

Internal Audit Report

Devon Finance
Services

Devon Audit Services

DARTMOOR NATIONAL PARK AUTHORITY

**INTERNAL AUDIT MONITORING REPORT
ANNUAL AUDIT REPORT FOR 2006/07**

OCTOBER 2007



CUSTOMER SERVICE EXCELLENCE

Confidential

CONFIDENTIAL

INTERNAL AUDIT MONITORING REPORT FOR DARTMOOR NATIONAL PARK AUTHORITY

ANNUAL AUDIT REPORT FOR 2006/2007

Introduction

1. This report is a summary of performance against the internal audit plan for the Dartmoor National Park Authority for the year ended 31st March 2007. It also summarises any material findings which have emerged from the audits which have been carried out during this period.
2. The central systems of the Dartmoor National Park provide a framework of control for all financial activities across the Authority. Audit activity has concentrated on the review of the key fundamental controls operating within these systems. This is designed to provide assurances to the Authority's Section 151 "responsible officer", and the senior management, as to the adequacy of security of those systems.
3. Audit review of financial systems within the Authority is provided on the basis of self-contained sub-systems. This provides for identifiable elements of a system to be tested in isolation and over a period of subsequent years remaining areas are tested.
4. The Authority underwent changes in its management structure in the previous year and there have continued to be a few staffing changes during the course of the financial year.

Audit Plans

5. Audit plans were discussed and agreed with the Director of Corporate Services and the Head of Finance and work has now been completed against the plans subject to a few minor adjustments.
6. Audits relating to financial systems were undertaken largely during one visit to Parke and in liaison with the External Auditors to ensure minimal duplication of audit coverage. Other specific audits were undertaken on separate occasions during the course of the year.
7. In addition to the planned audit work a major value for money review was undertaken in the later months of the financial year which culminated in a detailed report on income generation within the Authority.

Audit Activity

Financial Systems

8. The review of financial systems covered the following processes:
 - Payments
 - Payroll
 - Income and debt recovery
 - Bank reconciliation
 - Main accounting system and budget monitoring

- Travel and subsistence
 - Treasury management
 - Pension payments
9. The above areas were reported on in November 2006 with the exception of the Pensions Payments which was covered in a separate report.
10. The main review of financial systems did not identify any serious issues although there was a £79,000 error in the trial balance for month six which was not identified by any of the processes and procedures which were being applied at the time. The error was investigated by the Finance Support Team and found to be an error within the system itself and was resolved. A recommendation was made to allow Finance staff to identify any future errors.
11. It is pleasing to report that there were no serious control weaknesses identified during the course of these reviews of systems.

Statement of Internal Control

12. A review was undertaken on the Statement of Internal control to ensure that it complied with all the necessary requirements and presented a true and fair reflection of the control environment in place and it was complete. The Statement of Internal Control is published as part of the Authority's annual accounts.
13. One action point was identified in the review which had previously been reported but had yet to be fully addressed. Training was previously identified as an issue for staff involved with contract management and this had not been fully delivered, but was now scheduled for 2007/08.

Document Imaging

14. A review of the Authority's use of Document Imaging software in finance only was undertaken and its proposed future use assessed against legal admissibility requirements. Where documents are imaged they must be processed and stored in a prescribed manner in order for the images to be considered legally admissible evidence in court. Legal admissibility was not considered to be an issue with the current document imaging regime, but it has been acknowledged that should further areas be included in document imaging in the future this would need to be considered.
15. The Authority does not have an Information Management Strategy and this is a key and fundamental requirement which it may be necessary to address should there be an extension in the future to the use of document imaging.

Plant usage and maintenance

16. There were no major issues discovered as a result of this review. However, there were a number of recommendations to improve the level of information maintained in respect of vehicles. These recommendations were designed to improve management information.
17. It was also recommended that a replacement strategy should be developed which would assist in the replacement decision making process. All the recommendations contained in the report were agreed.

BLEEP

18. The audit plan originally provided for a review of the BLEEP system which is used for stock control and sales at visitor centres. A new version of BLEEP was implemented in March 2007 and it was therefore appropriate to delay the review until the new financial year.

Value for Money Review – Income Generation

19. A significant review was undertaken to assess how and whether the Authority may be able to generate additional income. This review was an additional item to the original audit plan and the work was awarded to Devon Audit Services following the submission of a quotation and proposal.
20. Other national park authorities were contacted and asked to complete an on-line Internet survey which formed a basis on which to assess Dartmoor National Park Authority's performance.
21. The most significant area where potential additional income could be generated related to the introduction of car parking charges. However, there were issues associated with this which may have had an environmental impact.

Conclusions

22. With a small number of minor agreed changes to the plan it is pleasing to report that we have been able to deliver on all areas.
23. There were relatively few issues identified during our reviews and none of major concern. Staff should be commended on their professionalism and the quality of work. Senior management within the organisation are very much aware of good control mechanisms and are always receptive to consider audit advice and recommendations.
24. In our opinion the financial systems reviewed contains appropriate controls which were operating effectively.
25. There have been occasions during the year when we have been approached by senior management from the Authority for advice on issues and matters that have arisen and where changes in procedures were considered necessary.
26. It is pleasing to note that in the majority of cases, where audit have made recommendations satisfactory responses have been received and in many of the cases action already taken to resolve any weaknesses identified.

Graham Wood
Senior Audit Manager
Devon Audit Services

Peter Job
Head of Internal Audit

October 2007

