

Report No. **20/17**
Audit & Corporate Services Review Committee

REPORT OF THE INTERNAL AUDITOR

SUBJECT: INTERNAL AUDIT REPORT 2017/18

The report is the outcome of work completed against the Block 2 of the 2017/18 operational audit plan previously approved by the Authority's Audit and Corporate Services Review Committee

The internal audit service reviewed the following area:

- Communications Department review
- Income Generation
- IT Health Check

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

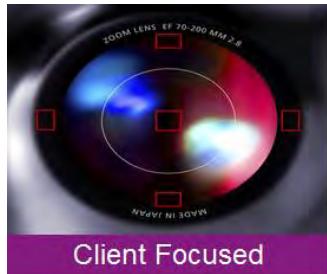
.Recommendation: Members are asked to NOTE and COMMENT on this report

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



Pembrokeshire Coast National Park Authority Internal Audit Report

Block 2 – 2017/18



Client Focused



Providing Guidance



Driving Forward



Clear Assurance

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CONTACT DETAILS – MANAGEMENT TEAM

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INTRODUCTION

OPERATIONAL AUDIT PLAN

- 1.1 This report summarises the outcome of work completed to date against the operational audit plan approved by Authorities Audit and Corporate Services Review Committee and incorporates cumulative data in support of internal audit performance and how our work during the year feeds in to our annual opinion.
- 1.2 The sequence and timing of individual reviews has been discussed and agreed with management to ensure the completion of all audits within the agreed Internal Audit Strategy 2017/18; the current planned schedule is shown in Appendix C.
- 1.3 In brief the areas subject to audit on this occasion and the result of those audits are as follows:

Audit Area	Opinion	Recommendations				Total	Agreed
		F	S	MA			
Departmental Review - Communications	Substantial	0	0	1		1	1
Income Generation	Substantial	0	0	2		2	2
IT Health Check	Substantial	0	1	0		1	1

- 1.4 We would like to take this opportunity to thank all members of staff for their co-operation and assistance during the course of our visit.
- 1.5 The results of each audit are reported through the Executive Summary and agreed Action Plan contained within **Appendix A**. A Summary of Opinions and Recommendations is shown as **Appendix B** and progress against the Operational Plan is detailed at **Appendix C**.

STANDARDS

- 1.6 We have performed our work in accordance with the principles of the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) and the Public Sector Internal Audit Standards (PSIAS) in so far as they are applicable to you our client. Our working papers are available for inspection.

QUERIES

- 1.7 Should any recipient of this report have any queries over its interpretation or content they should contact the client engagement director either directly or through the client contact as appropriate and we shall be happy to discuss the assignments and provide any detail or explanations necessary.

SCOPE & BACKGROUND

- 1.8 We have reviewed each area in accordance with the scope and objectives agreed with management prior to our visit. Appendix A provides detail of the scope of our work; our conclusions regarding the level of assurance that can be provided and where appropriate the agreed Action Plan to be implemented by management to remedy potential control weaknesses.
- 1.9 Our approach was to document and evaluate the adequacy of controls operating within each system. For each system the key controls operated by management were assessed against the controls we would expect to find in place if best practice in relation to the effective management of risk, the delivery of good governance and the attainment of management objectives is to be achieved. Where applicable, selected and targeted testing has been used to support the findings

and conclusions reached.

- 1.10 We report by exception and only highlight those matters that we believe merit acknowledgement in terms of good practice or undermine a system's control environment and which require attention by management.

AUDIT OBJECTIVE & OPINION

- 1.11 The objective of our audit was to evaluate the auditable area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. The control system is put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively.
- 1.12 Our opinion is based upon the control framework (as currently laid down and operated) and its ability to adequately manage and control those risks material to the achievement of the organisation's objectives for this area. We provide our opinion taking account of the issues identified in the Executive Summary and Action Plan.

Overall Opinion

- 1.13 Each Executive Summary provides an overall assessment of our findings for each system reviewed and provides an opinion on the extent to which management may rely on the adequacy and application of the internal control system to manage and mitigate against risks material to the achievement of the organisation's objectives for each area.

Conclusion on the Adequacy of Control Framework

- 1.14 Based on the evidence obtained, we conclude for each area upon the design of the system of control, and whether if complied with, it is sufficiently robust to provide assurance that the activities and procedures in place will achieve the objectives for the system.

Conclusion on the Application of Controls

- 1.15 Based on the evidence obtained from our testing, we conclude for each area upon the application of established controls.

Recommendation Grading

- 1.16 Recommendations are graded on a scale of Fundamental, Significant or Merits Attention; **Appendix E** provides further explanation.

VALUE FOR MONEY

- 1.17 Where value for money issues are identified as a result of our work the corresponding recommendation will be annotated with **VFM** in the bottom right hand corner. This is used to identify recommendations which have potential value for money implications for the organisation or which indicated instances of over control.

PREVIOUS AUDIT RECOMMENDATIONS (FOLLOW UP)

- 1.18 Where a previously updated audit recommendation remains outstanding at the time of our review and the original implementation date has passed the corresponding recommendation within Appendix A will be annotated with **PAR** in the bottom right hand corner.

EXECUTIVE SUMMARY

FINDINGS & CONCLUSIONS

- 2.1 The results of our visit to Pembrokeshire Coast National Parks Authority (PCNPA) are summarised in this section of the report and are considered in relation to each area reviewed.
- 2.2 The extent of comment in relation to each audit area is restricted deliberately so as to highlight the key issues that we believe need to be drawn to the attention of the Audit and Corporate Service Review Committee and management and are supported by a more detailed analysis of each review that is contained as Appendix A to this report.

Departmental Review - Communications

- 2.3 The National Park has in place a Communications team, headed by a Communications and Marketing Manager.
- 2.4 There is in place a communication strategy which, on review, covers all the expected areas of a strategy in sufficient detail for the user to fully understand the aspirations and aims of the Park in their communications within the organisation and with external stakeholders. In addition to the main strategy there are also policies covering the associated areas of communication such as the branding and logo usage, media and website protocols and guides and a new social media guide. Between all these documents the communications area has a comprehensive coverage of the expectations within the Authority.
- 2.5 Discussions with the Chief Executive confirmed that all communication mediums are explored within the Authority with a presence on Facebook and Twitter within the Social media area. PCNPA produces the popular and well-respected Coast to Coast publication, which is designed by the Authority's own graphics team. The Coast to Coast publication, is an established local publication which is well used, with over 225,000 copies distributed during the main season each year. This is felt to provide an excellent self-financing tool to promote the Park and Authority.
- 2.6 Costings and budgets are looked at by the Finance team for all areas of communications with separate budgets in place for the Coast to Coast publication, the graphics team and the communications team. In addition the Communications and Marketing Manager has set the team's own key performance indications which allows management to monitor the performance of the communications and graphics team and confirm that value for money is still being achieved.
- 2.7 Although it is acknowledged that the Park is not a highly regulated area, it is considered important that all messages put out through the Authority all convey the same agreed message in terms of content and objectivity. To ensure this compliance with the message we have recommended that all staff and members are reminded that all communications are passed through the communication team to ensure they remain in line with Authority expectations.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

Income Generation

- 2.8 With the continuing cuts being imposed by Government on the National Parks reducing the grants provided, significant reliance continues to be placed on income generation through alternative revenue streams and how these can be maximised. The main sections of the National Park, Castle Carew, The Discovery Team and Centre Managers have all prepared business plans for their future expectations within their own areas. In addition, the Park has in place a Trading Strategy 2013 to 2018, which is currently being updated by the Carew Castle Manager to focus on the period 2018 onwards.
- 2.9 Each of the Parks main areas have a specific budget against which they are regularly monitored by the Finance team. Due to the size and nature of the organisation good communications are in place between the Finance team and the section leads to ensure maximum generation of potential income in recognised activities.
- 2.10 During our fieldwork, we were informed that the decision had been made to recruit a Grant Officer to the team to explore the potential of new income streams and “tap into” the available income which is available both locally and nationally, in possible joint ventures with other National Parks. We have recommended that objectives and appropriate targets are set for the role in order to monitor the viability of the role in terms of value for money. It is acknowledged that the target setting is a difficult area to quantify, but an indicator needs to be in place against which the role can be monitored.
- 2.11 It was confirmed by discussions with the Finance Manager that potential opportunities are discussed at weekly senior team meetings to decide on the viability of the potential projects. During our review evidence of discussions taking place and decisions taken were reviewed (both positive and negative) and action plans observed for positive outcomes.
- 2.12 One area which has seen an increase over the past years is the legacy and donations income. This area is promoted heavily by national charities and provides an additional revenue stream for the Park. The area does provide its challenges with legacy requests for popular “bench locations” having to be denied due to space and logistical issues. However, alternative suggestions for legacy donations are being considered, and it is recommended that these suggestions are fully communicated to the public, including on the website, as this will raise the profile of the opportunities that exist, particularly if donations are sort for particular projects.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

IT Health Check

- 2.13 The objective of the review was to ensure that key controls surrounding the IT strategy, Implementation plans, network security, software licensing, e-mail controls, website, internet controls and continuity arrangements provide for support of the Parks objectives in a secure manner. A particular emphasis was placed on the Parks readiness for the new General Data Protection Regulations (GDPR) that come into force in May 2018.
- 2.14 IT provision continues to be well managed with good control surrounding the operation of the network with appropriate controls in place to secure access with automated updates of antivirus protection and firewall control. End users are provided with individual logons and passwords are prompted for change on a regular basis. Furthermore, users are restricted by Active Directory protocols to their specific work area although read only access is provided where required.
- 2.15 Access is supported by a suite of policies and the IT Security Policy, updated since the previous audit, has yet to be ratified due to pending implications that may need to be included from work

being carried out in relation to the GDPR changes. However, the IT Strategy is understood to be out of date and this will need to be reviewed and updated to ensure that it is in line with the Parks business strategy and ensure that the development and direction of IT provision continues in an agreed manner.

- 2.16 The system is backed up on a regular basis with copies now stored in a reciprocal arrangement with Brecon Beacons National Park Authority, optimising the utilisation of the joint resources available.
- 2.17 A review of the arrangements in place for the forthcoming GDPR deadline revealed that there was an action plan in place based on the 12 principle changes of the new act as provided by the Information Commissioners Office. Good progress was found to be being made within these areas as part of an ongoing project. The largest scope for further work relates to the data mapping of information held and at present service departments are working towards an October deadline of submission and it is critical that they are able to meet this requirement to ensure that there is no slippage in the overall project timeline to meet the May 2018 deadline.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

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APPENDIX A1 – GW 05/18 DEPARTMENTAL REVIEW - COMMUNICATIONS

Management Objective:	Arrangements for communications to both internal and external stakeholders support the achievement of the corporate plan in a cost effective manner.					
Responsible Officer:	Tegryn Jones – Chief Executive					
Risk areas for consideration:						
1. Communications provided by the Authority to all stakeholders, especially the members of the public, do not provide a value for money service.						
Limitations to scope: No limitation of scope						
Overall opinion:	Substantial	Adequacy of control framework:	Good			
		Application of control:	Good			

Main Recommendations	Priority	Management Response	Implementation Plan
<p>1. Communication Compliance</p> <p>We would recommend that National Park staff and members are reminded that all communication activity should be passed through the communication team to ensure that it remains fully compliant with the Park's message and objectives. This is increasingly important with the rise in use and easy access to social media.</p>	MA	<p>A process exists to sign off all communications material before it's released externally to ensure it's reflective of NPA messages and brand. A reminder email will be issued to all staff.</p> <p>All social media accounts have been authorised by the Communications & Marketing Manager and are monitored regularly to ensure content is appropriate.</p> <p>Any staff operating a social media account linked to the Authority have</p>	<p>Responsibility: Marie Edwards</p> <p>Target date: 23 October 2017</p>

[REDACTED] been fully trained and briefed before taking ownership of their account.

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

APPENDIX A2 – GW 06/18 INCOME GENERATION

Management Objective:	Income generation activities (both existing and potential) within the National Park focus on opportunities for maximisation of revenues in support of the achievement of corporate objectives.
Responsible Officer:	Richard Griffiths – Finance Manager

Risk areas for consideration:

1. Failure to suitably communicate, devolve and monitor the management of objectives and financial budgets impacts upon the success of the Authority's income generation expectations.
2. Failure to maximise income in relation to the Authority's existing services impacts on ability to deliver these cost effectively in future..
3. Failure to inform the Authority's visitors of the importance and requirement for the fees and charges to be raised.

Limitations to scope:

Testing will be undertaken on a sample basis and is not necessarily sufficient to identify all weaknesses or errors that may exist. We will not personally verify the existence of employees and therefore that 'ghost' employees do not exist within the Payroll system.

Overall opinion:	Substantial	Adequacy of control framework:	Good
		Application of control:	Good
Main Recommendations	Priority	Management Response	Implementation Plan
1. New Grant Officer We would recommend that appropriate targets are set for the new role of External Funding Manager against which performance monitoring can be undertaken.	MA	Agreed.	Responsibility: Chief Executive Target date: 1 April 2018
2. Legacy and Donations We recommend that consideration be given to the communicating of different methods of donating to the National Park, with specific consideration for legacy donations, be	MA	Partially accept. The Authority will develop a formal fund raising strategy which will include exploring options for legacy and donations.	Responsibility: External Funding Manager Target date: 1 April 2018

undertaken to ensure this area of income generation is fully maximized.

The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.

APPENDIX A3 – GW 07/18 IT HEALTH CHECK

Management Objective:	<p>Key controls surrounding IT strategy, implementation plans, network security, software licensing, email controls, website, internet controls and continuity arrangements provide for support of the Parks objectives in a secure manner.</p> <p>To include readiness for GDPR go live May 2018.</p>					
Responsible Officer:	Paul Funnell – IT Manager.					
Risk areas for consideration:						
<p>1. Responsibility for IT systems, IT needs and developments are poorly defined leading to lack of co-ordination, inconsistent developments, poor use of resources and failure to meet needs of core business functions.</p> <p>2. The Park's IT infrastructure and operating environment is insufficiently protected from internal and external threats increasing exposure to loss, theft and corruption.</p>						
Limitations to scope:						
No limitation of scope						
Overall opinion:	Substantial	Adequacy of control framework:	Good			
		Application of control:	Good			
Main Recommendations	Priority	Management Response	Implementation Plan			
1. IT Strategy The IT Strategy is known to be outdated and in need of updating to ensure that the development and direction of IT within the organisation progresses in accordance with agreed business objectives.	S	Agreed	Responsibility: Paul Funnell Target date: 31 March 2018			
The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.						

APPENDIX A5 – GW 00/18 FOLLOW UP

Management Objective:	Management take timely and appropriate action to implement accepted recommendations and accurately report progress to Audit & Corporate Service Review Committee.
Responsible Officer:	Richard Griffiths – Finance Manager
Areas for consideration:	
<p>Our Internal Audit Strategy includes provision for the follow up of previously accepted recommendations to assess the level of implementation and provide assurance over management's own recommendation tracking and subsequent reporting. The audit areas subject to follow up on this occasion were:</p> <ol style="list-style-type: none"> 1. Risk Management 2015 2. Information Governance Health Check 2016 3. Key Financial Controls – Procurement and Creditors 2016 4. Business Continuity 2016 5. Performance Management 2016 6. Pre-application Planning Fees 	
<p>Staff members responsible for the implementation of recommendations were interviewed to determine the current status of each point. Audit testing has been completed, where appropriate, to assess the level of compliance with this status and the controls in place.</p>	
<p>We report the detail of our follow up work by exception where previously agreed recommendations have not been fully implemented. The recommendations listed in the following table remained outstanding at the time of our review and require continued monitoring through to completion. Updates on the Information Governance Review have been included since the last report presented to the Committee (highlighted in yellow).</p>	
Limitations to scope: <p>The review was limited to the follow up of internal audit recommendations.</p> <p>The review did not include recommendations made in previous years where an audit of the area is included within the audit plan for 2016 and recommendations are planned to be followed up as part of that review. Any such outstanding recommendations are included in the applicable Appendix A and annotated by the PAR indicator.</p>	

Audit Area:	Risk Management				
Audit Date:	2015				
Recommendation	Priority	Status	Latest Update	Required Recommendations	Action(s) / Recommendations
<p>Risk Management Strategy</p> <p>We recommend the following improvements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Update Strategy document to reflect current practice and responsibilities. <input type="checkbox"/> Develop criteria to inform the scoring of both Probability and Impact within the Risk Register; for example what constitutes Impact – Minor, Moderate or Severe. 	MA	<p>Agreed, but not a priority</p> <p>Difficult to specify criteria for the nature of most of our risks. Not everything has clear financial value.</p> <p>Senior Manager assigned to this recommendation has now left the Authority, per Chief Executive still not completed and to be completed</p>	<p>Responsibility: Richard Griffiths</p> <p>Target date: April 2017</p> <p>Due to the change in personnel this recommendation is still in progress</p>	<p>Responsibility: Richard Griffiths</p> <p>New Target date : 31 March 2018</p>	

Audit Area:	Information Governance Health Check				
Audit Date:	Block 1 2016				
Recommendation	Priority	Status	Latest Update	Required Recommendations	Action(s) / Recommendations

<p>PCNPA should update and approve revised information security policies and procedures as a matter of urgency.</p> <p>The opportunity should also be taken to consider alignment with the policies and procedures with those of Brecon National Park authority (BBNPA) ensuring that they are standardised on best practice.</p>	MA	<p>Agreed. This has been a stated intent of the two Authorities even prior to the current IT management job share arrangements but has not been progressed due to capacity and competing priorities.</p>	<p>Responsibility: P Funnell</p> <p>Target date: 31 March 2017</p> <p>Draft document has been prepared which aligns the two National Park Authorities.</p> <p>Document current pending a review in July 2017</p> <p>Document reviewed and finalised between parks, awaiting finalisation of GDPR arrangements so these can be included and cross-referenced before final update and submission to committee.</p>	<p>Responsibility: P Funnell</p> <p>New Target date: 31 March 2018</p>
<p>There should be a more formal approach to Data Protection training for all members of staff through newsletters or use of the internal intranet.</p>		<p>Review by Performance and Compliance Officer to feed into 2017-18 training Plan</p>	<p>Responsibility: Performance and Compliance Officer</p> <p>Target date: End 2017</p> <p>This has all been combined with the exercise carried out in the recommendation above. With approval expected by September 2017 the training is expected by the calendar year end.</p> <p>Training for all staff and members now scheduled for completion before target date.</p>	<p>Responsibility: P Funnell</p> <p>New Target date: 31 March 2018</p>
<p>Home working is at a relatively low level and has yet to be formalised but it would benefit from incorporating two factor authentication which would provide a greater level of</p>		<p>Costs of incorporating two factor authentication</p>	<p>Responsibility: P Funnell</p> <p>Target date: 31 Dec 2016</p>	<p>Responsibility: P Funnell</p> <p>New Target date: 31 March 2018</p>

security.		will be investigated and weighed against the risk exposure of not having it in place.	This has been combined with the aligning of the two Authorities, and decision is currently pending.	
The basic good practice of a clear desk policy has not been universally enforced across the authority and all members of staff should be advised of the need to ensure that items of a personal or sensitive nature are locked away when not in use.		As for point 2	<p>Responsibility: Performance and Compliance Officer</p> <p>Target date: 31 Dec 2016</p> <p>This is currently subject to review with a decision expected in September 2017.</p> <p>The Authority's approach to this will be considered once all the information audit work is completed and actions plans have been drafted. Good practice with regard to securing personal information and other important data will be covered during the training mentioned above.</p>	<p>Responsibility: Performance and Compliance Officer</p> <p>New Target date: 31 March 2018</p>
Although backup copies are taken and stored in an acceptable manner it may be practical as a cost saving exercise to look to the storage of backup copies on a reciprocal arrangement with BBNPA.		Agreed. Discussions are already underway to pursue this option.	<p>Responsibility: P Funnell</p> <p>Target date: 31 March 2017</p> <p>New connectivity under order, once in place the move can take place. It is expected that the</p>	<p>Responsibility: P Funnell</p> <p>New Target date: 31 March 2018</p>

			process will be fully implemented by December 2017	
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Audit Area:	Business Continuity			
Audit Date:	Block 2 2016			
Recommendation	Priority	Status	Latest Update	Required Action(s) / Recommendations
Fully populate documents. We recommend that all the BCP and ICT disaster recovery schedules are fully populated with names and contact numbers for all stakeholders including external service providers	S	Agreed	Responsibility: TJ Target date: 2017 Group has been set up. They are still to hold their first meeting. On the agenda is to fully populates the documents	New Target Date 31 March 2018
Rehearsal and Testing. We recommend that on completion of a finalised BCP, the Authority test the processes involved within the plan, including the external provider's response, in line with their testing strategy mentioned within the plan and report any lessons learnt from the exercise to the Leadership Team.	S	Partially agreed. We believe adopting a strategy which is a piecemeal / ad hoc one rather than a comprehensive full test is best suited to the organisation.	Responsibility: Business Continuity group Target date: end 2017 This recommendation has not been completed as it will form part of the work plan for the new BCP Group	New Target date 30 June 2018
Review and update We recommend that the Business Continuity plan is reviewed and updated to include all		Agreed.	Responsibility: PF / TJ Target date: 31 March 2017	New Target date 30 June 2018

current job holders.			This recommendation has not been completed as it will form part of the work plan for the new BCP Group	
Combining documentation We recommend that the Authority consider combining the BCP and ICT Disaster Recovery document, and also include the response procedures for major incidents and the staff contingency paper within one general document		Partially Agreed. We will review it as part of a general business continuity planning.	Responsibility: TJ Target date: 2017 This recommendation has not been completed as it will form part of the work plan for the new BCP Group	New Target date 31 March 2018
Risk assessments actions We recommend that the risk assessments that have been carried out for each of the separate locations are expanded to identify actions required in the event of generic incidents relating to technology risk .		Partially agreed. We will examine property site plans to ensure that business continuity is embedded into site plans	Responsibility: Business Continuity group & Site Managers Target date: end 2017 This recommendation has not been completed as it will form part of the work plan for the new BCP Group	New Target date 31 March 2018

Audit Area:	Performance Management			
Audit Date:	Block 2 2016			
Recommendation	Priority	Status	Latest Update	Required Action(s) / Recommendations
Performance Targets We recommend that the Authority considers reviewing targets more frequently on a schedule determined by the circumstances pertaining within that area of business.	MA	Partially agreed. In developing performance framework in Ffynnon we can	Responsibility: Mair Thomas Target date: 2017 On-going	Revised Target Date: 31 March 2018

		<p>talk to different team leaders to determine the best approach for their areas (including for example ensuring targets take into account seasonal variations.) We will need to ensure Members are aware of changes to targets and justifications for the changes during the year. Particularly as amending the target will impact on RAG status and could lead to areas of underperformance that Members need to be aware of during the year being missed.</p> <p>This recommendation is still ongoing and is due to be completed by the end of 2017.</p>	
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APPENDIX B – SUMMARY OF OPINIONS & RECOMMENDATIONS

Reports being considered at this Audit and Corporate Services Review Committee meeting are shown in italics. The definitions with regard to the levels of assurance given and the classification of recommendations can be found in the Notes section at the end of this report.

Audit	Progress	Opinion	Recommendations Made			Total	Agreed
			F	S	MA		
1. Safeguarding	Final Report	Substantial	0	0	0	0	0
2. Key Financial Controls – Payroll and Expenses	Final Report	Substantial	0	0	0	0	0
3. Human Resources	Final Report	Adequate	0	0	3	3	3
4. Grant Income	Final Report	Substantial	0	0	3	3	3
5. Departmental review - Communications	Draft Report	<i>Substantial</i>	0	0	1	1	1
6. Income Generation	Draft Report	<i>Substantial</i>	0	0	2	2	2
7. IT Health Check	Draft Report	<i>Substantial</i>	0	1	0	1	1
Total			0	1	9	10	10

At the moment there is nothing that impacts negatively upon our annual opinion.

APPENDIX C – OPERATIONAL PLAN 2017

Following discussions with management the following schedule has been agreed:

Block 1	Audit & Compliance		Resource (Days)		Comments
Audit	Planned	Actual	Planned	Actual	
1. Safeguarding	June 17	June 17	3	3	
2. Key Financial Controls – Payroll and Expenses	June 17	June 17	3	3	
3. Human Resources	June 17	June 17	3	3	
4. Grant Income	June 17	June 17	2	2	
Follow Up			1	1	
Management			2	2	
	Total		14	14	

Block 2	Audit & Compliance		Resource (Days)		Comments
Audit	Planned	Actual	Planned	Actual	
5. Departmental Review - Communications	October 17	October 17	2	2	
6. Income Generation	October 17	October 17	3	3	
7. IT Health Check	October 17	October 17	3	3	
Follow Up			1	1	
Management			2	1.5	
	Total		11	10.5	

Total 2017	25	24.5
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APPENDIX D – PERFORMANCE INDICATORS YTD

Report Turnaround

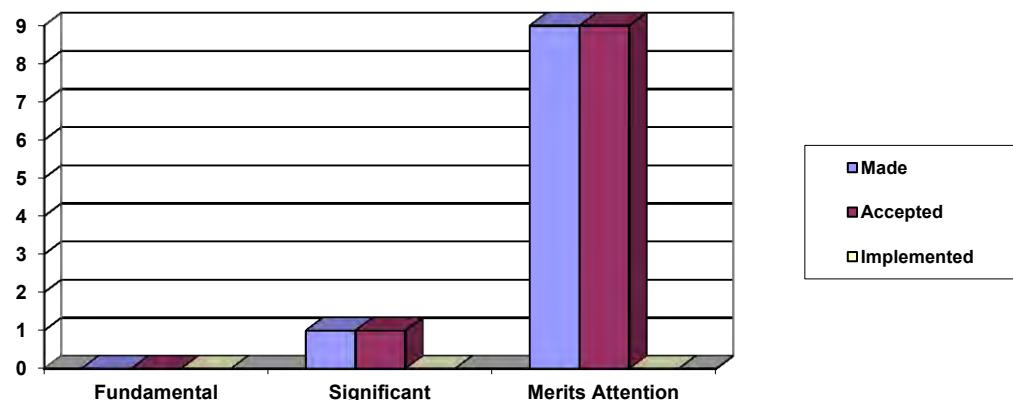
Performance Indicator	Target	Actual	Comments
Draft report turnaround (average working days)	10 days	9 days	
Final report turnaround (average working days)	5 days	TBC days	

Resources

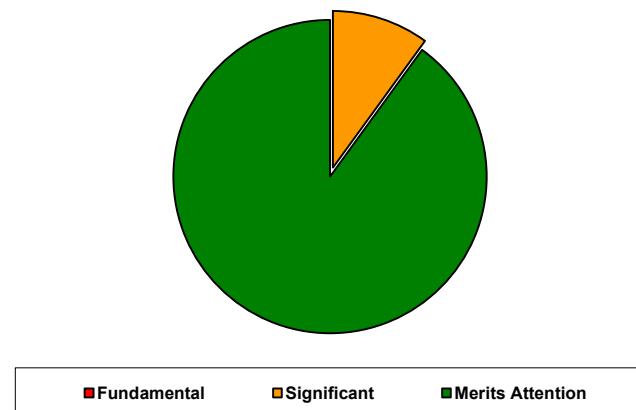
Performance Indicator	Annual	Actual	Comments
Number of Audit Days	25	24.5	
Audit Fee	Within Budget	Within Budget	
Head of Internal Audit	18%	18%	
Specialist / IT Auditor Input	10%	0%	
Audit Supervisor	42%	68%	
Auditor	30%	14%	

Recommendations

Made, Accepted & Implemented



Analysis of Priority



APPENDIX E – NOTES

KEY FOR RECOMMENDATIONS (IN RELATION TO THE SYSTEM REVIEWED)

Fundamental (F)	- The organisation is subject to levels of fundamental risk where immediate action should be taken to implement an agreed action plan. In the Authority's Risk Management Policy this approximates to the Risk Grading - Critical
Significant (S)	- Attention to be given to resolving the position as the organisation may be subject to significant risks. In the Authority's Risk Management Policy this approximates to the Risk Grading Major.
Merits Attention (MA)	- Desirable improvements to be made to improve the control, risk management or governance framework or strengthen its effectiveness. In the Authority's Risk Management Policy this approximates to the Risk Grading – Moderate/low

ASSURANCE LEVELS

OVERALL OPINION (ASSURANCE)	FRAMEWORK OF CONTROL	APPLICATION OF CONTROL	EXPLANATION	TYPICAL INDICATORS
Substantial (Positive opinion)	Good	Good	The control framework is robust, well documented and consistently applied therefore managing the business critical risks to which the system is subject.	There are no fundamental or significant recommendations attributable to either the Framework or Application of Control.
Adequate (Positive opinion)	Good	Appropriate	As above however the audit identified areas of non-compliance which detract from the overall assurance which can be provided and expose areas of risk.	There are no fundamental recommendations surrounding the Framework of Control; coupled with no fundamental and no more than two significant recommendations attributable to the Application of those controls.
	Appropriate	Good	The control framework was generally considered sound but with areas of improvement identified to further manage the significant risk exposure; controls were consistently applied.	There are no fundamental recommendations attributable to the Framework of Control.
	Appropriate	Appropriate	As above however the audit identified areas of non-compliance which expose the organisation to increased levels of risk.	There are no fundamental recommendations attributable to the Framework and Application of Control.
Limited (Negative opinion)	Good / Appropriate	Weak	As above however the extent of non-compliance identified prevents the Framework of Control from achieving its objectives and suitably managing the risks to which the organisation is exposed.	There are more than two significant recommendations attributable to the Application of Controls.
	Weak	Good / Appropriate	The control framework despite being suitably applied is insufficient to manage the risks identified.	There are more than two significant recommendations attributable to the Framework of Controls.
	Weak	Weak	Both the Framework of Control and its Application are poorly implemented and therefore fail to mitigate the business critical risks to which the organisation is exposed.	There are fundamental recommendation(s) attributable to either or both the Framework and Application of Controls which if not resolved are likely to have an impact on the organisations sustainability.

The above is for guidance only; professional judgement is exercised in all instances.