Report No. 01/20

Audit & Corporate Services Review Committee

REPORT OF THE INTERNAL AUDITOR

SUBJECT: INTERNAL AUDIT REPORT 2019/20

The report is the outcome of work completed against the Block 2 of the 2019/20 operational audit plan previously approved by the Authority's Audit and Corporate Services Review Committee

The internal audit service reviewed the following areas:

- Risk Management
- Key Financial Controls (Banking arrangements, Treasury/Investments and Fixed Assets)
- Health and Safety
- Operational Review - Rangers

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

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

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

Internal Audit

FINAL

Pembrokeshire Coast National Park Authority

Block 2 Review

2019/20

January 2020

Block 2 Review

Introduction

1. This is the second review of the internal control arrangements at Pembrokeshire Coast National Park Authority (PCNPA). The review was carried out in October 2019 as part of the planned internal audit work for 2019/20.

Summary

2. The areas reviewed and the type of review are shown in table below. For system reviews assessments of the effectiveness of the internal controls are also shown in the table below. These assessments are based on the evaluation and testing of the key probity risks.

Summary of the Evaluations of the Effectiveness of the Internal Controls

System	Type of Review	Assessment
Risk Management	System	Reasonable
Key Financial Controls (Banking arrangements, Treasury/Investments and Fixed Assets)	System	Reasonable
Health and Safety	System	Limited
Operational Review - Rangers	System	Reasonable
Follow Up	Follow Up	**No Assessment**
Fleet Management – Follow Up	Follow Up	**No Assessment**

Key Findings

3. The significant matters identified from the audit work undertaken which need to be addressed in order to strengthen further the control environment and the recommendations arising are set out in the management action plan section of this report. Recommendations for improvements should be assessed by the Association for their full impact before they are implemented.

4. The principal purpose of the review was to assess the effectiveness of the internal control arrangements in mitigating against risk. Operational Effectiveness action points were identified and opportunities for enhancements to the current arrangements are set out in the Operational Effective management action plan.

Release of Report

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

Date draft report issued:	25th October 2019
Date management responses rec'd:	10th January 2020
Date final report issued:	15th January 2020

Management Action Plan – Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
Risk Management							
1	Operational	The Authority's Risk Management Strategy out of date and does not reflect current arrangements, for example the introduction of a 4 x 4 scoring matrix.	The Risk Management Strategy be reviewed and updated to reflect current arrangements.	2	*Agreed. The Strategy will be updated to reflect the 4 x4 scoring introduced in 2018.*	*31/01/20*	*Finance manager*
4	Operational	The mitigating controls appear very brief and in some cases do not fully mitigate the risk and provide the necessary assurance to members that the risk is in fact being mitigated.	The narrative in the Mitigation and Controls/Monitoring columns be expanded upon, where applicable, to provide greater assurance to the Authority Members that the risks are being mitigated.	2	*Agreed. We will explore expanding the narrative in the mitigation and control/ monitoring columns*	*31/01/20*	Finance 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	Operational	The Risk Register is reviewed by the Leadership Team who generally meet on a fortnightly basis, although it was noted from the minutes that the last review was undertaken in June 2019. The Risk Management Strategy states under the section of Monitoring and Reviewing that "The risk register is reviewed quarterly by Corporate Management Team and is a standing item on the monthly Leadership Group agenda".	The Risk Register be reviewed on a more regular basis by the Leadership Team to demonstrate ownership and timely updating of the risks.	3	*Agreed. The risk register will be reviewed on a monthly basis.*	*31/01/20*	*Finance manager*
3	Operational	There was no evidence that any risk process testing has been carried out to assess the robustness and completeness of the risk mitigation arrangements.	A risk process test be carried out to assess the robustness and completeness of the risk mitigation arrangements.	3	*Agreed. Discussion with TIAA on process to undertake this.*	*31/03/20*	*Finance Manager*
5	Operational	There are no risk owners assigned to each risk within the Risk Register. It is best practice to assign a risk owner to risks as failure to allocate a risk to an individual can result in a lack of clarity about the ownership of the risk and any associated actions.	Each risk be allocated to a named individual to ensure accountability and clarity of ownership.	3	*Disagree. This has been tried in the past, including allocating risks to Members as well as staff. We consider that the current process of review will be more effective.* *Auditor comment - Accepted*	*15/01/20*	*Finance Manager*
Key Financial Controls							

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Compliance	The review of the Weekly Finance Sheets revealed that the 'Z' reading numbers are not being recorded on the Weekly Finance Sheet and are therefore not being reviewed by the Finance Department.	All 'Z' readings be recorded on the Weekly Finance Sheet and the sequential numbering be reviewed by the Finance department as part of the checking process.	2	*Agreed. The one centre that wasn't recording Z numbers on the weekly sheets (Carew Castle) is now doing so.*	*31/12/19*	*Finance Manager*
9	Compliance	It was noted that the current investment, albeit with Lloyds Bank contravenes the Treasury Management Policy which states that "The surplus cash resources of the Authority are such that investment will be limited to specified investments through accounts held with the Authority's Bankers, for a period not extending beyond the current financial year". The current investments were undertaken in this financial year and are not due to mature until next financial year (noting the investment for £2,000,000 matures only just after the year-end). The investments were not approved by the Authority.	The Investment Strategy and Treasury Management Policy Statement be amended to reflect the investment periods and to determine the amount that can be invested in one financial institution.	2	*Agreed. Investment strategy will be amended.*	*29/02/20*	*Finance Manager*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Operational	The 'Z' readings are retained in the various centres and as they are not sent in to the Finance Department there is no check by the Finance Department to confirm the readings to the takings.	The 'Z' reading summary report be either sent into the Finance Department as an audit trail or be scanned in where possible and then retained on the electronic shared drive on the network system in order that checks can be performed by the Finance Department.	3	*Accept. Finance Dept will perform periodic checks to ensure continuity of Z listing numbering.*	*01/01/20*	*Finance Officers*
8	Operational	The testing of the Weekly Finance Sheet for Carew Castle and Tidal Mill revealed large variances with no reasons recorded. Further investigation by the Finance Assistant revealed that the variances related to sales from the Tea Room where a different till is used. The sales were recorded on a separate spreadsheet and not within the sales breakdown on the Weekly Finance Sheet. The Finance Assistant and Finance Manager were unaware of the process. These were reconciled to the variances on the Weekly Finance Sheet. Going forward, the sales need to be added to the Weekly Finance Sheet.	Sales taken via the Tea Room at Carew Castle and Tidal Mill be added to the sales breakdown within the Weekly Finance Sheet.	3	*Partially Accept. The finance officer who usually performs the reconciliation was unavailable at the time of the audit to give an immediate explanation. The finance officer referred to in the finding had not been in post for very long but on investigation was able to clarify the process. No information was missing as it was held on a separate tab in the same file and took a little time to explain to the auditor.* *We will explore options to make the process more transparent.*	*20/12/20*	*Finance Manager*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Operational	There is no annual confirmation of non-property fixed assets undertaken. Best practice in this and other sectors where there is a large Asset Register and lack of resources to undertake annual confirmation of asset existence is to send all individuals responsible for assets and equipment an inventory list from the Asset Register on an annual basis for them to check and provide a signed/email confirmation that they still exist. It may be appropriate for the Estates Officer to undertake this conformation as part of routine visits to properties.	The Estates Officer or all Directors/Department Managers responsible for equipment and assets be provided with an inventory list from the Asset Register on an annual basis and confirmation be obtained that the equipment and assets are still in existence. These records be retained as evidence of the verification checks.	3	*Partially Accept. Managers are currently required to record all assets for insurance purposes and these schedules are submitted to the finance dept. These records will be used as a basis for verification checks.*	*31/01/20*	*Finance Manager*
Health and Safety							
13	Compliance	It was noted that the Monthly Emergency lighting testing, the evacuation fire drill records and staff training sections of the logbook were yet to be filled. It is essential that all aspects of fire safety testing are fully documented as evidence that testing has been performed as required in the event of an issue occurring.	The Fire Safety Logbook be completed appropriately to record monthly Emergency Lighting tests, six monthly Fire Drills, monthly Fire Extinguisher monitoring and staff training in relation to Fire Safety.	1	*Accept – Although all periodic testing is carried out some of the recording in the Fire Log Book had not been completed. Fire Drills – considering the risks associated with the building and its use we consider that fire drills carried out annually is adequate.*	*31/01/20*	*Building Projects Manager*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
12	Compliance	It was noted that the Authority's Fire Marshall's had not been formally trained for the role and have just been allocated a list of tasks they must carry out in the event of a fire emergency.	The delegated members of staff be formally trained in order to execute their role as Fire Marshall effectively.	2	*Accept – Training is currently being arranged.*	*29/02/20*	*Building Projects Manager*
14	Compliance	Testing of the site's First Aid boxes identified that the emergency contact numbers poster was not fixed on the wall, multiple items in the two first aid boxes had expired including the Cool Packs, Heat Packs, Plasters and various Dressings.	Ensure boxes are appropriately stocked and subject to regular audits as required by the policy.	2	*Accepted.-*	*31/03/20*	*First Aiders*
15	Compliance	Checks of the Lanyon site's multiple kitchens identified that there were no First Aid boxes kept within them. It was noted that the kitchen serving the meeting rooms of the office had a First Aid sign on a cupboard, no first aid box was present in this vicinity.	Ensure appropriate number of First aid boxes held in designated First Aid points.	2	*Accepted.*	*31/03/20*	*First Aiders*
11	Compliance	The names of the Fire Marshalls were not displayed across the building.	The names of the Authority's Fire Marshalls be made visible across the site.	3	*Accept – To be implemented following training (see 13).*	*29/02/20*	*Building Projects Manager*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
16	Compliance	It was observed that the emergency contact numbers poster was not fixed on the wall.	Ensure that the emergency contact telephone numbers are clearly displayed on the wall of the first aid room.	3	*Accepted.*	*28/02/20*	*Building Projects Manager*
Rangers							
18	Compliance	Sample testing of Time and Work Records highlighted that these are not always completed in full, full example time is not allocated to the different budget codes.	Time and Work records be competed in full.	2	*Timesheet to be revised and re-issued at next team meeting.*	*12/02/20*	*Ranger Service Manager*
17	Compliance	Five of the 15 Time and Work Records tested had minor arithmetic errors or anomalies, including the addition of the mandated 30 minute lunch break to the hours worked.	Calculations on Time and Work record to be checked for accuracy prior to authorisation and payment.	3	*Timesheet amended to include record of lunch breaks.*	*15/01/20*	*Ranger Service Manager*
19	Compliance	Time and Work Records are required to be returned weekly but are often returned on a monthly basis.	Rangers be reminded to provide time and work records on a weekly basis in order to meet processing deadlines.	3	*Implement return of timesheets via prepaid envelopes.*	*12/02/12*	*Ranger Service Manager*

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Operational Effectiveness Action Plan

Ref	Risk Area	Item	Management Comments
Risk Management			
1	Operational	Consideration be given to the insertion of additional columns within the risk Register to record the movement in trends for each quarter.	*The movement in the assessment of risk is shown by a directional arrow. We believe this to be a sufficient indicator.*
Key Financial Controls			
2	Compliance	The date of the last valuation be recorded on the Property Asset Register.	*The date of the last revaluation is held on a separate file held by the Estates Officer.*
Health and Safety			
3	Compliance	The risk register be amended to reflect the areas of non-compliance identified by the audit review and the risk reviewed and amended as necessary.	*The risk register will be updated as necessary.*
Rangers			
4	Compliance	All Rangers to be reminded that the mandatory half hour lunch break does not form part of the daily total hours worked.	*Timesheet amended to include record of lunchbreak given and agenda item at next team meeting.*
5	Directed	The Events Database Administrator be tasked with documenting procedures relating to the system when fully implemented to ensure business continuity in the event of extended absence or change in staffing.	*This work is already underway, overseen by the Admin Co-ordinator.*

ADVISORY NOTE

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

Ref	Risk Area	Item	Management Comments
6	Operational	Further consideration be given to digital solutions for Time and Work recording.	*Refer to Business Improvement Manager.*

ADVISORY NOTE

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

Scope and Limitations of the Review

6. The scopes of the reviews were set out in the Annual Internal Audit Plan for 2019/20, which was agreed with Pembrokeshire Coast National Park Authority.

7. The limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.

8. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit 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.

Assessment of the Key Control Objective

9. This review identified and tested the controls that are being operated by the Authority and an assessment of the combined effectiveness of the controls in mitigating the key control risks is provided. The 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.

Detailed Findings

System:	Risk Management
Evaluation	Reasonable Assurance

10. The following matters were identified in reviewing the Key Risk Control Objective:

10.1 Risk Management was last subject to an internal audit review in July 2018 (2018/19) where an adequate assurance opinion was given. Two recommendations were raised and both were assessed as a 'Significant' priority rating (Attention to be given to resolving the position as the organisation may be subject to significant risks). One risk "The Authority should define its risk appetite through enhancing its definition of risk impact to provide examples of what the Members and Leadership team consider reflects each grade of impact. Consideration should be given to moving to a 4x4 matrix" has now been implemented. The second risk "The Authority should recognise risk at an inherent level and align this analysis with its business plan to ensure that all stakeholders recognise the risks which are critical to the Authority's success" has not been implemented. This has been tested and reported as part of the follow up review (see paragraph 18 below) and has therefore not been reiterated here.

10.2 The Authority's Risk Management Strategy is titled "July 2017" but the actual document is dated June 2016. The Strategy includes the Risk Assessment and how risks are scored using a likelihood by impact within a 3x3 matrix. As noted above, the current Risk Register utilises a 4x4 matrix as recommended by the previous Internal Auditors following the last review.

Recommendation: 1	The Risk Management Strategy be reviewed and updated to reflect current arrangements.
Priority 2	

10.3 The Strategy set out the roles and responsibilities for risk management which includes the following groups/individuals:

- National Park Authority;
- Individual Members;
- Audit and Corporate Services Review Committee and the Operational Review Committee;
- Management Team;
- Managers;
- Employees.

10.4 The Risk Register is set out in an Excel spreadsheet format. Each risk is pre-numbered with an Inherent Score based on likelihood multiplied by Impact. The scoring mechanism is based on a 4x4 matrix as follows:

- 1 = Minor;
- 2 = Moderate;
- 3 = Major;
- 4 = Critical.

10.5 Each risk is categorised as Strategic, Operational, Financial, Reputational or a combination of any of these. Each risk is provided with a mitigation and then a residual risk score based on the same scoring mechanism. A control/monitoring column is then applied to each risk and a column to record the trend for the quarter and a final column for a Progress Update.

10.6 The overall inherent and residual risk score is colour coded based on the following:

- Light green – Score between 1 – 2: Acceptable level of risk subject to regular monitoring;
- Dark Green – Score between 3 - 4: Acceptable level of risk subject to regular monitoring;
- Amber – Score between 6 - 9: Risk management measures need to be put in place and monitored;
- Red – Score 12+: Unacceptable level of risk exposure, which requires extensive management.

10.7 At the time of the review the Authority had 42 risks on the Risk Register with only one risk coloured red, namely the "Impact of Brexit" which remained red after mitigating controls were applied. There was also one other risk "Medium to Long Term Risk of significant reduction of funding from WG, other public sector funders, or grant schemes" which had an inherent red risk. However, the residual risk was coloured amber after applying the mitigating controls.

10.8 As stated above in paragraph 10.4, each risk has a column to record the trend for the quarter. Best practice identified in other sectors is have columns for each quarter of the year to show the trend movements. This can assist members as part of the review and monitoring of risks over a period of time.

Operational Effectiveness Matter: 1	**Consideration be given to the insertion of additional columns within the Risk Register to record the movement in trends for each quarter.**

10.9 The Risk Register is reported to each quarterly meeting of the Audit and Corporate Services Review Committee and the Operational Review Committee. This was verified to the most recent committee meetings in July and September 2019 respectively.

10.10 The Risk Register is reviewed by the Leadership Team, who generally meet on a fortnightly basis, although it was noted from the minutes that the last review was undertaken in June 2019. The Risk Management Strategy states under the section of Monitoring and Reviewing that "The risk register is reviewed quarterly by Corporate Management Team and is a standing item on the monthly Leadership Group agenda". It was noted that the Finance Manager stated that the Risk Register was last reviewed by the Corporate Management Team in their August 2019 meeting.

Recommendation: 2 **Priority 3**	**The Risk Register be reviewed on a more regular basis by the Leadership Team to demonstrate ownership and timely updating of the risks.**

10.11 A review of the Risk Register revealed that for Risk 6, "Not being able to deliver on the targets laid down by the Welsh Government's 'Valued & Resilient' priorities for AONBs and NPs", the Mitigation and Control/Monitoring columns were recorded as "To be determined". This was identified by the Operational Review Committee and was noted in the minutes of the September 2019 meeting and consequently is being actioned, so no recommendation has been raised. The minutes noted that "Chief Executive replied that further information was required from Welsh Government in order to measure the risk of failing to meet the targets".

10.12 There was no evidence that any risk process testing has been carried out to assess the robustness and completeness of the risk mitigation arrangements. Risk process testing is similar in principle to business continuity testing in that it is about carrying out an exercise on paper to assess the extent to which the mitigating controls will identify any significant adverse worsening of the organisation's risk exposure in relation to a specific risk.

Recommendation: 3	**A risk process test be carried out to assess the robustness and completeness of the risk mitigation arrangements.**
Priority 3	

10.13 The mitigating controls appear very brief and in some cases do not fully mitigate the risk and provide the necessary assurance to members that the risk is in fact being mitigated. For example, for risk 7, "Failure to meet diversity requirements in Authority Membership" the mitigating control states "Three members retiring in 2019. Two open evenings held in January 19 to attract new members". The Controls/Monitoring states "Report to WG". The mitigation does not comment on the outcome of the open evenings in January 2019 and if any new potential members were identified and there is no update on the report to Welsh Government or if any feedback has been received from Welsh Government.

Recommendation: 4	**The narrative in the Mitigation and Controls/Monitoring columns be expanded upon, where applicable, to provide greater assurance to the Authority Members that the risks are being mitigated.**
Priority 2	

10.14 There are no risk owners assigned to each risk within the Risk Register. It is best practice to assign a risk owner to each risk as failure to allocate a risk to an individual can result in a lack of clarity about the ownership of the risk and the responsibility for completing any associated actions.

Recommendation: 5	**Each risk be allocated to a named individual to ensure accountability and clarity of ownership.**
Priority 3	

System:	Key Financial Controls - Banking arrangements, Treasury/Investments and Fixed Assets
Evaluation	Reasonable Assurance

11. The following matters were identified in reviewing the Key Risk Control Objective:

Banking Arrangements

11.1 The Financial Standards were most recently reviewed and updated in February 2016 and are due for a review in February 2020. The Standards set out sections on Cashflow, Investments, Income & Banking and Assets/Information/Insurance.

11.2 The Authority's banking arrangements are with Lloyds Bank following a competitive tendering exercise in 2012. The main bank account has a 'sweep' arrangement where funds are invested overnight and then returned the following morning. A very small interest is earned for this arrangement.

11.3 All income received at the various centres is banked by the relevant personnel at each centre. An electronic Weekly Finance Sheet is completed and emailed into the Finance Department the week following the transactional sales. The Weekly Finance Sheet, which is signed by the person completing the return, summarises on a daily basis cash received and credit/debit card takings and this is compared to the daily sales readings on the EPOS tills and the daily overs/unders (i.e. the difference between the income expected from the till reading compared to physical takings) are recorded. The form sets out daily reconciliations which are electronically initialled by the person who completed the reconciliation and by the person checking the reconciliation.

11.4 The daily debit/credit card transactions are auto-polled into the Authority's bank account and the figures are reconciled by the Finance Department. Banking is undertaken once per week and the bank paying-in slip number is recorded on the Weekly Finance Sheet to complete the audit trail.

11.5 A review of the last three weeks' Weekly Finance Sheets (week ending 22nd and 29th September and 6th October 2019) for the three centres was undertaken. The review revealed that the Weekly Finance Sheets were fully reconciled and appropriately signed off.

11.6 The review also revealed that the cash and cheque takings were banked in a timely manner following the previous trading week. The value of the Sheet for the banking was verified to the value on the bank paying-in slip and to the bank statement and no issues were noted.

11.7 The review also revealed that the 'Z' reading numbers are not being recorded on the Weekly Finance Sheet and are therefore not being reviewed by the Finance Department. The monitoring of the sequential numbering of 'Z' readings is a key control in identifying any cash takings that have been unaccounted for. This was explained to the Finance staff in more detail to create the awareness of the risk. It must be noted however, that the more modern EPOS (Electronic Point of Sale) tills do not have 'Z' readings.

Recommendation: 6	**All 'Z' readings be recorded on the Weekly Finance Sheet and the sequential numbering be confirmed by the Finance department as part of the checking process.**
Priority: 2	

11.8 The 'Z' readings are retained in the various centres and as they are not sent in to the Finance Department there is no check by the Finance Department to confirm the readings to the takings.

Recommendation: 7	**The 'Z' reading summary report be either sent into the Finance Department as an audit trail or be scanned in where possible and then retained on the electronic shared drive on the network system in order that checks can be performed by the Finance Department.**
Priority: 3	

11.9 The testing of the Weekly Finance Sheet for Carew Castle and Tidal Mill revealed large variances with no reasons recorded. Further investigation by the Finance Assistant revealed that the variances related to sales from the Tea Room where a different till is used. The sales were recorded on a separate spreadsheet and not within the sales breakdown on the Weekly Finance Sheet. The Finance Assistant and Finance Manager were unaware of the process. These were reconciled to the variances on the Weekly Finance Sheet. Going forward, the sales need to be added to the Weekly Finance Sheet.

Recommendation: 8	**Sales taken via the Tea Room at Carew Castle and Tidal Mill be added to the sales breakdown within the Weekly Finance Sheet.**
Priority: 3	

11.10 A review of the insurance cover for the safes used in the centres revealed that there was adequate cover in place.

11.11 The Finance Assistant completes a monthly accumulated bank reconciliation which includes all bank and investment accounts. The Finance Manager reviews and signs off the reconciliation as part of the monthly period - end process.

11.12 A review of the bank reconciliations for the last three months revealed that each reconciliation was performed in a timely manner following the previous month end. The review also noted that the value of the unreconciled items on the report attached to the reconciliation for the month of August 2019 all related to transactions that occurred in August 2019.

11.13 All income received at the centres is banked by the staff on a weekly basis and the income received at Head Quarters by the Planning Department and Finance Department is also banked weekly by the Finance staff.

11.14 A sample of the last five bank paying-in slips for the Finance and Planning Departments was undertaken. The review revealed that the bankings had been undertaken weekly and the values were verified to the bank statements.

Treasury/Investments

11.15 The Authority's Investment Strategy and Treasury Management Policy Statement 2019/20 is incorporated within the draft budget 2019/20 that was approved by the Authority in January 2019.

11.16 The Treasury Management Policy sets out the Authority has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities and includes reference to the twelve Treasury Management Practices (TMPs).

11.17 At the time of the review the Finance Manager confirmed that the Authority had no borrowings.

11.18 At the time of the review (11th October 2019 the Authority had the following cash balances with and investments with Lloyds Bank:

- £925,366 on main account;
- £1,727,649 - Business Instant Account;
- £514,178 - 32 day notice account with an interest rate of 0.75%;
- £1,000,000 Term Deposit - 15th August 2019 to mature on 17th August 2020 with an interest rate of 1.15%;
- £2,000,000 Term Deposit - 3rd April 2019 to mature on 3rd April 2020 with an interest rate of 1.15%.

11.19 The investment values, maturity dates and interest rates were verified to supporting documentation from Lloyds Bank confirming the Term Deposit.

11.20 It was noted that the current investment, albeit with Lloyds Bank, contravenes the Treasury Management Policy which states that "The surplus cash resources of the Authority are such that investment will be limited to specified investments through accounts held with the Authority's Bankers, for a period not extending beyond the current financial year". The current investments were undertaken in this financial year and are not due to mature until next financial year (noting the investment for £2,000,000 matures only just after the year-end). The investments were not approved by the Authority.

Recommendation: 9	**The Investment Strategy and Treasury Management Policy Statement be amended to reflect the investment periods and to determine the amount that can be invested in one financial institution.**
Priority: 2	

Fixed Assets

11.21 The Property Portfolio Asset Management Policy was last reviewed in 2017 where the existing Policy from 2012 was reviewed and identified that the Policy should remain as it was still fit for purpose beyond its planned April 2018 review date without the need for alteration. This was approved by the Audit and Corporate Services Review Committee in July 2017. The Policy states that "This policy will be reviewed every 5 years to ensure that it remains appropriate and fit for purpose".

11.22 The Financial Standards set out that "All items with a useful life in excess of one year and costing or valued at over £10,000 will be reflected in the Authority's balance sheet as fixed assets".

11.23 The Standards set out the depreciation rates, which the Finance Manager confirmed have been agreed with the Wales Audit Office. The Standards also stage that "Depreciation will not be charged in the year of purchase, but will be charged fully in each subsequent year, including the year of disposal. It shall be assumed that the residual value of all assets will be £1, unless specifically stated otherwise".

11.24 The Finance Department have documented a Financial Procedure FP4- Disposal of Surplus Assets £50-£10,000 in April 2016. The Procedure includes a Disposal of Assets form which must be completed for all disposals valued between £50 and £10,000.

11.25 Disposal forms are pre-numbered and logged on a Disposal Log. A review of the last ten disposals, from numbers 391 to 400 revealed that each one was appropriately authorised and recorded onto the Disposal Log.

11.26 The Finance Department maintains a detailed Property Assets Register which sets out each property with numerous columns a sample of which include, asset title, date of last valuation, depreciation, net book value and current value.

11.27 The Authority employs its own Surveyor who provides a revaluation of each property over a five year rolling period. It was noted that the date of last valuation has not been updated on the Property Asset Register.

Operational Effectiveness Matter: 2	**The date of the last valuation be recorded on the Property Asset Register.**

11.28 The Finance Department also maintains a Vehicle and Equipment Asset Register. The Register includes the location area, the asset value carried forward from the previous year, additions, disposals, cumulative depreciation, current depreciation and net book value.

11.29 All property deeds are retained in a fire proof safe. A sample of five properties was selected from the Property Asset Register and were verified to the deeds held in the safe.

11.30 A sample of five assets on the Vehicle and Equipment Asset Register was selected and confirmation of their existence was established.

11.31 There is no annual confirmation of non-property fixed assets undertaken. Best practice in this and other sectors where there is a large Asset Register and lack of resources to undertake annual confirmation of asset existence is to send all individuals responsible for assets and equipment an inventory list from the Asset Register on an annual basis for them to check and provide a signed/email confirmation that they still exist. It may be appropriate for the Estates Officer to undertake this confirmation as part of routine visits to properties.

Recommendation: 10	**The Estates Officer or all Directors/Department Managers responsible for equipment and assets be provided with an inventory list from the Asset Register on an annual basis and confirmation be obtained that the equipment and assets are still in existence. These records be retained as evidence of the verification checks.**
Priority: 3	

System:	Health and Safety
Evaluation	Limited Assurance

12. The following matters were identified in reviewing the Key Risk Control Objective:

12.1 The Authority's risk register identifies the risk of various incidents across their sites including:

- Incident due to failure to adequately maintain and repair paths, sites and properties;
- Incident due to falling trees or branches in our properties;
- Incident due to driver error/increased vehicle faults as the fleet is ageing;
- Incident caused by or to staff or volunteers;
- Incident to school children/vulnerable persons while involved in National Park Authority (NPA) provided activity, work experience etc.;
- Incident caused by faulty merchandise, food etc. provided by NPA; and
- Incident caused by livestock managed by NPA.

12.2 Following mitigation, all of the above risks are categorised as Green - an acceptable level of risk subject to regular monitoring.

12.3 The Authority's Chief Executive is currently responsible for the overall management of the Health and Safety process. The Personnel Manager is usually responsible for the process on a day-to-day basis although this role has been vacant for a number of months following the passing of the previous Personnel Manager. Interviews are due to be held imminently to fill the post and this will help to address the findings highlighted in this report.

12.4 It was noted that due to these unforeseen circumstances the Chief Executive has carried out the responsibilities of the Personnel Manager and has delegated various tasks to managers across the Authority.

12.5 The Authority's Health and Safety Policy was updated and approved in November 2018. The policy is based on the following key policy areas:

- Planning;
- Doing;
- Checking; and
- Acting.

12.6 The revised policy was developed in consultation with the Leadership Team Health and Safety Group, and with input from staff working on the Visitor Safety Development Group.

12.7 Pembrokeshire Coast National Park Authority's approach to health and safety reflects the requirements of the Health and Safety at Work Act 1974, and all other relevant health and safety law. The Authority's Health and Safety systems are underpinned by undertaking risk assessments for all significant hazards in line with Health and Safety Executive (HSE) guidance and the principles of Visitor Safety as outlined by the Visitor Safety in the Countryside Group (VSCG).

12.8 Budgetary and staff resources are in place at both management and day to day operational level to integrate health and safety working practices, including training and access to specialist external advice as needed.

12.9 The Health and Safety Policy states that "a healthy and safe organisation will not happen if left to chance: the direction and commitment needs to be embedded across and up and down the Authority, with strong leadership supported by clearly defined roles and responsibilities. The Authority aims for good worker involvement and a culture of positive attitudes. The policy goes on to cover effective leadership, defining roles and responsibilities, involving workers, managing risk and establishing positive attitudes and behaviour in their health and safety practices."

12.10 All staff must complete a Health and Safety training module during their induction process. New members of staff are provided with an induction form to sign and return when they have been provided with the necessary information directly relevant to their post including:

- Fire Procedures;
- Identification of First Aiders;
- Accident/Incident reporting procedure;
- Health & Safety Policy and arrangements; and
- Lone working.

12.11 The Authority is currently carrying out annual checks of their employee's drivers licences. Drivers are required to obtain a code from the DVLA website and issue this to their managers who will carry out the licence checks centrally. A log to confirm that all drivers have been checked is not kept.

12.12 The Authority's Lone Working Policy sets out how the Authority will ensure the safety of lone working staff. The varied nature of work within the Authority is such that it is very difficult to be prescriptive and it is for teams and individuals to work out how best to ensure that the principles set out in the policy are covered.

12.13 The Building Projects Manager receives monthly reports from the Projects Administration Assistant relating to the expiry of Mechanical and Electrical service certificates. This report is generated from the Mechanical and Electrical Services spreadsheet for each site. It was noted that the process is laborious but no issues were noted.

12.14 It was noted that the Microsoft Excel spreadsheet that has been constructed for the Building Project team's monitoring of servicing dates was initially constructed to provide the Building Project Manager with automated notifications of any servicing. It was noted that this is not currently in operation and the Administration Assistant provides monthly updates of servicing via a manual checking process of the spreadsheet.

12.15 All Incidents are processed by the Human Resources department. It was noted that some employees will send a generic email to notify them of an incident however the HR team will not begin the process of logging the incident until a signed copy of the Authority's Incident/Accident report form is provided. The form consists of the details of the person involved, whether they are an employee or not, what happened, when it happened, where it happened, what injuries were incurred, what treatment was received, any equipment that was involved, details of any witnesses, type of violence or aggressive behaviour experienced (if applicable), the name and signature of the person making the report as well as input from the Line Manager of the department.

12.16 These incidents are then logged onto the Authority's Microsoft Access system which will generate an individual ID number and will identify four keywords in order to identify any possible trends in similar occurrences. At the end of each quarter a report of all the Incidents/Accidents during that period will be issued to the Chief Executive for discussion at the Health and Safety Panel meeting.

12.17 Testing of three incidents from the past 12 months found that all forms had been completed adequately and logged in a timely manner. Furthermore, two of the incidents (846 and 857) were discussed in the Health and Safety panel as set out in the procedures. The panel meeting for incident 872 has yet to be conducted and is due to take place at the end of October.

12.18 At the time of the review there had been three incidents reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) at the Authority in the past 12 months. The processes for the reporting of these incidents were reviewed at the time of the audit and it can be confirmed that all actions were completed appropriately and within a timely manner. It was possible to view the whole process for incident identification number 855 including evidence that it was discussed in the following Health and Safety Panel meeting and the response from the HSE. For the other two incidents, the Authority was yet to receive a response from the HSE and the panel meeting was yet to be conducted.

12.19 The HSE recommended that all staff are reminded of the existence of the Lone Working Procedure. The action was delegated to each Line Manager by email and through discussion of the action plan on a one-to one basis.

12.20 Fire Action Plans are clearly visible within the reception area, to inform visitors on what action to take in the event of the fire alarm. Visitors are expected to congregate in the far corner of the Llanion site car park and this point is clearly signed as the designated refuge point. The walk around of the Llanion site identified that the names of the Fire Marshalls were not displayed across the building.

Recommendation: 11	**The names of the Authority's Fire Marshalls be made visible across the site.**
Priority 3	

12.21 It was noted that the Authority's Fire Marshall's had not been formally trained for the role and have just been allocated a list of tasks they must carry out in the event of a fire emergency. Further discussion identified that the Authority is looking to formally train the Fire Marshalls in the coming months.

Recommendation: 12	**The delegated members of staff be formally trained in order to execute their role as Fire Marshall effectively.**
Priority 2	

12.22 The Fire Safety Logbook was selected for testing during the review. It was confirmed that the weekly, six monthly and annual testing of the fire alarms is being carried out by the appropriate individuals. It can also be confirmed that Fire extinguisher servicing has been carried out on an annual basis by the fire equipment provider. Further, a plan of the Llanion site fire alarms in included within the log book.

12.23 It was noted that the Monthly Emergency lighting testing, the evacuation fire drill records and staff training sections of the logbook were yet to be filled. Further investigation found that emergency lighting testing was being carried out by the contractor on an annual basis and a record of staff training is maintained with the Building Project Manager. In relation to the evacuation drills it was identified that no records had been kept of any drills although the contractor had reported that a complete evacuation was carried out in March 2019 for a false alarm with no issues being identified. It was advised by the Building Project Manager that these controls were in place, but no documentation could be located to evidence this. It is essential that all tests are fully documented so that the National Park Authority has evidence of the tests in the event of an issue occurring.

Recommendation: 13	**The Fire Safety Logbook be completed appropriately to record monthly Emergency Lighting tests, six monthly Fire Drills, monthly Fire Extinguisher monitoring and staff training in relation to Fire Safety.**
Priority 1	

12.24 All visitors are required to sign on the designated visitors log sheet at reception upon arrival. It was identified that on the whole, these are being completed appropriately although there are some cases where the visitors have not signed out appropriately. The visitors log is used for each fire evacuation whether genuine or a drill to identify that all visitors are accounted for.

12.25 It can be confirmed that arrangements are in place for the regular specialist servicing of Fire Equipment, Legionella Testing, Air Conditioning filters, Passenger lifts, Automatic Doors, Rainwater harvesting system, Urinal controls, lighting protection, electrical installations, Portable Appliances Testing, Gas boilers, intruder/fire alarm systems and emergency lighting systems. It was confirmed that all certification is present within the site's Mechanical and Electrical servicing file. There were no issues identified.

12.26 The Authority recognises that some of its work activities may, unless properly controlled, create a risk to employees and others. The Authority will undertake an assessment of the risk when they are identified and on an annual basis thereafter in order to reduce these risks to the lowest level reasonably practicable. Consideration will be given to every foreseeable situation, including foreseeable emergencies. The risk assessments are retained on the intranet and are accessible to all staff.

12.27 Risk assessments will be reviewed and, if necessary, revised, if there is any of the following:

- Change in legislation;
- Any ongoing plans for improving precautions;
- Any significant change in the work carried out, the way it is carried out or the equipment/substances used;
- Anything learnt from an incident/accident/near miss to an employee, volunteer or visitor;
- Anything raised by workers;
- Any change relating to an individual worker e.g. return to work after surgery;
- Any other reason to suspect that the original assessment is no longer valid or could be improved;
- A significant change to the number or type of visitor;
- A change to the activities being offered to customers; and / or
- When re-submitted annually for registering.

12.28 Safety Risk Assessments were viewed for the Authority's Castell Henllys and Porthgain Harbour sites. The assessment identifies the main hazards to people within the area, a log of all previous risk assessments, information about known incidents, the different areas to be considered within the risk assessment, a map of the site, information relating to visitor numbers and activities, and the detailed risk assessment including photographs and action plans.

12.29 These reviews were carried out in 2019, with the next review scheduled for 2020.

12.30 The Authority's Workplace First Aid arrangements highlight how the Authority aims to prevent accidents and ill health through its systems and practices for safe working and health promotion.

12.31 The site based First Aiders are identified on posters on each floor of the Llanion site.

12.32 The arrangements state that each site has a number of properly identified and suitably stocked first aid boxes, which are required to be maintained by the nominated first aiders at the site. All boxes must be checked quarterly, reviewing the completeness of the contents, expiry dates and condition and taking relevant action. This check should be documented by means of a date and signature on a list that is kept with the box.

12.33 Testing of the site's First Aid boxes revealed that multiple items in the two first aid boxes had expired including the Cool Packs, Heat Packs, Plasters and various Dressings.

Recommendation: 14	**Ensure boxes are appropriately stocked and subject to regular audits as required by the policy.**
Priority 2	

12.34 It was noted that there was no record of checking or monitoring as stated in the Authority's First Aid arrangements to ensure that the First Aid boxes were appropriately maintained.

12.35 Checks of the Llanion site's multiple kitchens identified that there were no First Aid boxes kept within them. It was noted that the kitchen serving the meeting rooms of the office had a First Aid sign on a cupboard, no first aid box was present in this vicinity.

Recommendation: 15	**Ensure appropriate number of First aid boxes held in designated First Aid points.**
Priority 2	

12.36 In addition, it was observed that the emergency contact numbers poster was not fixed on the wall.

Recommendation: 16	**Ensure that the emergency contact telephone numbers are clearly displayed on the wall of the first aid room.**
Priority 3	

12.37 The systems used in the reporting and monitoring of incidents and the monitoring of the site's servicing arrangements are manual and require a great deal of intervention to prepare reports for management. For example, the Microsoft Access software for Incident logging does not provide an overall simple view of reported incidents. The level of manual processing of the information leaves the process open to error and the need for quality checking of each incident is time intensive. However, it should be noted that the software provided all of the required documentation at the time of the review.

12.38 The Health and Safety Policy states that Authority recognises that it has a responsibility to ensure the health, safety and welfare of all its employees and is committed to supporting continuous and sustainable improvement in the health and wellbeing of its employees. Failure to be proactive in addressing and preventing potential health and safety issues can lead to financial and reputational risks and these are captured in the risk register. Testing has highlighted areas of non-compliance with procedures and these need to be reflected in the risk register.

Operational Effectiveness Matter: 3	**The risk register be amended to reflect the areas of non-compliance identified by the audit review and the risk reviewed and amended as necessary.**

12.39 There is the potential for health, financial, legal and reputational impact arising from the effectiveness of Health and Safety management within the work of the Authority, in relation to staff and others affected by the Authority's activities.

System:	Rangers
Evaluation	Reasonable Assurance

13. The following matters were identified in reviewing the Key Risk Control Objective:

13.1 The Rangers unit is a department within Pembrokeshire Coast National Park Authority comprising the Ranger Service Manager and six permanent staff (four full time, two part time and additional support from three Summer Staff). All staff are salaried. The Permanent Rangers perform most of the annual work programme with the Summer Rangers engaging more within schools, public events and voluntary engagement. Rangers are geographically located throughout the Park in the North, West and South but are interchangeable when required.

13.2 There are four cost centres covering the Pathways Project, Castlemartin Ministry of Defence range, Ranger Services and Summer Rangers. Budgets have been set for the year to 31st March 2020 and monthly expenditure and commitment against budget was provided as at 31st August 2019. Grants have been received from both Natural Resources Wales (NRW) and the Ministry of Defence (MoD). Gross emoluments represent approximately 85% of the budget.

Budget 2019/20	Pathways Project	Castlemartin Ranger	Ranger Services	Summer Rangers	Total
Salaries NI And Pension	£46,344	£28,554	£183,315	£14,261	£272,474
Fuel	£1,400	£1,083	£6,551	£413	£9,447
Contract Hire	£5,532	£4,192	£5,020	£1,756	£16,500
Other	£8,279	£2,329	£14,051	£1,139	£25,798
Natural Resources Wales Grant		-£9,638			-£9,638
Other Grants		-£19,276			-£19,276
	£61,555	£7,244	£208,937	£17,569	£295,305.00

Fuel

13.3 The department runs two vans and four 4x4 vehicles which are allocated to individual officers. The Rangers record the fuel purchased on their weekly time and work record and are required to staple their fuel receipts to the sheet when they hand it in. After the work data has been entered, the sheets are passed to the admin assistant who checks the receipts against the invoices from the fuel card company. Once all the receipts on a fuel invoice are collected the admin assistant certifies the invoice, The Ranger Service Manager authorises the invoice, checks the receipts attached and the fuel invoice is passed to Finance for payment. The admin assistant initials the timesheet to show that she has dealt with the fuel purchase and then files it. Rangers are issued with All-star cards.

13.4 One exception to this system is when either of the North Rangers fill up from an Authority bulk fuel tank at one of the centres. This fuel is still logged on the timesheet as well as a record that is kept at the centre and the fuel is paid for via an internal transfer once or twice a year. The internal transfer notes the details of the fuel used so they can be reconciled against the Ranger's sheets. From the sample of 20 time and work records where petrol was detailed the admin assistant had correctly signed the details off as reconciled.

General Expenses

13.5 It was informed that the team very rarely claim any expenses as they use authority vehicles. If they were away, for example, on a course involving an overnight stay they might claim expenses for meals etc. The Ranger Service Manager informed us that there has not been a general expense claim in the last two years. In the event of a claim, the process would be that they fill out a standard authority claim form, attach their receipts which would be authorised. Finance hold all the expenses claims.

Purchases

13.6 Purchase order books are held in the admin office. Rangers generally raise an order over the phone or when they are with the supplier. The member of staff who raises the order signs it. The top copy is given/sent to the supplier if they require it and the second copy from the book is passed straight to Finance to be logged. When the invoice comes in the second copy is usually matched to the invoice by Finance, the order is certified by the person who raised the invoice or by the person who received the goods if they are different, and authorised for payment by the Ranger Service Manager.

13.7 Increasingly the department now uses purchase cards rather than purchase orders. The purchase card process requires an online reconciliation which has to be authorised by Finance and a paper based system which requires coding and receipts to be attached which is authorised the Ranger Service Manager.

Workflow Management

13.8 Rangers complete a weekly time and work record. This details hours worked, the nature of the work performed and any third party engagement. 15 competed forms were reviewed from 2019/20. As the forms are manually completed, it was noted a number of minor arithmetical errors in the hours recorded against the hours calculated.

Recommendation: 17	**Calculations on Time and Work record to be checked for accuracy prior to authorisation and payment.**
Priority 3	

13.9 There were also anomalies where half hour lunch breaks were included within daily totals in excess of six hours in five out of the 15 selected.

Operational Effectiveness Matter: 4	**All Rangers should be reminded that the mandatory half hour lunch break does not form part of the daily total hours worked.**

13.10 The weekly time and work record notes location, details of work, name of group or volunteer and is subdivided into work programme code, Volunteer, Social action, Social inclusion category, number of people engaged, location code and whether delivered in the medium of Welsh. Each day may be split between a number of activities. This data is then used to populate the Events database. Of the sample of 15 timesheets 10 were satisfactory with five having minor anomalies. However, it was noted that there is a possibility of double counting the number of rangers engaged in activities if the ranger completing the time and work record does not highlight that delivery was in conjunction with a fellow Ranger. In addition, when inputting details onto the Events database, educated judgements are made as to the number of participating third parties (e.g. 200 at the County Show W/C 12/8/2019). This number should in the first instance be provided by the Ranger present at the event. Furthermore, the review indicated that the time recorded was not allocated to the separate codes. Time and Work sheets should be completed in full to provide an accurate record of work undertaken.

Recommendation: 18	**Time and Work records be competed in full.**
Priority 2	

13.11 From discussion with both the Ranger Service Manager and the Events Database Administration Assistant there is an issue with the timeliness of receipt of time and work records. Time and Work Records should be returned monthly but there is a tendency to return on a monthly basis which has a knock on effect on data processing deadlines. Prepaid envelopes could be made available.

Recommendation: 19	**Rangers be reminded to provide time and work records on a weekly basis in order to meet processing deadlines.**
Priority 3	

13.12 The Events Database is in the process of being implemented. Management should ensure that procedural guidance is documented providing instructions on the use of the system once fully implemented.

Operational Effectiveness Matter: 5	**The Events Database Administrator be tasked with documenting procedures relating to the system when fully implemented to ensure business continuity in the event of extended absence or change in staffing.**

13.13 The organisation has been considering digital solutions to some of the issues and recommendations identified. There are multiple solutions to time management and recording workflows using portable devices. This could enable much of the data processing to be done in the field and by the Rangers themselves and would assist in the timeliness of data.

Operational Effectiveness Matter: 6	**Further consideration be given to digital solutions for Time and Work recording.**

Absence Management, Lone Working and Resources

13.14 The level of staff turnover and sickness has been low over the last two years with one Ranger leaving and a reliable pool of Summer Rangers in post. A lone worker policy is in place and workers are required to notify the department of locations and to confirm their return to base.

13.15 Sickness absence is reported to the Ranger Service Manager or other official if unavailable on the first day of sickness. This is recorded on both the weekly time and work record by the employee and the Ranger Service Manager completes a diary entry on Poblyparc the organisations HR system. Self-certification reminders are generated via email to the employee.

13.16 Five periods of sickness recorded on the HR system were reviewed. In one instance there was a discrepancy between the HR record and the information recorded on the weekly report, when one staff member was recorded as sick on Poblyparc for six days but the Time and Work record recorded five days absence. This appears to be an administrative oversight.

13.17 From a resource perspective where there have been periods of sickness it was advised that working programmes have been achieved through redeployment of existing resources to fill short term requirements.

System:	Follow Up

14. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Summary of the action taken on Recommendations made

Evaluation	Number of Recommendations
Implemented	**3**
In Process of Being Implemented	**7**
Revised Target Date	**-**
Considered but not Implemented	**-**
No Longer Applicable	**-**
Not Implemented	**-**

15. The key issues identified are that:

- Three of the ten recommendations have been fully implemented. However, no updates were provided for four of the remaining seven recommendations, these will be reviewed again during the next scheduled Follow Up.
- Alternative Cash Collection procedures will be discussed within the next Commercial Group meeting in November.

16. Management representations were obtained on the action taken to address the recommendations. Only limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented.

17 **System: Block 1 – 2018/19**

From the review of the documentation and checks carried out the assessment is:			
Implemented	**3**	**Considered but not Implemented**	**-**
In Process of Being Implemented	**4**	**No Longer Applicable**	**-**
Revised Target Date	**-**	**Not Implemented**	**-**

Audit title	**Risk Management**	**Audit year**	2018/19	**Priority**	**2**
Recommendation	The Authority should recognise risk at an inherent level and align this analysis with its business plan to ensure that all stakeholders recognise the risks which are critical to the Authority's success.				
Initial management response	We will investigate the practicality of incorporating this suggestion into departmental business plans				
Responsible Officer/s	Finance Manager	**Original implementation date**	31/03/2019	**Revised implementation date(s)**	N/A
Latest Update	The Finance Manager stated that the Authority is still investigating the practicality of implementing this recommendation.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**Outstanding**		

Audit title	**Department Review - Castell Henllys**	**Audit year**	2018/19	**Priority**	**3**
Recommendation	We recommend that the Authority prepare a specific business plan for the future use and development of Castell Henllys which acknowledges the relevance of the site for tourism and educational purposes.				
Initial management response	Propose that we create a new 'tourism service plan' to cover key aspects of our work (capturing key objectives for my team as well as the work of others e.g. Direction and Comms) – this will help in capturing our collective aspirations for tourism delivery as an organisation which, in turn, will feed into the corporate plan/performance management/ffynnon, framework etc as well as the work of the Destination Pembrokeshire Partnership (DPP). We create a new business plan template to manage the organisation's aspirations for each of our key visitor attractions (e.g. Carew Castle, Castell Henllys and Oriel y Parc) – the three individual business plans will form a 'cornerstone' of the above 'tourism service plan'				
Responsible Officer/s	Director of Countryside, Community and Visitor Services	**Original implementation date**	30/04/2019	**Revised implementation date(s)**	N/A
Latest Update	No update was provided at the time of the review, so the recommendation will remain as Outstanding until the following Follow Up review.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**Outstanding**		

Audit title	**Department Review - Castell Henllys**	**Audit year**	2018/19	**Priority**	**3**
Recommendation	Consideration be given to the potential for marketing and use of the site through engagement with like-minded partners.				
Initial management response	Somewhat unsure what is implied by this recommendation. However, the Authority is currently undertaking a review of its approach to interpretation across the whole National Park. The outcome of this work will be a dedicated PCNPA Interpretation Plan for both North Pembrokeshire and South Pembrokeshire, The plan for North Pembrokeshire will highlight where there are shared interests between PCNPA any key bodies and local communities that can be maximised to enhance both the shared marketing and use of the Castell Henllys site by external partner agencies and community groups.				
Responsible Officer/s	Visitor Services Manager (North Pembrokeshire)	**Original implementation date**	30/09/2019	**Revised implementation date(s)**	N/A
Latest Update	No update was provided at the time of the review, so the recommendation will remain as Outstanding until the following Follow Up review.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**Outstanding**		

Audit title	**Department Review - Castell Henllys**	**Audit year**	2018/19	**Priority**	**3**
Recommendation	The Authority should consider whether alternative secure and efficient cash collection procedures are available which would also allow staff to remain on site during opening hours.				
Initial management response	It is suggested that the Finance Manager, in conjunction with the Commercial Group, review our present banking arrangements for all of the Authority's visitor sites. An initial response is required to address the specific issues highlighted by the audit report and, moving forward, there may be opportunities for further service improvements by moving to an online banking system (to support the organisation's 'paperless' aspirations).				
Responsible Officer/s	Finance Manager	**Original implementation date**	30/04/2019	**Revised implementation date(s)**	N/A
Latest Update	This recommendation will be discussed with the Authority's Commercial Group in November 2019.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**Outstanding**		

18 **System: Block 2 – 2018/19**

From the review of the documentation and checks carried out the assessment is:			
Implemented	**-**	**Considered but not Implemented**	**-**
In Process of Being Implemented	**3**	**No Longer Applicable**	**-**
Revised Target Date	**-**	**Not Implemented**	**-**

Audit title	**Department Review - Carew Castle**	**Audit year**	2018/19	**Priority**	**2**
Recommendation	A formal business plan should be established to establish the longer term objectives for Carew Castle and provide a costed approach to the potential development of the visitor attraction. The plan should then be supported by an annual operational plan by considering development of the current team plan to reflect an annual initiatives and operational targets that will assist budget planning and monitoring of progress.				
Initial management response	A new business plan for Carew Castle and Tidal Mill is due to be produced this year (2019), which will address all the recommendations.				
Responsible Officer/s	Visitor Services Manager South Pembrokeshire	**Original implementation date**	31/12/2019	**Revised implementation date(s)**	N/A
Latest Update	No update was provided at the time of the review, so the recommendation will remain as Outstanding until the following Follow Up review.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**Outstanding**		

Audit title	**Exchequer Accounting Software**	**Audit year**	2018/19	**Priority**	**3**
Recommendation	The Authority should consider implementing upgrades to the current version of the software in order to ensure appropriate functionality and security is maintained.				
Initial management response	In liaison the Authority's IT department, the Software providers have been contacted to arrange a date for the appropriate upgrades. The upgrade is scheduled forfor7th May.				
Responsible Officer/s	Finance Manager	**Original implementation date**	31/05/2019	**Revised implementation date(s)**	N/A
Latest Update	The Finance Manager stated that the implementation of upgrades to the current version of the software has begun although the Authority have identified that the Server is not up to the appropriate specification in order to complete the task. The Finance Manager stated that they are looking to resolve this issue by the end of the financial year.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**Outstanding**	Implementation is in progress but the original target date has not been met.	

Audit title	**Department Review - Carew Castle**	**Audit year**	2018/19	**Priority**	**3**
Recommendation	Consider introducing a maximum onsite cash holding to reduce potential for security incidents that may threaten staff safety				
Initial management response	We will review our procedures and schedule banking appropriately at peak times to reduce the amount of cash held on site or being moved by staff.				
Responsible Officer/s	Visitor Services Manager South Pembrokeshire	**Original implementation date**	31/07/2019	**Revised implementation date(s)**	
Latest Update	No update was provided at the time of the review, so the recommendation will remain as Outstanding until the following Follow Up review.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**Outstanding**		

System:	Fleet Management Follow Up

19. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Summary of the action taken on Recommendations made

Evaluation	Number of Recommendations
Implemented	**8**
In Process of Being Implemented	**6**
Revised Target Date	**-**
Considered but not Implemented	**-**
No Longer Applicable	**-**
Not Implemented	**4**

20. The key issues identified are that:

- Eight of the eighteen recommendations have been fully implemented.
- Four recommendations have not been implemented as follows:
  - The vehicle acquisition method has not been changed due to the varied nature and uncertainty of the Authority's funding year on year it would not be possible to provide the Authority with fixed budgeting that includes all acquisition, servicing, maintenance and depreciation costs within the lease rental;
  - The Authority has decided not to appoint an accident management provider as the volume of accidents;
  - The Authority has decided not to charge an excess to drivers involved in accidents and will continue to assess on a case by case basis; and
  - The Authority has decided that it is not appropriate to implement a co-ordinated training programme for all drivers.

In each of the above cases, the Authority has chosen not to implement the recommendation and will therefore tolerate the risks.

21. Management representations were obtained on the action taken to address the recommendations. Only limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented.

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Change the vehicle acquisition method to leasing and provide PCNPA with fixed budgeting that includes all acquisition, servicing, maintenance and depreciation costs within the lease rental.				
Initial management response	Whilst all recent acquisitions have been via lease agreements, the ongoing uncertainty around year on year government funding requires the Authority to make the best financial judgement at the time of acquisition.				
Responsible Officer/s	Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	The Business Improvement Manager stated that due to the varied nature and uncertainty of PCNPA's funding year on year it would not be possible to implement this recommendation. Currently the Authority is making decisions relating to Fleet management according to the best financial judgement at the time of the acquisition.				
New implementation date	N/A	**Status**	**Not implemented**	The recommendation is now closed and will not reappear on future follow ups.	

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Appoint a Fleet Management company to provide ongoing fleet expertise and management to PCNPA				
Initial management response	Logical Vehicle Management (LVH) Ltd appointed as the Fleet Management Services Provider to the Authority in April 2019.				
Responsible Officer/s	Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	As previously stated LVH Ltd has been appointed as the Fleet Management Service provider and is currently overseeing the Authority's procurement processes. The Business Improvement Manager stated that both organisations are currently in discussions regarding the level of service provided, and a draft of the amended service level agreement is currently with LVH ltd. Status as at Dec 2019. Service levels, responsibilities and processes agreed with LVH Ltd Nov 2019, staff consultation on associated Authority policies and procedures completed Dec 2019, pending Leadership Team review and approval. It is anticipated that LVH Ltd will assume full scope of agreed operational duties following approval and publication of the policies and procedures – expected Feb 2020.				

New implementation date	*Feb 2020.*	**Status**	**In Process of Being Implemented**		
Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Review and approve the draft Company Vehicle policy document and then update all existing fleet policy documents to provide consistency. Ensure the updated documents are communicated and stored centrally for ease of access, for example in Parcnet under a new 'Fleet Vehicles' heading				
Initial management response	A Fleet Management Policy has been prepared and a corresponding Fleet Management Procedure has been drafted and is currently under review by Logical Vehicle Management Ltd. Elements of the draft provided by Logical have been included in to the documents. Once the documents have completed the Authority review and approval process they will be published on Parcnet (Authority's Intranet).				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	The Business Improvement Manager expects this recommendation to be implemented by early 2020. The Authority is currently awaiting approval from LVH Ltd and from there it will undergo the Authority's review and approval process. Status as at Dec 2019. Service levels, responsibilities and processes agreed with LVH Ltd Nov 2019, staff consultation on associated Authority policies and procedures completed Dec 2019, pending Leadership Team review and approval prior to publication which is expected Feb 2020.				
New implementation date	*To be confirmed by client for final report. Feb 2020*	**Status**	**In Process of Being Implemented**		

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Explore the benefits of appointing an accident management provider				
Initial management response	The process continues to be managed in house.				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	As stated in the initial management response, PNCPA have decided not to implement this recommendation as they do not have enough accidents to warrant appointing an accident management provider.				

New implementation date	N/A	**Status**	**Not implemented**	The recommendation is now closed and will not reappear on future follow ups

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	With a relatively high incident rate PCNPA should consider introducing an excess to be paid by drivers involved in accidents				
Initial management response	Incidents will continue to be reviewed on a case by case basis.				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	The Authority has decided not to implement this recommendation. The Business improvement Manager stated that over the past three years there have been an average of 11 incidents per year, many of these incidents relating to windscreen stone chips. They went on to state that due to the nature of the Authority's work, there are going to be some incidents both on the road and off road and it has been decided that continuing to review incident on a case by case basis is the most effective way of operating.				
New implementation date	N/A	**Status**	**Not implemented**	The recommendation is now closed and will not reappear on future follow ups	

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Plan a coordinated driver training programme for all PCNPA drivers (including pool car, grey fleet and hire vehicle drivers)				
Initial management response	Anecdotal evidence does not suggest a training programme is warranted.				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	
Latest Update	The authority disagree with this recommendation and have decided not to implement it.				
New implementation date	N/A	**Status**	**Not implemented**	The recommendation is now closed and will not reappear on future follow ups.	

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Link the key driving risk areas together to establish who the high risk drivers are and implement a risk based action plan specifically for this population.				
Initial management response	2nd Phase				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	The Authority agree with this recommendation and are currently in the process of developing a risk based action plan for driving risks. Update Dec 2019: The Authority will work with LVH Ltd to develop a risk based action plan once LVH Ltd have assumed operational responsibilities for fleet management.				
New implementation date	*April 2020*	**Status**	**In Process of Being Implemented**		

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Re-instigate discussions with Pembrokeshire County Council (PCC) with a view to start using their maintenance / inspection solution for the owned vehicles and trailers				
Initial management response	2nd Phase. Pending a review of the proposed Fleet Management procedure by Logical Vehicle Management Ltd to clarify and agree their responsibilities.				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	As previously mentioned the Authority are in discussions with Logical Vehicle Management Ltd over the service arrangements provided. It was noted that if an agreement cannot be made with LVM then discussions will be held with the Council with a view to start using their maintenance/inspection solution. Update Dec 2019: Agreement has been made with LVH Ltd for service arrangement which will become operational in February 2020 – performance against service levels will be monitored and discussions with Pembrokeshire County Council instigated should unresolvable issues become untenable.				
New implementation date	*To be confirmed by client for final report N/A*	**Status**	**In Process of Being Implemented** **Not Implemented**	The recommendation is now closed and will not reappear on future follow ups	

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	**N/A**
Recommendation	Conduct further analysis to decide if the pool cars make financial sense to PCNPA				
Initial management response	2nd Phase				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**		**Revised implementation date(s)**	N/A
Latest Update	PNCPA agree with this recommendation and are currently in the process of analysing the use of the pool cars to decide if they make financial sense to the PCNPA. The Business improvement Manager stated that they already hold the data in regards to the mileage of the cars and reasons for travel so it makes sense to make use of this information. Update Dec 2019 – an analysis of pool car utilisation has been undertaken which indicates that the number of pool cars maintained by the authority is appropriate and spread of staff use across the authority suggests the provision of pool cars makes financial sense.				
New implementation date	*To be confirmed by client for final report.* *Dec 2019*	**Status**	**In Process of Being Implemented** **Completed**		

Audit title	**Fleet Management**	**Audit year**	2017/18	**Priority**	N/A
Recommendation	Explore the financial and Health & Safety benefits that could be realised through installing telematics units in all PCNPA vehicles.				
Initial management response	2nd Phase				
Responsible Officer/s	Not Stated Debbi Church	**Original implementation date**	N/A	**Revised implementation date(s)**	N/A
Latest Update	The Authority agree with this recommendation and are currently in the process of implementing it. Update Dec 2019 – a proposal to purchase and install Dash Cams across the Authority Fleet has been prepared, funding for which will be applied for when additional funding becomes available from the Welsh Government. Dates for the next allocation are unknown therefore an implementation date cannot be given.				
New implementation date	*To be confirmed by client for final report.*	**Status**	**In Process of Being Implemented**		
