

## Why were KPMG ever appointed as internal auditors for our National Parks?

### Description

KPMG, one of the big four accountancy firms, have acted as internal auditors for our two National Parks from 2011/12. Just why public authorities would want to appoint KPMG, who have as auditors failed to pick major failings with banks such as HBOS or the Coop and organisations such as FIFA, is a mystery to me. KPMG are still at the forefront of the tax avoidance/low tax industry <http://www.taxresearch.org.uk/Blog/category/kpmg/> which results in our National Parks, among other public bodies, being underfunded. It would be nice therefore if the announcement at the December LLTNPA Board Meeting that KPMG's appointment was being reviewed was a consequence of the Scottish Government's stated intention that public procurement should help drive wider social objectives such as equality and fairness. I expect the outcome of that review will be included in the LLTNPA Audit Committee papers that are due to be published next Thursday <http://www.lochlomond-trossachs.org/looking-after/audit-committee-meetings/menu-id-425.html>.

I hope the deliberations at the the LLTNPA Audit Committee will be informed by the response to a Freedom of Information request I received on Friday [FOI 2016-007 Response](#). This, I believe, demonstrates KPMG audits of our National Parks complaints procedures has been both unprofessional and incompetent. The background to this is that I wrote two letters of complaint to the Convener of the LLTNP, Linda McKay, about the Park's former and new Chief Executives misleading statements in the media about the Park's case for extending camping byelaws. I suggested to Ms McKay that because the complaints were about the Chief Executive they should be investigated by a Board Member. This point was ignored and the complaint passed down to the Park's Legal and Governance Manager to investigate. I then found out this was in breach of the Park's own complaints procedure (which I had to obtain through another FOI request) which requires complaints against senior staff to be investigated by a legal Director of the Park. I appealed against the decision but the review, undertaken by Jaki Carnegie who was a legal Director of the Park, simply glossed over the breach of procedure. Ms Carnegie was directly managed by Gordon Watson, the new Chief Executive, and it came as little surprise when she decided her boss had done no wrong.

Nine months later, in December 2015, I found out KPMG had just completed an internal audit of both National Park's complaints procedures <http://www.lochlomond-trossachs.org/images/stories/Looking%20After/PDF/Audit%20Committee/2015/Agenda%20Item%205%20%20Complaints%20Handling.pdf>. This audit found LLTNPA to be fully compliant with their own complaints procedures. I knew this was not true so wrote to Andrew Shaw [KPMG complaints audit letter 151214](#)

asking if my complaints had been included in the KPMG audit and raising wider issues about LLTNP's complaints process. Andrew Shaw emailed me back to say it was not part of KPMG's remit to respond to the issues I had raised [KPMG response151218](#). This raises issues about what then is the purpose of internal audit and why were we paying for this from the public purse? It prompted me to write to Audit Scotland.

What the FOI response shows is first that Andrew Shaw then forwarded my letter to LLTNPA – I believe this was underhand and unprofessional and shows they were far too close to the people they were meant to be auditing. Second, it shows that my complaint about the two Chief Executives (COMP 2015-001) was included in the KPMG audit and that either they did not do their job and read the file or simply ignored the evidence therein about the breach of the Park's procedures. I think therefore that FOI 2016-007 Response shows KPMG are unfit to continue as auditors of the National Parks and that their other internal audit reports should be read with a large degree of scepticism.

While the FOI Response shows the audit sample was chosen by KPMG, not the Park, the refusal by the Park to answer my question about whether they alerted KPMG to this breach of their own procedures is also significant. What should have happened of course is that the body being audited should be upfront about issues that are relevant to the audit and should be considered by it. If the Park has kept quiet about breaches of its own procedures in this case, there can be no confidence that it has not done this in other cases.

The key issue therefore is how we establish credible audit processes in our National Parks. This means thinking about what audits cover, who does them and how we can ensure the Parks operate openly and transparently. I believe that audits that simply look at processes are a waste of time and money. For example, on complaints, what is really important is not so much whether they have been responded to on time but whether the response is fair and how many complainants were satisfied by the response they received. While the LLTNPA is too small to conduct its own internal audits – any auditor would inevitably end up trying and failing to scrutinise their own line-managers – there is no reason audits should not be undertaken by staff from other organisations that answer to the Scottish Government. Above all we need a Park Board and Audit Committee that is self-critical and open to dialogue. This would help ensure proper scrutiny of reports instead of leaving this to members of the public.

## Category

### 1. National Parks

## Tags

1. audit
2. complaints
3. LLTNPA

## Date Created

March 20, 2016

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