Report of the Internal Auditor

Subject: Internal Audit Report 2021/22

The report is the outcome of work completed against the block one of the 2021/22 operational audit plan previously approved by the Authority's Audit and Corporate Services Review Committee

The internal audit service reviewed the following area:

- Estates Delivery
- IT Strategy
- Risk Management

The Risk Management report will be considered at the next meeting of the Committee as it will be presented in draft to the Risk Management Workshop planned for the 17th November 2021.

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.

Also attached is the Summary Internal Controls Assurance (SICA) Report.

Recommendation: Members are asked to NOTE and COMMENT on these reports.

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

Pembrokeshire Coast National Park Authority

Assurance Review of Estates Delivery

2021/22

October 2021

Executive Summary

OVERALL ASSESSMENT

SUBSTANTIAL ASSURANCE

- SUBSTANTIAL ASSURANCE
- REASONABLE ASSURANCE
- LIMITED ASSURANCE
- NO ASSURANCE

KEY STRATEGIC FINDINGS

The Estate Management Function needs to develop an overarching Estates Management Strategy that also includes the Authority's approach to meeting the Welsh Government de-carbonisation agenda targets.

The Estate Management Function is on target to deliver the Estate Maintenance Programme for 2021/22.

A review of the documentation held for Llanion park (Headquarters) confirmed that the Authority was complying with the building maintenance legislative requirements (Fire, Gas and Water Hygiene Safety).

Sample testing of five completed maintenance works confirmed that the goods/services were procured in line with the rules set out within the Authority's Contract Standing Orders.

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk 27 - Incident due to failure to adequately maintain and repair the Estates.

GOOD PRACTICE IDENTIFIED

Progress with the Estate Maintenance Programme is reviewed on a monthly basis by the Asset Management Group.

SCOPE

The review considered the effectiveness of the Estates Management arrangements in place and in particular contracts that had not been fulfilled and the reimbursement due to the Covid-19 pandemic. The review tested compliance with a sample of legislative requirements. The maintenance plans for the organisation were reviewed along with reporting requirements.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	1

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	It was noted that there is no document setting out the vision, strategic aims, and key priorities of the Estate Management function. The strategy should also include the Authority's approach to achieve the targets set out within the Welsh Government's decarbonisation agenda to be carbon neutral by 2050.	An Estate Strategy be developed setting out the vision, strategic aims and key priorities of the Estate Management function and including the Authority's approach to meeting the de-carbonisation agenda targets set by Welsh Government.	2	*We will work to develop an Estate Strategy as recommended. Targets relating to the Authority's buildings that form part of the organisations drive to be carbon neutral by 2030 are also included in the "Responding to the Climate Change Emergency – Delivery Action Plan".*	31/03/22	*Andrew Muskett* *Building Projects Manager*

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
1	Directed	Both the Asset Management Policy and the Terms of Reference for the Asset Management Group have a review cycle of five years. Both timescales were deemed to be adequate by the Audit Committee. The Policy is due for review in April 2023 and the TOR's are due for review in January 2025. The Authority should consider aligning the review dates for both documents as both are intrinsic to one another.	Consideration be given to aligning the review date of the Asset Management Policy and the Terms of Reference of the Asset Management Group.	*Both policies will be reviewed April 2023 to bring them in line as suggested.*

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	1	1
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

The Authority has an up to date Asset Management Policy which clearly defines the roles and responsibilities and remit of the Estate Management function. The Policy is supported by the Project Management Protocol which defines the processes to be followed for capital funded estate projects, general building maintenance, reactive repairs and hard surface maintenance (tarmac, concrete and rolled stone paths situated around the land managed by the Park).

It was noted that there is no overarching document setting out the vision, strategic aims, and key priorities of the Estate Management function over the next five to 10 years. The strategy should also include the Authority's approach to achieve the targets set out within the Welsh Government's decarbonisation agenda to be carbon by 2050. (Recommendation 1 refers)

The Asset Management Group meets on a monthly basis and provides the Director of Countryside Community and Visitor Services and the Finance Manager with information on estate management matters including progress on the estate maintenance programme, an update on reactive works, estate acquisitions and disposals, reactive works and government funded estate projects. A review of the minutes confirmed that the Group has been meeting on a timely manner and there are up to date Terms of Reference for the Group.

Other Findings

Both the Asset Management Policy and the Terms of Reference (TOR) for the Asset Management Group have a review cycle of five years. Both timescales were deemed to be adequate by the Audit Committee. The Policy is due for review in April 2023 and the TOR are due for review in January 2025. The Authority should consider aligning the review dates for both documents as both are intrinsic to one another. (Operational effectiveness matter 1 refers).

The Authority's estate portfolio consists of 46 buildings for which it holds freehold or leasehold responsibility. The portfolio varies considerably with buildings ranging from listed buildings (Carew Castle), conservation areas, and Scientific Interest Sites to visitor centres. Some of the buildings are used for operational purposes e.g. Llanion Park Head Quarters and Cilrhedyn Woodland Centre, others for educational purposes e.g. the round houses at Castell Henllys.

The Building Project Manager is responsible for developing an annual Estates Maintenance Work Programme. The majority of the works are identified as part of the yearly site visits and building site assessments which are undertaken by the Building Projects Manager and / or Building Projects Assistant between October and December each year. External contractors are not used to undertake this assessment (i.e. a conditions survey) due to the complexity of the estate and the cost of the review. The works identified through this annual site survey are classified as proactive and are agreed as part of the annual budget process for the following year.

A review of the Risk Register at the time of the review noted that the Authority has captured the following risk in relation to Estate Delivery "Risk 27 - Incident due to failure to adequately maintain and repair paths, sites and properties". The mitigating controls included annual inspections, implementation of the maintenance and reactive works programme all of which were confirmed as being in place and working effectively. It was noted that risks within the register had not been allocated to risk owners. The finding was also identified and a recommendation made in the recent Risk Management audit undertaken by TIAA in September 2021 and therefore a recommendation has not been made in this report.

A sample of five completed works was selected from the 2021/22 Building Maintenance programme and testing was undertaken to ensure that the goods/services had been procured by the Estate Management function in line with the Contract Standing Orders. No issues were found and documentation was made available by the Building Project Manager to confirm compliance with the contract standing orders. For each completed piece of work, there was evidence that the job had been inspected by the Building Projects Manager and / or Building Projects Assistant.

Sample testing was undertaken to confirm that the Authority was complying with building maintenance legislative requirements for fire, gas and water hygiene management safety. The following documentation was reviewed for the Llanion Park Headquarters:

- Fire extinguisher service check by contractor on the 2nd October 2020. The Building Planning Officer confirmed that a new inspection had been undertaken in October 2021 and the Authority were awaiting certification by the contractor;
- Fire alarm service and emergency lighting carried out on the 9th September 2021;
- Gas Safety CP12 undertaken in September 2021;
- Annual legionella site inspection undertaken on the 22nd September 2021.

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	-	FC -
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 Building Project Manager has developed a spreadsheet to monitor the progress of the maintenance programme for planned and reactive works. The document is regularly updated and is used to track the budgeted planned spend against actual committed spend. It was noted that the document is also presented to the Asset Management Group on a monthly basis.

The Estate Maintenance programme for 2021/22 amounts to £85.5k. At the time of the review, £43k of the programme had either been completed or was committed for completion. This was in line with the profiled budget for the year.

A review of the building maintenance programme and discussion with the Building Project Manager confirmed that there had been no reimbursement to the Authority for unfulfilled contracts due to the Covid-19 pandemic. Whilst the Authority experienced delays with works due to lockdown restrictions, all of the work was undertaken. Capital funded projects that could not be delivered in 2020/21 had been rolled over into 2021/22 and this was allowed under instruction by the Welsh Government.

EXPLANATORY INFORMATION

<div align="right">Appendix A</div>

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.

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

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	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.
Limited Assurance	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.
No Assurance	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
Audit Planning Memorandum:	22nd July 2021	26th July 2021
Draft Report:	6th October 2021	15th October 2021
Final Report:	15th October 2021	

Client:	Pembrokeshire Coast National Park Authority		
Review:	Block 1-Estates Delivery		
Type of Review:	Assurance	Audit Lead:	Principal Auditor

Outline scope (per Annual Plan):	The review considered the effectiveness of the Estates Management arrangements in place and in particular contracts that had not been fulfilled and the reimbursement due to the Covid-19 pandemic. The review tested compliance with a sample of legislative requirements. The maintenance plans for the organisation were reviewed along with reporting requirements.	
Detailed scope will consider:	Directed Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register. Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Delivery 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. Financial constraint: The process operates with the agreed financial budget for the year. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.
Requested additions to scope:	None	
Exclusions from scope:	As above	

Planned Start Date:	13/09/2021	Exit Meeting Date:	20/09/2021	Exit Meeting to be held with:	Building Project Manager and Building Project Officer

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

Assurance Review of IT Strategy

2021/22

October 2021

Executive Summary

OVERALL ASSESSMENT

REASONABLE ASSURANCE

- SUBSTANTIAL ASSURANCE
- REASONABLE ASSURANCE
- LIMITED ASSURANCE
- NO ASSURANCE

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk 14: Risk of not delivering on Corporate Objectives, due to lack of staff capacity/skills as a result of new working practices caused by Covid-19.

Risk47: Risk of delays in the delivery critical projects.

SCOPE

The review considered how the IT strategy supports the achievement of the Authority's strategic plan including asset management and replacement strategy, IT capital budget, financial projections, horizon scanning and supports operational delivery.

KEY STRATEGIC FINDINGS

The draft IT Strategy supports the achievement of the Authority's Corporate and Resources Plan.

The IT Strategy is currently in draft and needs to be appropriately authorised once completed.

The prioritisation of the workstreams identified within the Corporate and Resources Plan would assist with the allocation of the limited IT and digital resources available.

GOOD PRACTICE IDENTIFIED

A digital transformation programme is underway at the Authority alongside the Microsoft 365 implementation.

Business cases are prepared for all major projects that are reviewed and authorised by the Executive Team and the Authority.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	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)
1	Directed	The IT Strategy 2021 details the vison of "An open and accessible digital and physical environment that allows access to Authority services regardless of location or device. Services and infrastructure that are flexible and agile to enable and encourage the development and growth of the Authority in support of the Authority's strategic objectives" with the objectives of the Strategy being the realisation of this vision. The Strategy is currently draft and is flexible enough to support the 2021/22 Corporate and Resources Plan without requiring significant updating as the Strategy is high level and the six objectives identified support the achievement of the 2021/22 Corporate and Resources Plan.	The IT Strategy be formally approved once it has been completed.	2	*The IT Strategy will be updated to reflect and support the new priorities agreed during the course of the development of the new Corporate and Resources Plan in line with the response to Recommendation #2.*	31/05/22	*Business Improvement and IT Manager*

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	The Corporate and Resources Plan 2020/21 identifies 42 workstreams across the eight objectives detailed in the Plan. The draft Corporate and Resources Plan 2021/22 identifies 34 streams across the eight objectives. The Authority has limited digital resources available to support all of the workstreams and it is inevitable that a number of workstreams will require ICT support at the same time. The workstreams within the Corporate and Resources Plans have not been prioritised. Prioritising the workstreams would assist the Business Improvement and IT Manager with planning IT support for the workstreams. The Executive Team will need to determine the allocation of IT resources at critical points where the demand for IT input is greater than the resources available.	The workstreams identified within the Corporate and Resources Plan be prioritised to enable the best use of the available resources.	2	*The Authority is currently undertaking work to agree a new high level strategy and also develop a new Corporate and Resources Plan. As part of this process the Authority will be deciding on its priorities and this will include the priorities for IT.*	31/03/22	*The new Corporate and Resources Plan will be agreed by the Authority*

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 arising from this review.				

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	1	-
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	2	-

Other Findings

The Pembrokeshire Coast National Park Authority Corporate and Resources Plan 2020/21 supports the National Park Management Plan 2020-2024 approved in December 2019. The National Park Management Plan drives the priorities of the annual Corporate and Resources Plan. The Corporate and Resources Plan identifies three priority areas of Responding to Climate Change, Responding to Biodiversity Loss and the Coastal Path at 50: Landscapes for Everyone and seven Wellbeing Objectives. These are Prosperity - To encourage and support sustainable employment and businesses particularly in tourism and recreation, Resilience - To improve the health of the National Park's ecosystem, Health and Wellbeing - To enable and encourage more people to improve their wellbeing by making greater use of the National Park regardless of their circumstances, Equality - To continue to ensure equality is embedded in the work and culture of the NPA, Objective Communities - To encourage communities to become more engaged with the National Park, Culture - To protect and promote the local culture of language, arts and heritage of the area and Global - To ensure our work makes a positive contribution to global well-being.

Other Findings

Each Wellbeing objective relates to one of the Wellbeing goals for Wales identified within the Wellbeing of Future Generations (Wales) Act 2015. Between four and seven workstreams have been identified to support the achievement of each of the Wellbeing objectives, all of which will be dependent upon ICT to varying levels. In addition to the seven Wellbeing Objectives there is an eighth objective relating to Governance, Financial Sustainability, Workforce Resilience and Development.

The 2021/22 Corporate and Resources Plan is currently being developed, building upon the 2020/21 Plan.

The Authority's Risk Register does not include any risks specifically relating to the IT Strategy but does include Risk 14 "Risk of not delivering on Corporate Objectives, due to lack of staff capacity/skills as a result of new working practices caused by Covid-19" assessed with an inherent risk score of 8 and a residual risk score of 2 and Risk 47 "Risk of delays in the delivery critical projects" assessed with an inherent risk score of 9 and a residual risk score of 6.

The IT Strategy includes six objectives to create a solid foundation for the Authority to achieve the Wellbeing objectives identified within the Corporate and Resources Plan. These objectives are to create open and flexible access to digital services, to take advantage of technologies to automate tasks and provide self-service access to information and services, to remove the physical constraints of location to allow access to digital services from anywhere on any device, to provide flexible and agile services and infrastructure that supports the operation and the development of the Authority, to implement systems that ensure data and information are managed as Authority assets allowing better use of information and data and to make more of the tools and digital services already in place through improving digital capability and literacy.

All of the objectives identified in the IT Strategy support the achievement of the Authority's Corporate and Resources Plan either indirectly through enabling staff to make better use of systems and the data that they hold or directly in enabling better remote connectivity for Wardens and other mobile staff, improved data collection and analysis and improving digital services, the fourth Workstream (Improving how we work : Digital Approaches) of the Governance, Financial Sustainability, Workforce Resilience and Development objective.

Recent technology projects have included the replacement of end user devices with laptops in response to the Covid pandemic requirement for staff to work remotely, improvements to remote working connectivity to improve connection security and the move to voice over internet protocol (VOIP) telephony. Server operating systems have been upgraded to Microsoft Server 2019 providing improved integration between on premise systems and infrastructure and the Microsoft Azure cloud and adds additional layers of security.

Other Findings

A business case for the Digital Workplace was approved by the Leadership Team and the Authority in June 2021 to replace the existing Microsoft Office 2016 suite of applications with Microsoft 365 (M365) in the Azure cloud. The business case presented three options to either maintain the current Office 2016 platform, migrate to M365 or to migrate to Google Workspace. The M365 option was recommended and subsequently approved as it would enable effective internal and external collaboration, enable business process improvement, enable business system currency and improve data and system security. The assessment of business system currency referred to how the option would integrate with the Authority's key existing business applications of Exchequer, the finance system, APAS, the planning system and the planned move to Cezanne, the HR system. The move to M365 has commenced with work currently being undertaken on the structure of document libraries, file paths and determining the order that the various elements of M365 will be rolled out.

A business change management programme is being undertaken alongside the M365 roll out to review existing processes and to train staff in the use of M365 applications such as Microsoft Teams and SharePoint. A business mapping exercise is underway, identifying the "as is" situation and determining the "to be" options.

The M365 project costs are mainly subscription costs and time costs funded from the IT operating budget with no requirement for additional capital costs. The IT infrastructure has been recently refreshed so no IT capital costs have been identified for the current financial year. A business case would be prepared for any further significant IT expenditure identified.

Horizon scanning is undertaken in a number of ways to ensure that emerging risks and technologies are identified. One member of the IT Team attends quarterly WARP (warning, advice and reporting point) meetings. WARPs bring together Information Security, Assurance and Governance practitioners on a regional or partnership basis.

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	-	FC	-
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

Performance reporting is in place for all IT projects with regular reporting to the Executive Team and the Authority. Project progress is captured within the performance reporting system including monthly progress updates and a RAG indicator to visually identify if project progress is on track, slightly behind or significantly behind.

The Authority successfully applied for a capital grant to replace end user devices with laptops in response to the requirement for home working due to the Covid-19 pandemic. This potentially creates a challenge in five years' time when these devices are due for replacement in accordance with the IT asset management arrangements when all staff end user devices will be due to be replaced at the same time. If the option of another capital grant to fund the replacement is not available, the Business Improvement and IT Manager expects that the asset lives for some of the devices will be extended to enable the end user device replacement to be undertaken over a number of years to spread the cost.

ICT resources are limited at the Authority with the IT Team consisting of two technical officers and the Business Improvement and IT Manager. This risk has been recognised and funding was made available to recruit an additional person with Microsoft 365 experience and knowledge but unfortunately a suitably experienced and qualified individual could not be recruited. The recruitment of a more junior member of the IT Team is underway and this role will free up some time for the two technical officers once in place and suitably trained.

Other Findings

The IT Team has been under significant pressure during the Covid pandemic due to the requirement to configure and roll out replacement end user devices, improve secure remote connectivity, upgrade server software and the other completed and ongoing IT related projects. This has required the Team members to work extended hours and to not take annual leave. The Business Improvement and IT Manager is aware of the risk and is monitoring the situation. The addition of the third, more junior member of the Team will reduce some of the pressure on the two technicians, freeing up some additional resource.

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.

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

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	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.
Limited Assurance	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.
No Assurance	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
Audit Planning Memorandum:	14th July 2021	13th September 2021
Draft Report:	20th September 2021	12th October 2021
Final Report:	12th October 2021	

Client:	Pembrokeshire Coast National Park Auth
Review:	IT Strategy

Type of Review:	Assurance	**Audit Lead:**	Director of ICT Audit

Outline scope (per Annual Plan):	The review will consider how the IT strategy supports the achievement of the Authority's strategic plan including asset management and replacement strategy, IT capital budget, financial projections, horizon scanning and supports operational delivery.

Detailed scope will consider:	Directed	Delivery
	Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	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.
	Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Financial constraint: The process operates with the agreed financial budget for the year.
	Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.
Requested additions to scope:	None	
Exclusions from scope:	As above	

Planned Start Date:	13/09/2021	**Exit Meeting Date:**	16/09/2021	**Exit Meeting to be held with:**	Business Improvement and IT 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

Summary Internal Controls Assurance (SICA) Report

2021/22

October 2021
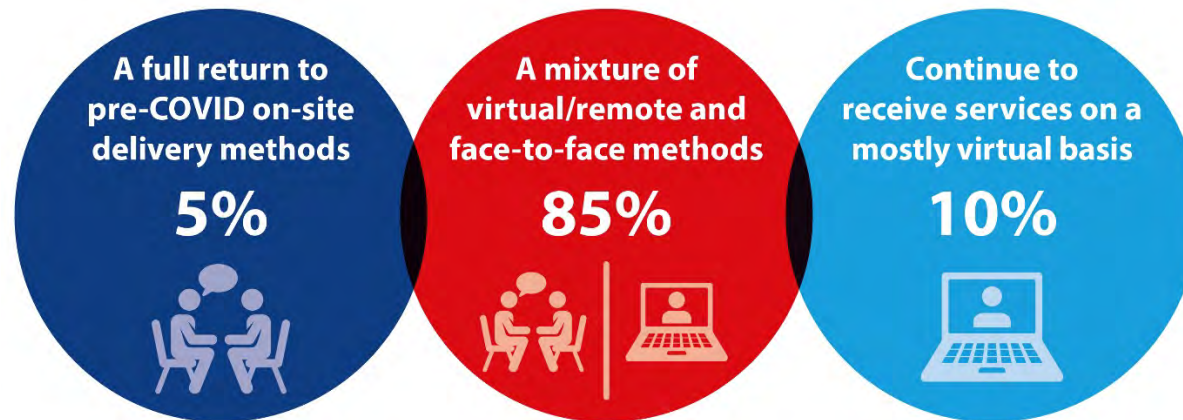
Summary Internal Controls Assurance

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 25th October 2021.

Emerging Governance, Risk and Internal Control Related Issues

2. With the easing of restrictions come the decisions by many businesses as to how they are going to operate in a post-lockdown world. There is a balance between the creativity and collaboration that arises from being in the same workplace and the benefits that arise from remote working and embracing of technology. Our approach is largely driven by how our clients are going to operate so we decided to ask their thoughts as part of our annual client survey. The majority of respondents said that they would prefer a mixture of virtual/remote and face-to-face provision of assurance services in the future. This is largely what we expected, although we recognise that is likely to vary between sectors.

How our clients would like their organisation's assurance services provided

A full return to pre-COVID on-site delivery methods **5%**

A mixture of virtual/remote and face-to-face methods **85%**

Continue to receive services on a mostly virtual basis **10%**

3. Whichever model is adopted, we will continue to consider the impact on Governance, Risk and Internal Control of any changes to working practices.

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

4.   The table below sets out details of 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
ICT Strategy	Reasonable	20th September 2021	12th October 2021	12th October 2021	-	2	-	-
Estates Delivery	Substantial	6th October 2021	15th October 2021	15th October 2021	-	1	-	1

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

Progress against the 2021/22 Annual Plan

6.   Our progress against the Annual Plan for 2021/22 is set out in Appendix A.

Changes to the Annual Plan 2021/22

7.   There a number of areas where areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2021/22.

Progress in actioning priority 1 recommendations

8.   We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. More information is provided in Appendix B.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1		
N/A		0	0	0

Root Cause Indicators

9.   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.

Root Cause Indicator	Qtr 1 (2021/22)	Qtr 2 (2021/22)	Qtr 3 (2021/22)	Qtr 4 (2021/22)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	-	67% (2)			⬆	Low volume of recommendations
Risk Mitigation	-				N/A	
Control Compliance	-	33 (1)			⬆	Low volume of recommendations
Delivery						
Performance Monitoring	-	-			N/A	
Financial Constraint	-	-			N/A	
Resilience	-	-			N/A	

Frauds/Irregularities

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

Other Matters

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

Action taken by Pembrokeshire Coast National Park Authority in response to Alerts issued by TIAA

Briefing Note
National Audit Office – Guidance for Senior Leaders to improve operational delivery
Grenfell Inquiry Fire Safety Bill
Public Procurement Update July 2021
Cyber Device Security Guidance
Action Fraud Reporting Service
VMWare Vulnerabilities
NCSC Launches Scam Website Reporting Service
UK Finance Confirm Fraud Losses Rise by 30%

Fraud Alert
COVID-19 Air Purifying Device Scam
Smishing Texts from Banks
COVID-19 Vaccine Passport Scam

12.   A Summer Fraud Stop General Edition and Audit Committee Newsletter was provided to Pembrokeshire Coast National Park Authority in June 2021.

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.

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Risk Management – Mitigating Controls	2	**Draft report issued**	**Report left in draft format for discussion at the Risk Workshop**
ICT Strategy	2	**Final report issued**	
Estates Delivery	2	**Final report issued**	
Procurement and Creditor Payments	4	**Suggested start date 7th February 2022**	
Equality and Diversity	4	**Suggested start date 3rd March 2022**	
Resilient and Sustainable Services	4	**Suggested start date 16th February 2022**	
Follow-up	4	**Suggested start date 3rd March 2022**	
Annual Planning	1		
Annual Report	4	**Final report issued**	
Audit Management	1-4		

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	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
CBN-21014	National Audit Office – Guidance for Senior Leaders to improve operational delivery		**Action Required Not Urgent** Chief Executives, Chief Operating Officers and Operational senior management are asked to note the guidance and to reflect on the principles outlined in respect of the application within their own organisation.
CBN-21015	Grenfell Inquiry Fire Safety Bill		**No Action Required** To note awaiting further legislation and potential action
CBN-21023	Public Procurement Update July 2021		**No Action Required** To note
CBN-21024	Cyber Device Security Guidance		**No Action Required** To note
CBN-21025	Action Fraud Reporting Service		**For Information Only** Boards and Performance, Audit and Risk Committees are advised to note that Action Fraud continues to be the UK fraud reporting service. Plans are underway for a replacement system to be implemented in April 2022.

CBN Ref	Subject	Status	TIAA Comments
CBN-21030	VMWare Vulnerabilities		**Action Required** All organisations running the VMWare virtualisation software need to install the latest version as soon as practicable to address the vulnerability
CBN-21035	NCSC Launches Scam Website Reporting Service		**Information Only**
CBN-21039	UK Finance Confirm Fraud Losses Rise by 30%		**Information Only**

Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
April 2021	COVID-19 Air Purifying Device Scam		**Action Required** This alert provides information and advice to organisations 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: https:// reporting.actionfraud. police.uk/ If you think you have lost money to a scam, contact your bank immediately.
May 2021	Smishing Texts from Banks		**Action Required** The alert provides information and advice to employees 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: https:// reporting.actionfraud. police.uk/ If you have given your bank details and think you may have lost money to a scam, contact your bank immediately on a known telephone number.
June 21	COVID-19 Vaccine Passport Scam		**No Action Required** The alert provides information and advice about fraud and economic crime during the pandemic and the risks associated with it. If you have fallen victim to fraud you should report it to Action Fraud by calling 0300 123 2040, or visit: https:/reporting.actionfraud. police.uk/ If you have given your bank details and think you may have lost money, contact your bank immediately.