, the EFM, also presents a Performance Report to the Trust on a quarterly basis. The report focuses on the performance in relation to four main objectives:

- 1- Promotion of the Pembrokeshire Coast National Park Trust;
- 2- Generation of income;
- 3 -Project Delivery and Monitoring;
- 4- Governance & Reporting.

A review of the report for Quarter 3 identified that there has been good progress in relation to objectives 1, 3 and 4. A number of performance issues were recognised with the delivery of objective 2. The Trust is exceeding the target number of applications to submit per quarter however due to the pandemic, grant funding is more competitive than ever before.

A number of companies have been approached for funding and donations however conversations and agreements are still ongoing and are only likely to solidify once companies return to normal operation following the pandemic or change in lockdown restrictions.

The Trust has set a target to attract eight legacy pledges by the end of the year. However in the year to date the Trust has been unable to secure any. The External Funding Manager confirmed that in order to promote activity for this a legacy editorial for Coast to Coast 2021 will be published along with other communication in Quarter 4.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	9 <sup>th</sup> December 2020	9 <sup>th</sup> December 2020
<b>Draft Report:</b>	19 <sup>th</sup> February 2021	
<b>Revised Draft Report:</b>	4 <sup>th</sup> March 2021	20 <sup>th</sup> April 2021
<b>Final Report:</b>	22 <sup>nd</sup> April 2021	



# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Pembrokeshire Coast National Park Authority		
<b>Review:</b>	Income Generation		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Principal Auditor

<b>Outline scope (per Annual Plan):</b>	The review considered the strategy in place to identify and attract alternative income funding streams including grants, collaborative arrangements and legacy and donation income and the delivery of the strategy. The review did not comment on the appropriateness of the funding streams.	
<b>Detailed scope will consider:</b>	<p><b>Directed</b></p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p><b>Delivery</b></p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>
<b>Requested additions to scope:</b>	(if required then please provide brief detail)	
<b>Exclusions from scope:</b>		

<b>Planned Start Date:</b>	28/01/2021	<b>Exit Meeting Date:</b>	10/02/2021	<b>Exit Meeting to be held with:</b>	Finance Manager and External Funding Manager
----------------------------	------------	---------------------------	------------	--------------------------------------	--

### SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

# Pembrokeshire Coast National Park Authority

Internal Audit Annual Report

2020/21

April 2021

# Internal Audit Annual Report

## Introduction

This is the 2020/21 Annual Report by TIAA on the internal control environment at Pembrokeshire Coast National Park Authority. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control.

## Limitations on our opinion arising from Covid-19

The impact of COVID-19 on all organisations has been significant including changes to ways of working, reprioritising services, redeploying staff and stretching capacity; the impact has been present throughout the whole of 2020/21 in varying degrees.

For internal audit, it has raised the question of whether they have been able to undertake sufficient internal audit work to gain assurance during 2020/21. This is a key consideration under the Public Sector Internal Audit Standards (PSIAS) when issuing an annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This opinion is in turn one of the sources of assurance that many organisations rely on for their Annual Governance Statement. Factors that need to be taken in to account in reaching a conclusion include:

- Has any reduction in coverage compared to what was planned resulted in insufficient assurance work?
- Have any limitations in the scope of individual assignments resulted in it only being possible to place partial assurance on the outcome?
- Have changes in ways of working led to gaps in the governance, risk management and control arrangements?

TIAA understands the considerable challenges and the difficult decisions that organisations are having to deal with, however, there remains a professional and regulatory expectation that their internal audit arrangements conform with applicable standards. In this difficult situation, heads of internal audit will need to consider whether they can still issue an annual opinion or whether there will need to be a limitation of scope.

A limitation of scope arises where the HIA is unable to draw on sufficient assurance to issue a complete annual opinion in accordance with the professional standards. This is an issue not only for the HIA but also for the leadership team and the audit committee who normally rely on that opinion. It may also have wider consequences for stakeholder assessments of the organisation.

## What this means for Pembrokeshire Coast National Park Authority

There has been minimal or no impact on the delivery of the internal audit work for 2020/21 as a result of the COVID-19 pandemic. Whilst there was an impact on delivery of the work in the early part of the year during the initial lockdown, we are able to deliver the planned work by year-end (or shortly thereafter). There have been no changes to the planned work as a result of COVID-19; any changes to the plan were based on purely on business/operational need.

### 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 Pembrokeshire Coast National Park Authority from its various sources of assurance.**

## Internal Audit Planned Coverage and Output

The 2020/21 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.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

No extra work was carried out which was in addition that set out in the Annual Audit Plan.

## Assurance

TIAA carried out seven reviews, 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 Pembrokeshire Coast National Park 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. These figures include those areas where our inability to complete the work due to restrictions brought about by Covid-19 has resulted in an Indicative assurance assessment.

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

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 2020/21. The numbers in brackets relate to 2019/20 recommendations

Urgent	Important	Routine
0 (2)	11 (9)	8 (19)

## Audit Summary

**Control weaknesses:** There was one area reviewed by internal audit, Staff Wellbeing and Absence Management, where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no 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.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	0	3	4
Risk Mitigation	0	0	1
Compliance	0	7	3
Delivery			
Performance Monitoring	0	1	0
Financial Constraint	0	0	0
Resilience	0	0	0

**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
4 (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. Our work complies with the Public Sector Internal Audit Standards (PSIAS). An independent external review was carried out of our compliance in 2017 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with Public Sector Internal Audit Standards.

## Release of Report

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

<b>Date Report issued:</b>	26 <sup>th</sup> April 2021
----------------------------	-----------------------------

## Annexes

### Annex A

#### Actual against planned Internal Audit Work 2020/21

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Key Financial Controls (General Ledger and Budgetary Control)	Assurance	3	3	Substantial Assurance	
Staff Wellbeing and Absence Management	Appraisal	3	3	Limited Assurance	
Governance – Strategic Planning	Assurance	2	2	Substantial Assurance	
Departmental Review – Education	Assurance	3	3	Reasonable Assurance	
Planning Applications and Fees	Assurance	3	3	Reasonable Assurance	
Cyber Security	Assurance	3	3	Reasonable Assurance	
Income Generation	Appraisal	2	2	Substantial Assurance	
Follow-up	Follow up	1	1	N/A	
Annual Planning	Management	1	1	N/A	
Annual Report	Management	1	1	N/A	
Management, Planning & Audit and Corporate Services Review Committee Reporting/Support	Management	3	3	N/A	
<b>Total Days</b>		<b>25</b>	<b>25</b>		

## Pembrokeshire Coast National Park Authority

### Summary Internal Controls Assurance (SICA) Report

2020/21

April 2021



# Summary Internal Controls Assurance

## Introduction

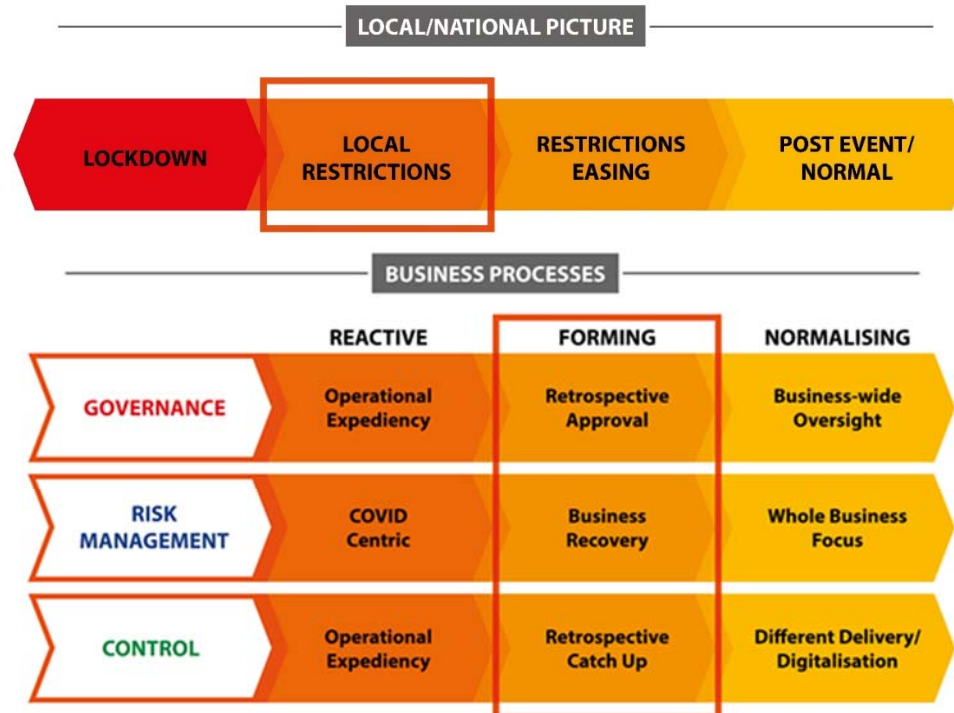
1. This summary controls assurance report provides the Audit and Corporate Services Review Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Pembrokeshire Coast National Park Authority as at 26<sup>th</sup> April 2021. The period covered by this summary controls assurance report was significantly impacted by the COVID 19 pandemic.

## Emerging Governance, Risk and Internal Control Related Issues

2. COVID 19 is the most significant recent event to impact both strategically and operationally upon modern day Governance, Risk and Internal Control arrangements. It is clear that there has been and will continue to be a number of phases in relation to the move through the pandemic, and that the local and national picture can worsen as well as improve. Each phase has different implications for Governance, Risk and Internal Control arrangements, however, the way in which organisations have transitioned to revised ways of working is not necessarily directly linked to the local or national picture.

The diagrams in the table below signify the assessment of the current local and/or national picture, but also assesses how the organisation has adapted to new ways of working (the 'new normal') at least for the foreseeable future.

*Impact on COVID 19 on strategic focus during business interruption*





3. There are a range of operational matters arising from the COVID 19 pandemic which impact upon the governance, risk and internal control arrangements and examples of such have been summarised in Appendix A. During the COVID 19 period it would be prudent for Pembrokeshire Coast National Park Authority to compare the policies, procedures and internal control processes in effect during the pandemic against the policies, procedures and internal control processes in effect prior to the onset of the pandemic. The matters identified should be risk assessed so as to gain awareness about where the undetected vulnerabilities that may exist so that an informed decision can be made around acceptance of such risks.

## Internal Control Framework

### Audits completed since the last SICA report to the Audit and Corporate Services Review Committee

4. There have been no audits finalised since the previous meeting of the Audit and Corporate Services Review Committee.

#### Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Planning Applications and Fees	Reasonable	16 <sup>th</sup> February 2021	22 <sup>nd</sup> February 2021	23 <sup>rd</sup> February 2021	-	1	2	-
Cyber Security	Reasonable	22 <sup>nd</sup> February 2021	26 <sup>th</sup> February 2021	4 <sup>th</sup> March 2021	-	2	2	3
Income Generation	Substantial	4 <sup>th</sup> March 2021	20 <sup>th</sup> April 2021	21 <sup>st</sup> April 2021	-	-	-	-
Follow-up	N/A	1 <sup>st</sup> February 2021	21 <sup>st</sup> April 2021	22 <sup>nd</sup> April 2021	N/A	N/A	N/A	N/A

5. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

### Progress in actioning priority 1 recommendations

6. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information is provided in Appendix C.

#### Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1		
N/A				

## Root Cause Indicators

7. The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for Pembrokeshire Coast National Park Authority. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel. A downward arrow signifies a positive reduction in risk in relation to the specific RCI.

### RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr 1 (2020/21)	Qtr 2 (2020/21)	Qtr 3 (2020/21)	Qtr 4 (2020/21)	Medium term Direction of Travel	Audit Observation
<b>Directed</b>						
Governance Framework	N/A	42% (5)	N/A	-		No recommendations to compare
Risk Mitigation	-	8% (1)	-	-		No recommendations to compare
Control Compliance	-	42% (5)	-	100% (5)		The percentage has increased but the number of recommendations has remained the same.
<b>Delivery</b>						
Performance Monitoring	-	8% (1)		-		No recommendations to compare
Financial Constraint	-	-	-	-		No recommendations to compare
Resilience	-	-	-	-		No recommendations to compare

## Progress against the 2020/21 Annual Plan

8. **COVID 19:** The progress against the planned work for the quarter has been disrupted by the COVID pandemic. In mid-March 2020, when the potential scale and impact of COVID 19 was becoming evident it was agreed with Pembrokeshire Coast National Park Authority that the delivery of the internal audit service would be carried out remotely thereby minimising the need to physically access Pembrokeshire Coast National Park Authority's offices/premises and to hold face to face meetings. Following discussions with the senior management at Pembrokeshire Coast National Park Authority we were advised that we were able to undertake reviews remotely and work has been undertaken remotely to date. With recent lockdown developments this is largely expected to continue as such in the near future. Some on- site visits had commenced across our client base subject to the client's individual working arrangements and the completion of a risk assessment, but these will depend on local lockdown arrangements and will be agreed with management if appropriate.
9. Our progress against the Annual Plan for 2020/21 is set out in Appendix B.

## Changes to the Annual Plan 2020/21

10. There have been no areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2020/21.

## Frauds/Irregularities

11. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

## Other Matters

12. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report. The actions taken by Pembrokeshire Coast National Park Authority are summarised below:

### *Alerts issued by TIAA*

Briefing Note
Ensuring Wording on Job Applications Reflects the Revised DBS Rules
Cyber - The Importance of Preparedness
NAO Good Practice Guidance: Fraud and Error
Fraud Alert
Parking Machine Scam
Scam Calls Regarding NI Number Suspension

## Responsibility/Disclaimer

13. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

-----

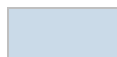
## Covid 19 – Governance, Risk and Control considerations during ‘lockdown’ phase


Area	Possible assurance from internal audit
<p><b>Governance:</b> The speed of the need to respond to COVID 19 has significantly impacted on the strategic governance infrastructure:</p> <ul style="list-style-type: none"> <li>• Urgent decisions taken for urgent operational reasons which would normally have gone through Board review and approval</li> <li>• Extension and rollover of procurement contracts</li> <li>• Disruption to management information received by the Board</li> <li>• Operational necessity for management dispensation to scheme of delegation and financial regulations</li> <li>• Move to remote working for reactive operational expediency reasons, rather than as part of a pre-planned strategy</li> </ul>	<p><b>Covid-19 Financial Governance:</b> A review of financial governance and decision making following the business interruption caused by Covid-19, including assessing the accountability for additional spend on Covid-19 related activity.</p>
<p><b>Risk Management:</b> The markers which differentiate COVID 19 pandemic from most business resilience/recovery plans are:</p> <ul style="list-style-type: none"> <li>• Speed of major disruption to business as usual did not permit normal level of preparation</li> <li>• International as well UK-wide, not local</li> <li>• Level of government intervention</li> <li>• Duration and severity</li> <li>• Move to medium term remote working arrangements by staff and suppliers</li> <li>• Consequential impact upon all the previous strategic risks</li> </ul>	<p><b>Business as Usual Resumption Arrangements:</b> Targeted post-event risk mitigation assessment to identify any unintentional gaps in the risk management framework.</p>
<p><b>Internal Control:</b> COVID 19 has provided the perfect storm both in a positive as well as negative manner. The positive aspects are the expeditious embracing of digital business delivery. It is recognised that a number of government and/or regulatory guidance requirements were issued at short notice and many of these were without the normal consultation and similar. On a negative basis the following need to be recognised:</p> <ul style="list-style-type: none"> <li>• Suppliers and contractors being unable to deliver contracted services</li> <li>• Increased digitalisation introduced at very short notice increases information governance risks</li> <li>• Temporary compromise of effective segregation of duties due to staff absences and/or remote working etc</li> <li>• Fraudsters seeking to take advantage of COVID disruption</li> <li>• Deferment and/or reprioritisation of services</li> <li>• Sudden and significant change in demand patterns for services</li> </ul>	<p><b>COVID-19 Business Interruption Controls Framework:</b> To review the control environment in relation to policy and process design or temporary re-design, taking into account the heightened risk of fraud and changes to ways of working.</p> <p><b>Accountability for Additional COVID-19 Funding:</b> Revisiting the control framework for when emergency payments shift into longer term services – especially where large sums are invested.</p>

## Progress against Annual Plan

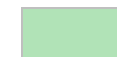
System	Planned Quarter	Days	Current Status	Comments
Key Financial Controls (General Ledger and Budgetary Control)	2	3	Final Report issued 12 <sup>th</sup> October 2020	
Staff Wellbeing and Absence Management	2	3	Final Report issued 12 <sup>th</sup> October 2020	
Governance – Strategic Planning	2	2	Final Report issued 12 <sup>th</sup> October 2020	
Departmental Review - Education	2	3	Final Report issued 12 <sup>th</sup> October 2020	
Planning Applications and Fees	4	3	Final Report Issued 23 <sup>rd</sup> February 2021	
Cyber Security	4	3	Final Report Issued 4 <sup>th</sup> March 2021	
Income Generation	4	3	Final Report Issued 21 <sup>st</sup> April 2021	
Follow-up	4	1	Final Report Issued 22 <sup>nd</sup> April 2021	
Annual Planning	1	1		
Annual Report	4	1	Final Report Issued 23 <sup>rd</sup> April 2021	
Management, Planning & Audit and Corporate Services Review Committee Reporting/Support	1-4	3		

### KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

# Priority 1 Recommendations - Progress update

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
There are no Priority 1 Recommendations						

## KEY:

### Priority Gradings 1

1	URGENT	Fundamental control issue on which action should be taken immediately.
---	--------	--




### Risk Mitigation

CLEARED	Internal audit work confirms action taken addresses the risk exposure.	ON TARGET	Control issue on which action should be taken at the earliest opportunity.	EXPOSED	Target date not met & risk exposure still extant
---------	--	-----------	--	---------	--



## Briefings on developments in governance, risk and control

TIAA produces regular briefing notes to summarise new developments in governance, risk, control and counter fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Fraud Alerts issued in the last three months which may be of relevance to Pembrokeshire Coast National Park Authority is given below. Copies of any CBNs are available on request from your local TIAA team.

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
21002	Ensuring Wording on Job Applications Reflects the Revised DBS Rules		<b>Action Required</b> Employers to reconsider their approach to enquiring about criminal records information to ensure they do so in a way that ensures compliance with the new legislation.
21007	Cyber - The Importance of Preparedness		<b>Action Required</b> Audit Committees and Boards are recommended to obtain assurance or independent assessment, that IT incident management plans are robust and tested. A holistic approach is needed linking backup provisions, business continuity plans, and IT incident response plans.
21008	NAO Good Practice Guidance: Fraud and Error		<b>Action Required: For Information Only</b> Boards and Governing Bodies to be made aware of the NAO Good Practice Guidance, in particular the Fraud and Error Audit Framework.

## Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
January 2021	Parking Machine Scam		<b>Action Required</b> The alert provides information and advice about fraud and economic crime and the risks associated with it. If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: <a href="https://reporting.actionfraud.police.uk/">https:// reporting.actionfraud. police.uk/</a> If your bank details have been compromised and you think you may have lost money, contact your bank immediately. The bank can also arrange for your card to be cancelled.
February 2021	Scam Calls Regarding NI Number Suspension		<b>Action Required</b> This alert provides information and advice to employees about fraud and economic crime, and the risks associated with it. Send details of any scam where the caller is purporting to be from HMRC to their phishing team at; <a href="mailto:phishing@hmrc.gov.uk">phishing@hmrc.gov.uk</a> If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: <a href="https://reporting.actionfraud.police.uk/">https://reporting.actionfraud. police.uk/</a> If you think your bank cards have been compromised, contact your bank immediately.