REPORT OF THE INTERNAL AUDITOR

SUBJECT: INTERNAL AUDIT REPORT

Internal Audit reports are presented in respect of:
- Countryside Management – Coast Path;
- Information & Cyber Security and Data Protection (to be taken in private session);
- Annual Report 2023/24;
- Draft Strategy Update for Internal Audit 2024/25 – 2026/27.

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

(For further information, please contact Tegryn Jones, tegrynj@pembrokeshirecoast.org.uk)

ASTARI

Pembrokeshire Coast National Park Authority

Countryside Management - Coast Path

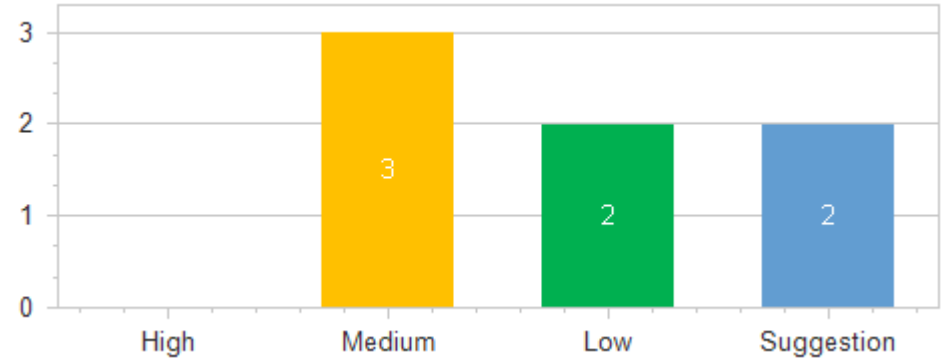**Internal Audit Report: PCNPA-2023/24-06**

Date: 27 June 2024

1. EXECUTIVE SUMMARY
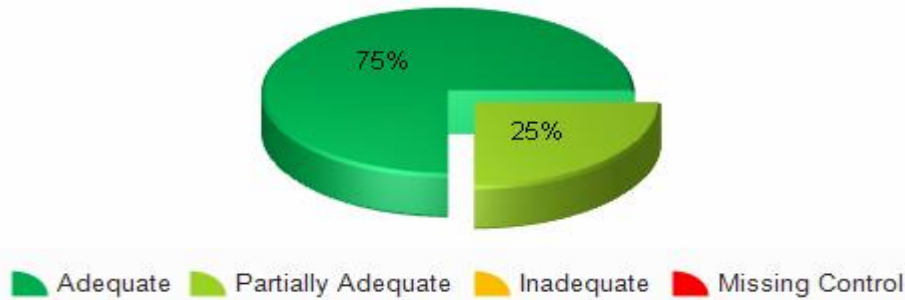
Level of Assurance

Number & Priority of Recommendations / Suggestions


Conclusion:	The National Park Authority can take *reasonable* assurance that the coast path is managed in line with relevant standards to proactively prevent incidents occurring and where risks are identified, they are acted upon and appropriately mitigated within a timely manner. However, some control improvements are required to help ensure the continuous and effective mitigation of the risks in this area.

Assessment of Control Design

Assessment of Control Application / Compliance
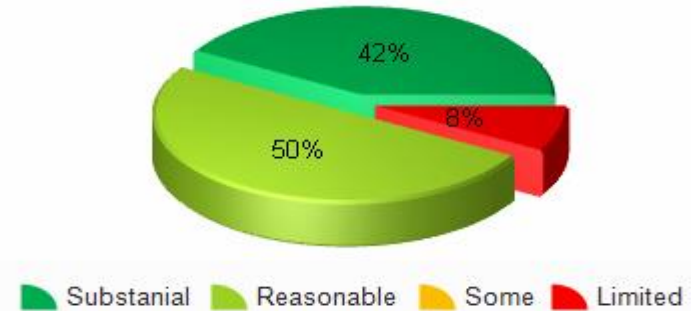
Summary of findings

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

- An overarching Pembrokeshire Coast Path Management Strategy was in place, developed in 2000 in consultation with stakeholders, and included five key objectives for maintenance of the coast path Pembrokeshire Coast Path National Trail. There was limited measurable outcomes defined to promote effective measurement of success against the strategy and there was limited evidence available to suggest that the strategy had been reviewed since implementation, although we could see its objectives were referenced within procedural documentation in place to promote compliance with it.

- A Coast Path Safety Statement document defined the Authority's approach to complying with its overarching strategy and Natural Resources Wales (NRW) requirements. To support this document, a Coast Path Risk Assessment Method document provided more detailed guidance on the approach to assessing and managing the path.

- Review of the guidance documents noted above and others available to staff indicated that key roles and responsibilities and remedial work arrangements were not formally defined and centrally stored for business continuity, to promote consistency and staff awareness in the application of the expected procedures.

- An annual survey of the coast path was required in line with the Authority's Safety Statement. Our review indicated that 72% of the path was formally inspected in 2022/23 financial year and 71% in 2023/24. There was limited formal tracking of the programme of the surveys and no performance reporting in place to ensure that they were undertaken in line with expectations and in a timely manner.

- We were advised that informal inspections were undertaken of the whole coast path by various team members throughout the year for additional hazard identification.

- There were no target timescales for any of the five priorities (Critical, Urgent, High, Medium, Low) of remedial work formally defined or set in the job management system. We noted that not all remedial work was likely to be recorded on the system, as Critical work was undertaken as a priority and not always retrospectively recorded in the system when complete.

- We obtained a live report of coast path maintenance jobs and noted that since 1 March 2022, 273 (30%) jobs had been completed and that 641 jobs were open. Data provided indicated that 553 jobs, comprising three "Critical", 64 "High", 313 "Medium" and 173 "Low" priority jobs, were raised and open since 2022. We queried the status of Critical and High priority jobs open with countryside Managers and noted that some jobs, including all ten outstanding Critical priority jobs on the system (seven from 2023) had been inaccurately prioritised and some had been completed but not closed. This prevented a clear picture of the status of actions and the overall maintenance status of the Path.

- Testing also identified issues with visibility of all jobs outstanding for the Countryside Managers to plan and complete, increasing the risk of jobs being overlooked and not addressed within a timely manner.

- Through review of the coast path cutting job data available for 2023 to date, we noted that of the 464 cutting jobs raised (which included multiple cuts for a percentage of locations based on risk and need) 87% of jobs were completed. 62 (13%) jobs were still open on the system from summer 2023 cutting programme indicating that enhanced quality checks over performance and data would likely be beneficial for internal assurance purposes.

- We confirmed that there was timely communication of any emerging risks or changes to the coast path route to stakeholders to help manage expectations, raise awareness of hazards and help minimise risk exposure. This was done in a variety of ways, including: on the path and through publications, including the annual Coast to Coast publication; and information included the Coast Path Safety Code including advice for visitors of the park.

- Our review indicated that internal (2nd line) assurance processes could be strengthened over the completion of coast path surveys in line with expectations, timeliness and quality of remedial work and quality of data relied on for business decisions. There was scope to enhance utilisation of reports out of key systems to enable increased management oversight of performance.

- PCNPA reported compliance with the Quality Standards for National Trails and the Wales Coast Path to Natural Resources Wales (NRW) on an annual basis and received quality checks of works completed. Feedback obtained from NRW as part of the review was positive and no concerns had been raised in how the Authority managed risks associated with the coast path.

- Regular networking and close working relationships were harboured by the National Trail Officer with external partners and other trail officers to share good practice and insight.

- Throughout the review, and interviews with various members of staff, we confirmed that there were clear lines of reporting to the National Trail Officer (NTO) to ensure that they were advised within a timely manner of any issues on the trail. We also saw evidence of any issues identified by Wardens and Countryside Managers being actioned accordingly.

- A review of the incident, accident and near miss log since 1 January 2021 noted that there was very little record of any incidents occurring on the path due to unsafe conditions. Since our fieldwork, reports were forwarded by RNLI and Coastguard to promote effective oversight by the Authority.

- We confirmed that regular reporting on satisfaction with the coast path, complaints and performance in completing cutting programme and remedial jobs was reported regularly to Audit and Corporate Services Committee and Operational Review Committee; although an opportunity to strengthen performance reporting was noted for a better understanding of performance against expectations.

- We confirmed that there was monthly monitoring of budget vs expenditure to promote utilisation of the budget available to manage the coast path from Natural Resources Wales, with no significant issues noted. Findings of the review indicated that strengthening quality assurance processes over the coast path job data to help with business decisions and budget prioritisation would likely be beneficial.

2. BACKGROUND AND SCOPE

2.1. Objectives and risks

Client's objective:	The coast path is managed in line with expectations and that key risks are being identified and appropriately mitigated / managed.
Risk:	Risk 9 – Risk of injury following an incident.
Engagement objective:	To provide assurance that the coast path is managed in line with relevant standards to proactively prevent incidents occurring and where risks are identified, they are acted upon and appropriately mitigated within a timely manner.

2.2. Background to the Engagement

An audit of Countryside Management - Coast Path was undertaken as part of the approved internal audit periodic plan for 2023/24.

The following areas were agreed to be included within this review:

Areas within scope:	Policies, procedures and other supporting guidance, including definition of roles and responsibilities.
	Planned programmes of work and surveys, focusing on the coast path, including the delivery of those plans.
	Reactive maintenance work, including reporting, prioritisation and oversight.
	A high level review of proactive work undertaken to mitigate risks impacting the safety of the coast path.
	Internal (2nd line) and external (3rd line) assurance processes in place, including quality and timeliness of works completed.
	Management and National Park Authority/sub-committee reporting and oversight.
Performance measures considered in assignment planning:	Compliance with national framework standards for coast path.
	Compliance with internal policies and procedures.
	Delivery of planned programme of work against target for 2022/23 and 2023/24 to date.
	Timeliness of reactive works arising being completed.

2.3. Limitations to the scope of the review

- Testing was undertaken on a sample basis only and the level of testing completed may have been limited by the time available to us. Where this was the case, this will be clearly reported in this report.
- Given the scope of the type of property and work undertaken by the Countryside Management department and limited time available for the review, this review focused on management of the coast path.
- We are not providing absolute assurance that all risks associated with the coast path are being managed but that there are effective controls in place to help identify, assess and manage risk.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

2.4. Key dates & personnel involved:

Debrief Meeting:	7 March 2024	**Auditor:**	Ceri Kwiecinski, Risk Assurance Manager
Draft Report Issued:	3 April 2024	**Client Sponsor:**	James Parkin, Director (Nature Recovery & Tourism)
Initial Responses Received: **Final Responses Received:**	26 April 2024 21 June 2024	**Distribution:**	Michelle Webber, Head of Nature Recovery Tegryn Jones, Chief Executive

3.   ACTION PLAN

Priority:	● = Low	■ = Medium	▲ = High

Ref.	Summary of Finding	Risk	Recommendation	Priority	Agreed Action	Responsible Person & Date for Implementation
R1	The Pembrokeshire Coast Path Management Strategy had been developed in 2000 and included five key objectives for the maintenance of the coast path. There was limited evidence available to suggest that it had been reviewed since implementation but we could see its objectives were referenced within procedural documentation in place to promote compliance with it. The objectives within the strategy however were not SMART (Specific, Measurable, Achiebable, Relevent and Timely) and therefore prevented effective measurement of success against the strategy.	Lack of formal review since its establishment may increase the risk that it no longer fully aligns with priorities of the Authority and requirements of relevant governing bodies.	Given the length of time since its establishment, the Pembrokeshire Coast Path Management Strategy should be reviewed to ensure that it is still reflects the key priorities and requirements of the Authority in its management of the coast path. Objectives set in the strategy should be SMART or PACT (purposeful, actionable, continuous and trackable) to enable effective oversight of delivery against them. Following review, the strategy should be approved at an appropriate level and performance against its delivery regularly reported against.	■	1) To commission an externally led (i.e. objective) review of the Pembrokeshire Coast Path Management Strategy to be completed by March 2025 (subject to the availability of funding). 2) To establish an internal Coast Path Working Group to take forward the complete suite of issues/actions highlighted within the Audit Report in May 2024.	**Responsible Person:** Director of Nature Recovery (James Parkin) **Date:** 31 March 2025

Ref.	Summary of Finding	Risk	Recommendation	Priority	Agreed Action	Responsible Person & Date for Implementation
R2	Our testing of remedial and grass / vegetation cutting jobs for coast path management indicated that the accuracy of the priority of jobs, as well as status of jobs, were not wholly accurate, affecting reliability of information for business decisions and assurance purposes. We also identified during our review that not all outstanding jobs were visible to the Countryside Managers to ensure that works were planned in and addressed within a timely manner. There were also no formal timescales defined for the priority of each job for consistency and oversight.	Remedial work may be missed and works not addressed within a timely manner, resulting in increased exposure of legal challnege and reputational damage.	A review of the robustness of the current coast path remedial work arrangements should be undertaken to promote consistency in raising jobs and reliable data to be available for planning works and oversight of performance. This should include: ▪ Timely quality assurance processes to be implemented over the accuracy of job priority categorisation and status; and ▪ Investigate lack of visibility of all remedial jobs outstanding on system by relevant Countryside Managers responsible for facilitating and overseeing completion of work. Consideration should also be given to formally defining target timescales for addressing each priority remedial job, and integrate this into the system, to help promote management oversight and enable use of automatic system controls to flag up overdue works.	🟧	1) Internal Coast Path Working Group to review remedial work arrangements with a specific focus on amalgamating all data from various systems (CAMS, JMS, verbal reporting, etc) into one definitive data set if practicable. Complete by December 2024. 2) This will also require updating quality assurance processes, creating clearer job priority categories and adopting more 'automation' to prioritise and 'flag-up' incomplete work/tasks.	**Responsible Person:** National Trail Officer (Theresa Nolan) **Date:** 28 February 2025 (in readiness for the 2025 cutting season).

Ref.	Summary of Finding	Risk	Recommendation	Priority	Agreed Action	Responsible Person & Date for Implementation
R3	At the time of the review there was limited reporting out of the Countryside Access Management System (CAMS) to enable efficient monitoring of the completion annual coast path surveys, in line with quality standards. Testing of the formal surveys, conducted by the National Trail Officer, indicated that 72% were on file for 2022/23 and 71% 2023/24. There was no efficient method of identifying areas that had not been inspected in some time for prioritisation. CAMS was only maintained formally on an annual basis in relation to the status of remedial works, increasing the risk that there was no single point of truth with up to date information relating to the safety of the coast path and its components/furniture.	Lack of internal assurance processes in place may result in non-compliance with internal policy, potential risks not being identified and addressed in line with expectations.	Internal (2nd line) assurance processes over compliance with expected risk management arrangements, including surveys and coast path remedial work performance should be strengthened. The ability to obtain management reports out of CAMS to promote effective oversight should be investigated to enable efficient identification of last coast path survey dates to help prioritisation the next year. Consideration should also be given to maintaining remedial work statuses on the CAMS system on a more frequent basis to validate that risks identified and remedial work arising have been addressed in line with expectations. This would also help promote a single point of truth in CAMS on the safety and performance in managing performance of the coast path.	🟧	Internal Coast Path Working Group to agree annual inspection regime (i.e. date for combined winter and summer inspections to be complete). Inspection regime timetable to be agreed by July 2024 and enshrined in quality assurance processes.	**Responsible Person:** National Trail Officer (Theresa Nolan) **Date:** 31 July 2024

Ref.	Summary of Finding	Risk	ecommendation	Priority	Agreed Action	Responsible Person & Date for Implementation
R4	Review of procedural guidance available to staff indicated that key roles and responsibilities and remedial work arrangements for the management of risks on the coast path, including quality assurance processes, were not formally defined and centrally stored for business continuity, to promote consistency and staff awareness in the application of the expected procedures. Findings of our review indicated inconsistencies in how jobs were raised and treated by various teams and a lack of central guidance available on expectations.	Lack of comprehensive procedural guidance to staff may result in work not being undertaken in line with expectations, risk to stakeholders and reputational damage.	Procedural guidance relating to the management of risks on the coast path should be reviewed and enhanced to provide clarity over expectations and promote business continuity. Key considerations to include: ▪ Roles and responsibilities; ▪ Remedial work arrangements, including priorities and target timescales; ▪ Oversight of performance; and ▪ Quality assurance processes including the retention of photographic evidence of works completed.	🟢	1) Internal Coast Path Working Group to agree roles and responsibilities, improved quality assurance systems and develop centralised guidance in delivering identified work tasks. 2) Internal Coast Path Working Group to agree suite of KPIs and best mechanism for ensuring oversight of performance (with links to the existing performane management system and NPA scrutiny committes).	**Responsible Person:** Head of Nature Recovery **Date:** 30 September 2024
R5	At the time of our review performance reporting on the number of coast path cutting and remedial jobs was undertaken regularly to the Operational Review Committee but no reference was made to how many jobs were required / outstanding. No performance reporting was undertaken on the annual coast path survey programme and the findings of our review indicated	Insufficient performance reporting to committee may result in poor performance not being identified and appropriately challenged.	Performance reporting metrics to NPA / sub-committees should be reviewed for coast path risk management to enable members to discharge their duties appropriately and understand performance in greater detail. In doing so, particular consideration to reporting on actual performance against target / expectations should be provided rather than just the	🟢	Internal Coast Path Working Group to agree performance reporting metrics.	**Responsible Person:** Head of Nature Recovery **Date:** 31 July 2024

that performance in this area was not fully visible at present.		number of jobs completed and whether performance reporting on the annual survey programme is implemented.	

Suggestions in line with good practice or processes seen in other organisations			
Ref.	Finding	Suggestion	Management Response
S1	The Authority's current approach was to undertake formal annual surveys of the coast path but testing identified that 72% of it was inspected in 2022/23 and 71% in 2023/24. Similar inspection regimes at other clients have adopted a risk-based priority approach to help promote resource management and prioritise higher risk locations.	The Authority may find it beneficial to implement a risk-based frequency of surveys of the coast path, based on its risk assessment of locations, to maximise resources avilable and acheive the most value from the survey programme. For example, inspecting the "Honey Pots" on a more frequent basis to those less used parts of the path. Alternatively, consideration could be given to providing training to Wardens already on the path daily to undertake certain inspections.	We either need to deliver on the annual inspection target (i.e. to have 100% of the network inspected and assessed) in-line with the Coast Path Safety Statement or, if not, move to a more risk based approach (as identified by Astari). I will request that the Authority's Health and Safety Project Officer, Arfon Fry, reviews our current approach and advises on the best course of action via the Internal Coast Path Working Group.
S2	Photographic evidence was required to be captured on the completion of remedial jobs but this was not always consistently applied. No significant gaps were noted in our testing but feedback from staff interviewed was that more control over this requirement would be beneficial.	It may be beneficial to create a mandatory field within the Workforce app to ensure photographic evidence was obtained prior to and on completion of all remedial work to promote consistency and enable effective quality assurance checks to be completed.	Providing photographic evidence of completed works needs to form part of our standard operating procedures. As a result, I will ask the Head of Nature Recovery, Michelle Webber, to update the associated SOPs which should be relatively straightforward as the Authority has recently invested in improved mobile devices (e.g. phones, tough-books, etc) to assist Wardens in providing photographic evidence.

Pembrokeshire Coast National Park Authority

Internal Audit Annual Report

Contents

EXECUTIVE SUMMARY

Background

The purpose of this report is to present the results of our internal audit work for Pembrokeshire Coast National Park Authority's system of governance, risk management and control. This report forms part of the framework designed to inform the Statement on Internal Control / Governance Statement and is therefore a key part of Pembrokeshire Coast National Park Authority's assurance cycle. The outcomes of this report should be used to inform and update the organisation's risk profile; however, there are a number of other important sources to which the Audit & Corporate Services Review Committee should look for assurance.

This report does not supplant the Audit & Corporate Services Review Committee's responsibility for forming its own view on governance, risk management and control.

Scope

Our findings are based on the Internal Audit work performed as set out in the Internal Audit Strategy / Annual Plan approved by the Audit & Corporate Services Review Committee on 12 July 2023 and subsequently by the National Park Authority on 26 July 2023; subject to the following amendments:

- The audit of Estates Management was amended into a Countryside Management audit as a result of enhanced understanding of the risks in that area.

In addition, the following have also been taken into account in arriving at our opinion:

- The results of follow up action undertaken in respect of audits from previous years;
- The acceptance of recommendations by management;
- The effects of any material changes in the organisation's objectives or activities;
- Matters arising from previous reports or other assurance providers to the Audit & Corporate Services Review Committee and/or Authority;

- Whether or not any limitations have been placed on the scope of internal audit; and
- Whether there have been any resource constraints imposed upon us which may have affected our ability to meet the full internal audit needs of the organisation.

In giving our opinion it should be noted that assurance can never be absolute; the most that the internal audit service can provide to the Authority is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

Internal Audit Assurance Statement

The annual Head of Internal Audit opinion is provided to Pembrokeshire Coast National Park Authority by Astari Limited. We are satisfied that sufficient internal audit work has been undertaken during 2023/24 to enable us to draw a reasonable conclusion on the adequacy and effectiveness of Pembrokeshire Coast National Park Authority's governance, risk management and internal control arrangements. For the 12 months ended 31 March 2024, based on the work we have undertaken and subject to the areas for improvement identified in our internal audit reports, our opinion is that the organisation has adequate and effective governance and risk management arrangements. Our work identified improvements required to a range of areas of internal control, providing Reasonable assurance in five areas and Some assurance in relation to Information & Cyber-security, where further work was required to ensure that the Authority had adequate and effective internal controls in place.

Conflicts of Interest

We have not undertaken any work or activity during 2023/24 that would lead us to declare any conflict of interests.

SUMMARY OF WORK UNDERTAKEN

We completed eight reviews at Pembrokeshire Coast National Park Authority during 2023/24. Of these, six were assurance reviews and two advisory reviews were undertaken in the areas of Risk Maturity and Value for Money. Our Follow Up review indicated that Reasonable progress had been made in implementing recommendations. The outcomes of these reviews are summarised below and more detail is provided in our Assurance Map in Appendix A on page 7.

All of the recommendations made during the year were accepted by management.

Assurance Provided Compared to Previous Year

2022/23 Assurance:

50%
33%
17%
0%

2023/24 Assurance:

11%
56%
11%
22%

■ Substantial ■ Reasonable ■ Some ■ Limited ■ Advisory
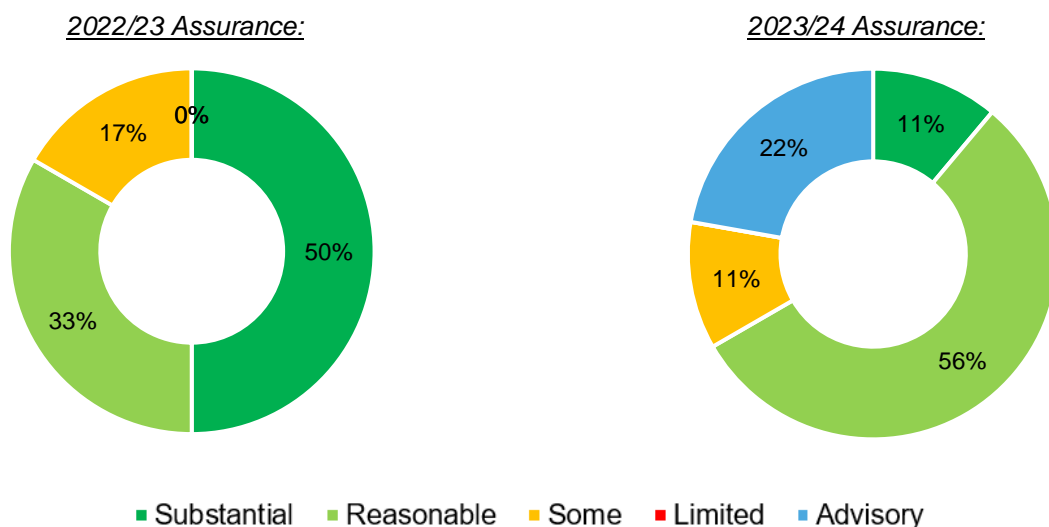
Number of recommendations:
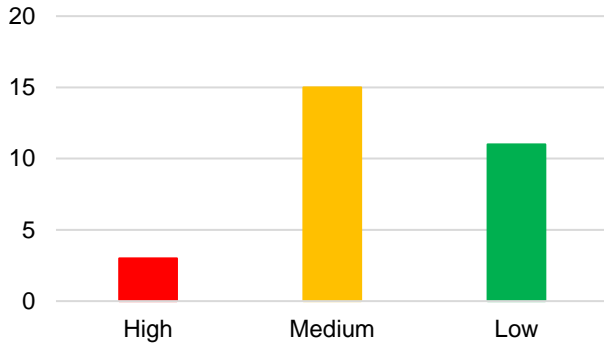
Number of suggestions compared to number reports:

Additional Work Undertaken by Astari Ltd

- We provided the Authority with a Risk Appetite Workshop in September 2023.

Internal Audit Performance 2023/24

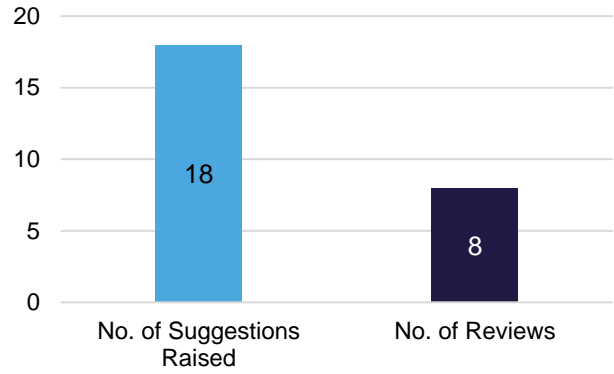The following statistics[1] provide information on the performance of Astari Ltd across all our clients. This information is reported on a quarterly basis throughout the year to the Astari Ltd Board. In addition, we have included specific statistics for Pembrokeshire Coast National Park Authority for comparison.

PERFORMANCE	BARCUD GROUP (incl. Astari Ltd)	PCNPA
Terms of Engagement issued at least two weeks in advance of fieldwork commencing.	**96%**	**100%**
Draft reports issued at least three weeks prior to the relevant committee.	**98%**	**88%**
Final Report within one week of management response.	**92%**	**75%**
% clients that agree that Internal Audit provides a positive value adding service.	**100%**	**100%**

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[1] Where delays were requested or caused by the client this has not affected the results.

Good Practice Sharing and Value for Money

All our reports are designed to offer value for money through the provision of:

- Assurance that internal processes are operating effectively and efficiently to mitigate identified risks;
- Recommendations and Suggestions based on good practice from within and external to the sector; and
- Benchmarking / comparative information from other organisations where practicable and time allows.

In addition, the following were provided in 2023/24:

- Our Risk Maturity audit provided guidance on opportunities for improvement that could be made to the organisation's risk management and assurance arrangements, including appendices on Risk Appetite and Assurance Frameworks.
- Our Value for Money advisory review provided additional information and guidance around Value for Money for the organisation to consider.
- We provided examples of a data protection breach register, breach form and Subject Access Request (SAR) register to the organisation to support in enhancing its recording of these areas.
- In each of our Progress Reports, provided to each Audit & Corporate Services Review Committee we provided an update on information or changes relevant to the organisation for the Committee's information.

Client Satisfaction

145 satisfaction surveys were issued across the service in 2023/24 and 85 responses were received (a response rate of 59%). For Pembrokeshire Coast National Park Authority, seven surveys were issued and three responses were received. The average scores are provided below.

Survey responses range from 1 (very dissatisfied) to 5 (very satisfied). Exact question wording can be provided upon request.
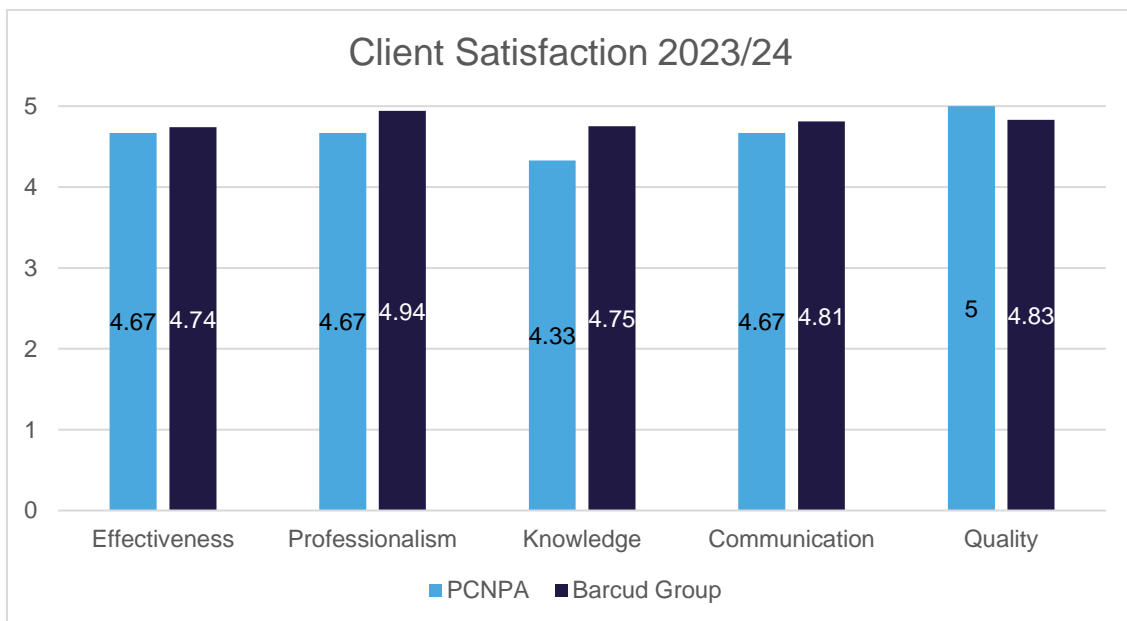
Update on Our Quality Assurance and Improvement Programme (QAIP)

Our latest External Quality Assessment (EQA), undertaken in June 2020, concluded that "Barcud Shared Services (incorporating Astari Ltd) is delivering internal audit services to a standard that generally conforms with the International Professional Practices Framework (IPPF)", the highest rating achievable.

In addition, the assessor identified 13 opportunities for us to improve our service to our clients categorised as "Enhance", "Review" or "Consider". All 13 opportunities have now been fully actioned and signed off by the Barcud Shared Services Board.

HIGH-LEVEL SUMMARY OF EMERGING AND KEY RISKS

As part of our work we have access to multiple organisations' risk registers as well as broader risk information and risk guidance from outside the sector. Through regular review of this information, and our own assessments of sector risks, we have detailed below the key risk areas (in no particular order) we believe are facing organisations at the current time and may become more significant over the next year for consideration:

- **Cyber and data security** – continuing to be one of the top risks in the majority of risk publications, cyber-security, particularly ransomware, remains a risk that all organisations should be regularly considering whether that be improving security measures or seeking assurance that measures in place are operating effectively. With Artificial Intelligence (AI) taking a significant step forward in recent years, cyber-criminals are looking to exploit it to create ever more sophisticated attacks on organisations, whether that be through exploiting technical vulnerabilities or via social engineering to access organisations via their users.

- **Political change –** with a change in government as a result of the General Election, organisations are likely to see significant changes to policies that will impact on how they operate and will likely lead to further uncertainties around the economy, inflation, legislation and interest rates, all of which could have a significant impact on what organisations are able to achieve in future years.

- **Supply chain disruption –** ongoing disruptions in global supply chains continue to have an impact on both the availability and cost of materials, impacting on organisations' ability to deliver services and to reap the benefits of new technologies and environmental initiatives. In addition, particularly in the current economic climate, ineffective initial and ongoing due diligence on suppliers has left many organisations with disrupted services or a failure to deliver services to customers, resulting in reputational damage and increased costs.

- **Changes in laws and regulations** –the political outlook for the UK may mean more legislative changes with potential risks that will need to be considered, but organisations already need to consider the significant changes around employment law that have applied since April 2024 in such areas as expanded rights for employees around flexible working, paid and unpaid leave and protection from redundancy during parental leave. Another area of change is the Public Procurement Regulations that are expected to take effect from October.

- **Skills shortage and labour supply** – although seen as a reducing risk over the last year, there remain significant challenges around recruiting and retaining quality staff and the changing needs and expectations of employees. With many organisations now trialling initiatives such as 4-day working weeks or 9-day fortnights, organisations risk losing staff to other organisations if they do not regularly review their offering and ensure they are keeping up with market expectations.

- **Climate change and environmental sustainability –** there remains uncertainty around expectations in relation to climate change and environmental sustainability targets at a national level and, as a result, what the expectations of organisations are in relation to supporting these targets. This is likely to be further impacted by the results of the General Election; however, whatever changes arise, organisations will also need to consider the expectations of their customers and other stakeholders in relation to their actions around climate change and environmental sustainability and the potential impact on their reputation in this key area of public focus.

- **Artificial Intelligence –** further to the negative impacts of AI mentioned above in relation to cyber-attacks, many organisations are looking at the opportunities that AI presents in terms of improving services for customers, increasing efficiency, problem solving, maximising the value of data and many other areas. Along with these opportunities come risks that will need to be considered, particularly around ensuring that any AI applications are fully understood (to ensure the result can be relied upon), appropriately secure and do not inadvertently breach laws around the use of data, particularly personal data. Likely to be an area of significant growth in the coming years, robust testing and assurance processes will be vital to ensure that AI initiatives provide the benefits expected whilst not opening up the organisation to unexpected risks.

- **Global unrest & change –** there remains significant uncertainty, unrest and ongoing conflicts in many areas, not least the Middle East but also potential changes in governments and therefore political direction with a significant number of major elections over the next year. All of these bring uncertainty as well as economical instability, volatile markets and supply chain risks.

- **Data quality & assurance –** continuing to remain high on many organisations risk registers, good quality data and systems provide the foundation on which organisations can make good quality decisions, effectively plan for the future and respond to challenges. Inaccurate, incomplete or unreliable data increases risks of poor decision-making and false assurance being provided to management and the Authority. This is a key area for each organisation to ensure that it has robust controls and assurance frameworks in place to safeguard its data, the quality of the data and to maximise its use for better decision making.

APPENDIX A – INTERNAL AUDIT ASSURANCE MAP

The table below summarises the internal audit work undertaken during the year 2023/24 including the level of assurance and number of recommendations:

Assignment		Opinion	Recommendations:		
			High	Medium	Low
Risk Maturity (01.23/24)		Advisory	1	2	2
Health & Safety (02.23/24)		Reasonable	0	3	2
Income Generation (03.23/24)		Reasonable	0	2	0
Value for Money (04.23/24)		Advisory	0	1	1
Key Financial Controls (05.23/24)		Substantial	0	1	1
Countryside Management – Coast Path (06.23/24)		Reasonable	0	3	2
Follow Up (07.23/24)		Reasonable	0	1	1
Information & Cyber Security & Data Protection (08.23/24) *(Split Assurance Opinion)*	Data Protection	Reasonable	2	2	2
	Information & Cyber-Security	Some			
		TOTAL:	3	15	11

Pembrokeshire Coast National Park Authority

DRAFT Strategy Update for Internal Audit

2024/25 – 2026/27

To be presented at the Audit & Corporate Services Review Committee meeting of 31 July 2023 and at the National Park Authority meeting of TBC.

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Table of Contents

1.   INTRODUCTION

1.1.   Approach

This strategy sets out the approach taken to develop your strategy for Internal Audit for 2024 / 2027. It provides the Authority with a three year strategy and a more detailed plan for 2024/25.

The Internal Audit Strategy is reviewed at least annually to take into account any significant events or findings which may impact upon the audit risk assessments and in-year changes are often implemented as the priorities of the organisation change and the risk environment alters. An update on delivery of the Strategy, including any changes, is provided at each meeting of the Audit & Corporate Services Review Committee.

Each year an 'Understanding the Business' exercise is undertaken through which your Internal Audit team considers any changes to the Authority or the operating environment, including reviewing the results of previous audits and other sources of assurance. This, plus your own risk management processes are used to undertake a risk assessment and develop a robust, risk-based audit plan.

An Annual Plan will be prepared prior to the start of each fiscal year and will be presented to the Audit & Corporate Services Review Committee for approval for submission to the National Park Authority.
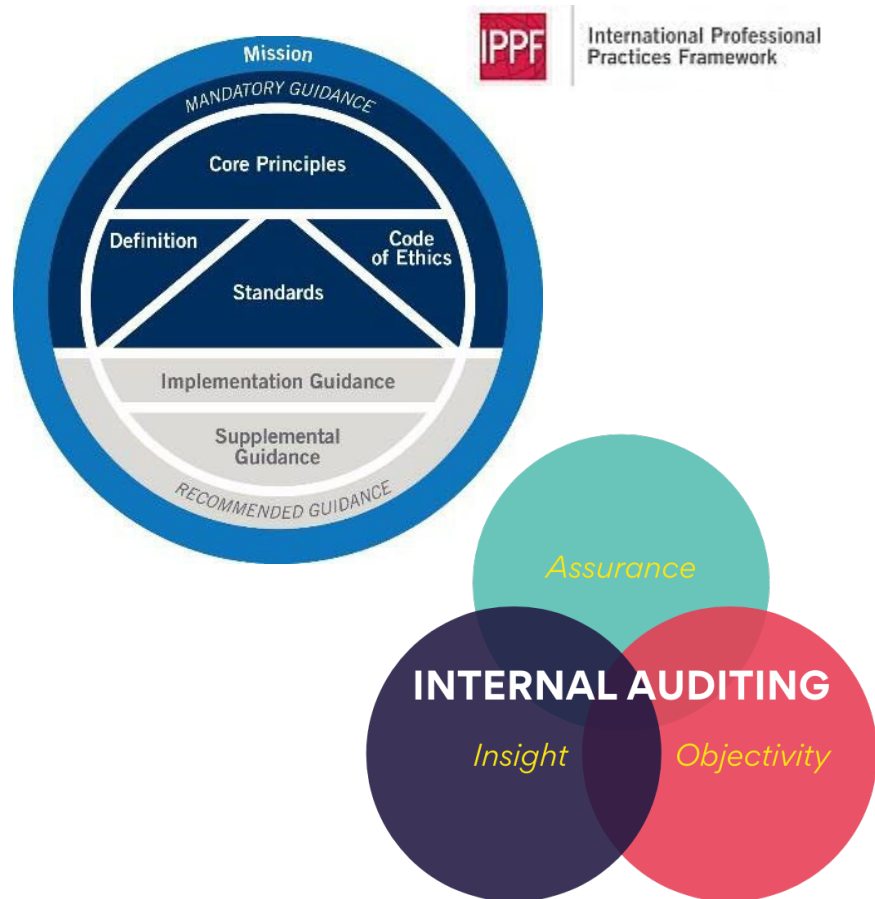
1.2. The Purpose and Function of Internal Audit

Our professional responsibilities as internal auditors are set out in the International Professional Practices Framework (IPPF), published by the Institute of Internal Auditors (IIA). The IIA states the Mission of Internal Audit is to:

"Enhance and protect organisational value by providing risk-based and objective assurance, advice and insight."

It defines Internal Audit (IA) as:

An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations; an activity that helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

This definition clearly emphasises that IA should assist in improving organisations' operations through a combination of both assurance and consulting activities. There are three key areas that Internal Audit needs to focus on to achieve this: **risk management**, **governance** and **control**.

In line with these requirements, we perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the Authority has in place, focusing in particular on how these arrangements help to achieve its objectives.

2. Developing your Internal Audit Strategy for 2024 / 2027

Understanding Pembrokeshire Coast National Park Authority's objectives and risk profile is the starting point for the development of the strategy for internal audit for the Authority, which is set out at Appendix I to this document.

The following key areas were considered in the update of the 2024/25 plan and three year strategy:

Key Areas considered:	
1	This Strategy is a risk-based Strategy and it is built around the Authority's objectives and risks. Appendix I provides details of the significant risks from the February 2024 Risk Register and how these will be audited.
2	Ensuring audits are undertaken "across" teams, considering the integration of teams across the Authority as part of relevant reviews.
3	Knowledge learnt about the Authority so far and the findings of our reviews undertaken in 2023/24, to ensure the audit universe (detailed in Appendix 1 – Other internal audit coverage) is accurate and complete.
4	Impacts of the external environment on the Authority and it's potential to achieve its objectives, including but not limited to financial pressures and climate change, have been considered.
5	Feedback from management was sought and used to feed into the plan to ensure it provides the most value.

The detailed plan for 2024/25 is set out in Section 4.

3. Considerations for the National Park Authority

To assist the Authority with its consideration of the Internal Audit Plan, some questions are provided below that could be considered when reviewing the Plan:

- Does the Strategy for Internal Audit (as set out at Appendix I) cover the Authority's key risks as they are recognised by the organisation?

- Is there sufficient alignment between the proposed engagements planned and the rest of the Authority's assurance framework / programme of assurance?

- Does the audit strategy include all those areas that the Authority would expect to be subject to internal audit coverage, both in terms of our professional responsibilities as well as covering areas of concern flagged by management?

- Is the level of audit resource accepted by the Authority and agreed as appropriate, given the level of assurance required?

- Does the detailed internal audit plan for the coming financial year (see Section 4) reflect the areas that the Authority believes should be covered as priority?

- Is the Authority satisfied that sufficient assurances are being received to effectively monitor its risk profile?

4.   DETAILED INTERNAL AUDIT PLAN 2024/25

Audit	Overview of Internal Audit Coverage	Proposed Timing	Days
Assurance and Advisory Work to Address Specific Risks			
Climate Change & Decarbonisation	***Risk:*** *Risk of long term impact from climate change (5)* ***Scope***: Risk-based review that aims to provide assurance that the controls documented on the Authority's risk register to manage the above risks are in place and having the effect that is reported.	October 2024	3
Health & Safety Management System (Generic)	***Risk:*** *Failure to meet Health & Safety requirements (13)* ***Scope:*** Compliance review of the processes and structures in place to minimise the risks to employees and the public through working practices as part of the organisation's Safety Management System. Specific area to cover is selected on a risk-based approach and will be agreed in advance with management.	December 2024	3
Other Internal Audit Input			
Risk Maturity Follow Up	This review will aim to follow up on the recommendations and suggestions raised in the previous year's Risk Maturity review and that the benefits anticipated from the changed processes are being achieved.	November 2024	2
Key Financial Controls	Review of key financial control areas on a cyclical basis, including the following: General Ledger; Payroll; Creditors; Budgetary Control; Fixed Assets; and Cash & Treasury Management. Coverage of the above areas will be risk-based, taking into account the following: changes to personnel or systems, time since the previous assurance review, changes in the external environment and/or risks identified in the sector.	February 2025	3
Governance Structures & Processes	A high-level review of the governance structures of the organisation to ensure they are fit for purpose, align with key governance expectations and avoid duplication.	December 2024	3
Visitors Centres (Generic)	An annual review of Visitors Centres that is cross-cutting, risk-based review of the operation of the Visitors Centre covering such areas as business planning, health and safety, cash handling or other areas as required. The specific scope of the review will be agreed in advance each year.	February 2025	3

Audit	Overview of Internal Audit Coverage	Proposed Timing	Days
IT Strategy	In such a fast-changing IT environment at the current time, this periodic review is aimed at providing assurance that the Authority is looking ahead and identifying potential risks and opportunities to enhance its IT infrastructure, ensure its systems are fit for the future and that opportunities to improve customer services are acted upon. It will link directly to the Authority's strategic technology objectives.	March 2025	2
Equality, Diversity and Inclusion	Review of how the Authority ensures that it is complying with equality legislation and is also maximising the benefits that can be achieved through effective inclusion.	October 2024	2
Follow Up	To meet internal auditing standards and to provide management with ongoing assurance regarding implementation of recommendations. In the first year this will include consideration of all outstanding recommendations and an assessment of whether they are still live and their stage of implementation.	February 2025	2
Management	This will include: ▪ Annual planning; ▪ Preparation for, and attendance at, Audit & Corporate Services Review Committee meetings; ▪ Regular liaison and progress updates; ▪ Liaison with external audit; and ▪ Preparation of the annual internal audit opinion.	Ongoing	5
		TOTAL:	28

APPENDIX I: Strategy for Internal Audit 2024/25 – 2026/27

Risk Based Coverage

Risks	Engagement Areas	Source / Reference[1]	2023/24	2024/25	2025/26	2026/27	Last Audit Date
Medium to Long Term Risk of reduction of funding from WG, other public sector funders, or grant schemes. Higher inflation and wage costs adding to costs. Planned reduction in reserves.	Key Financial Controls[2]	Risk Register – 2	✓	✓	✓	✓	Annual
Risk of long term impact from climate change.	Climate Change & Decarbonisation	Risk Register – 5		✓			-
Risk of major Cyber incident affecting Authority.	Information & Cyber Security and Data Protection	Risk Register – 15	✓				2023/24
Ash Die Back disease is now widespread within the National Park, including on our Estate.	-	Risk Register – 10	Due to the nature of this risk no audit is proposed at the current time.				
Failure to meet Health & Safety requirements.	Health & Safety	Risk Register – 13	✓	✓	✓	✓	2023/24
Adverse impact of the pay & grading exercise.	-	Risk Register – 14	Due to the nature and timing of this risk no audit has been proposed at the current time.				

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[1] Included in the above table are all risks that had an inherent risk score of 6 (Amber) or higher from the latest Risk Register presented to the Audit & Corporate Services Review Committee in February 2024.

[2] This is an annual review that covers aspects of finance but not budgetary control (linked to this risk) every year.

Other Internal Audit Coverage

Internal Audit Coverage	Source / Rationale	2023/24	2024/25	2025/26	2026/27	Last Audit Date
Risk Management	Annual review of this key area to provide assurance that the Authority's risk management processes are operating effectively and that key risks to its objectives are being identified, managed and monitored. In year 1 this will be a risk maturity review.	✓	✓	✓	✓	2023/24
Key Financial Controls	Review of key financial control areas, including the following: • General Ledger • Payroll • Creditors • Budgetary Control • Fixed Assets • Cash & Treasury Management Coverage of the above areas will be risk-based, taking into account the following: changes to personnel or systems, time since the previous assurance review, changes in the external environment and/or risks identified in the sector.	✓	✓	✓	✓	2023/24
Governance	Annual review of governance arrangements in place; areas that may be considered include:					
	• Performance Management (Organisational)				✓	2022/23
	• Value for Money	✓				2023/24
	• Governance Structures & Processes		✓			-
	• Strategic Planning			✓		-
Business Continuity	A review that aims to provide assurance that the organisation is appropriately prepared for a major incident that could significantly impact on delivery of the Authority's services.			✓		-
Visitors Centres	A review of Visitors Centres is planned for each year; however, this will be a cross-cutting, risk-based review of the operation of the Visitors Centre covering such areas as business planning, health and safety, cash handling or other areas as required. The specific scope of the review will be agreed in advance each year.	-	✓	✓	✓	2022/23

Internal Audit Coverage	Source / Rationale	2023/24	2024/25	2025/26	2026/27	Last Audit Date
Estates Management	This review will aim to provide assurance that the organisation is managing its estates in line with the expectations of the Authority and that key risks are being identified and appropriately mitigated / managed.			✓		-
Countryside Management	This review will aim to provide assurance that the organisation is managing its countryside areas in line with the expectations of the Authority and that key risks are being identified and appropriately mitigated / managed.	✓			✓	2023/24 – Coast Path Mgt
IT Coverage	Cyclical coverage of IT control areas including the following:					
	▪ Information & Cyber-Security and Data Protection	✓				2023/24
	▪ IT Strategy		✓			-
	▪ IT Continuity & Disaster Recovery			✓		2022/23
HR Coverage	Coverage of HR areas including the following:					
	▪ Sickness Absence Management				✓	-
	▪ Succession Planning				→[3]	-
	▪ Performance Management (Personnel)				→	-
	▪ Recruitment & Retention			✓		-
Equality, Diversity and Inclusion	Review of how the Authority ensures that it is complying with equality legislation and is also maximising the benefits that can be achieved through effective inclusion.				→	-
Customer Engagement (incl. consultations)	A review of how the customer voice is heard and incorporated into service planning / development as well as in terms of feedback of current services provided.			✓		-
Sustainable Development Fund	Cyclical review of how the Authority distributes the SDF and how it ensures compliance with the requirements of the fund and that deliverables are completed.				✓	-

[3] This symbol indicates an audit area that is to be covered in years beyond the life of this Strategy.

Internal Audit Coverage	Source / Rationale	2023/24	2024/25	2025/26	2026/27	Last Audit Date
Conservation & Nature Recovery	A review of how the Authority is monitoring its conservation and nature recovery objectives with the aim of providing assurance that the monitoring is data-led, backed up by evidence and that performance information reported is accurate.			✓		-
Safeguarding	Cyclical review of how the Authority ensures its safeguarding responsibilities are met, including at events and through general use of the Authority's facilities.				→	2022/23
Planning & Development	A review of how the Authority achieves its planning and development goals and ensures efficiencies in the process in support of the Authority's corporate objectives.				✓	-
Fraud	A compliance review to provide assurance that key fraud risks are being identified by the Authority and steps taken to reduce those risks. Fraud will also be considered in each of our reviews.				✓	-
Accessibility & Engagement	Linking with the organisation's Corporate Plan objectives, this review will consider the Authority's activities around enabling accessibility to the National Park's amenities as well as how it engages with stakeholders to achieve its objectives.			✓		-
Income Generation	Follow Up review that considered how the Authority is responding to the recommendations made by the Wales Audit Office in its Income Diversification Report.	✓				2023/24
Procurement & Contract Management	This review will aim to provide assurance that the Authority is achieving value for money through its procurement activities and that established contracts are being appropriately managed to achieve the outcomes expected.				✓	-
Complaints & Customer Feedback	This review will consider how the organisation seeks feedback from its customers and other stakeholders and acts upon that feedback, along with any complaints received, to address any under-performance or to ensure a culture of continual improvement is operating.				→	-
Follow Up	To meet the internal auditing standards and to provide management with ongoing assurance regarding implementation of recommendations. In year 1 this will include consideration of all outstanding recommendations and an assessment of whether they are still live and their stage of implementation.	✓	✓	✓	✓	Annual

Internal Audit Coverage	Source / Rationale	2023/24	2024/25	2025/26	2026/27	Last Audit Date
Added Value Services	We can undertake a number of additional added value services to support the Authority, including: ▪ Project Management Support ▪ Project Assurance – including attendance at project meetings as a 'critical friend' ▪ Workshops on specific areas such as risk, projects or strategic / corporate / operational planning ▪ Training These may form part of the formal Internal Audit Plan or may include, for example, pre-Authority / Audit Committee training on particular subject areas. These can be requested at any point throughout the year but may be subject to an additional resource allocation.	-	-	-	-	-