



MARINE PARKS & RESERVES AUTHORITY

AUDIT POLICY
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1.0 BACKGROUND

A fundamental part of the Authority's statutory function as outlined in s26B of the *Conservation and Land Management Act 1984* is to –

- 26B. (f) in relation to management plans for land and waters vested in the Marine Authority –
- (i) to develop guidelines for monitoring the implementation of the management plans by the Department;
 - (ii) to set performance criteria for evaluating the carrying out of the management plans; and
 - (iii) to conduct periodic assessments of the implementation of the management plans.

This audit function is also one of the six key strategies of the Authority's Strategic Plan as set out below:

Key strategy 5

Implement, audit and review management plans for all marine conservation reserves

Implementation strategies:

- 5.1 *Develop a process, to ensure all management plans are audited by the MPRA on a regular basis.*
- 5.2 *Periodically audit the implementation of management plans.*
- 5.3 *Periodically review the audit process.*

This document sets out the audit process to fulfil the implementation strategies.

2.0 DEVELOPMENT AND OBJECTIVES OF MPRA AUDIT PROCESS

The development of the audit process has been carried out in conjunction with the Department of Environment and Conservation (DEC). A process for annually auditing implementation of management plans for marine parks and reserves has been in place since 2002/2003. The process for periodic audits remains in development.

This MPRA audit process is not intended to be the prescriptive audit process for management plans but instead is aimed at achieving the following objectives. These are that:

- **the audit process is carried out in a rigorous, methodical and timely manner by the MPRA with appropriate assistance from the Department and, if necessary, other Government agencies;**
- **the results of audits are clear and coherent with appropriate recommendations;**

- **the MPRA has a process to recommend the appropriate action on the results of the audit and to monitor the results of any actions;**
- **the resources required to properly undertake the audits and monitor the implementation of recommendations resulting from the audits, are clearly identified and an appropriate procedure is in place to pursue these resources; and**
- **the MPRA has a process to advise the Minister and the wider community of the outcomes of the audit process.**

3.0 AUDIT PROCESS

The process to achieve the objectives set out above is as follows. Appendix 2 outlines key milestones in the process.

3.1 The audit process is carried out in a rigorous, methodical and timely manner by the MPRA with appropriate assistance from the Department and, if necessary, other Government agencies.

Implementation:

The audit function of the MPRA is expressed in three levels of review by the MPRA:

- an annual review of the status reports for each marine park or reserve;
- formal audit of management performance for each marine park or reserve on a periodic basis, partly based on the preceding three annual reviews; and
- a 10-year audit of the implementation of the management plan, partly based on the preceding annual reviews and formal periodic audits.

Each review level, considers:

- activity assessment including management actions, resource inputs, and achievements; and
- outcome assessment in relation to specified nature conservation targets and social benefit objectives.

Performance assessment is conducted at three spatial levels:

- ecological and social values within a marine park or reserve;
- individual reserves; and
- the State marine park and reserve system as a whole.

Outcome assessment is recorded in 'report cards' for each value while activity assessment is provided against annual marine work plans.

DEC will prepare a draft rolling schedule of audits for consideration by the MPRA by 31 March each year. The schedule will include the timing of specific audits for the next financial year and identify the MPRA members and agency staff to be involved in the audits.

As part of the audit process, annual marine work plan previews will be provided to the MPRA for noting and comment by 31 March each year (as required under the Department/MPRA MOU).

The MPRA will finalise the rolling schedule and note the annual marine work plan previews by 31 May each year. Final marine work plans will be completed by Districts/Region and forwarded to the MPRA by 1 August each year.

A standardised annual status report (performance assessment report), including report cards, will be prepared by DEC districts and regions to allow performance assessment (i.e. audit) against the agreed annual marine work plans and outcome objectives. Annual status reports will be provided to the MPRA each year prior to the annual review.

The MPRA will review the Departmental annual status reports by 30 September each year. This review may be undertaken in the form of a workshop with DEC and other appropriate agency staff. A report on the annual review of management plan implementation will be completed by the MPRA Audit Committee by 30 November each year, for review and finalisation by all members of the Authority.

The MPRA Audit Committee will review the rolling schedule for formal periodic audit by 30 November each year and update the MPRA Strategic Plan as necessary. The framework for periodic audits will be developed by the MPRA Audit Committee in conjunction with DEC.

To ensure independence and transparency of the process, a quarterly report on the progress of audits and the implementation of the rolling schedule will be provided to the MPRA by the MPRA Audit Committee.

3.2 The results of audits are clear and coherent with appropriate recommendations.

Implementation:

DEC will ensure that the results of performance assessments are clearly reported to the MPRA, including a summary, with supporting information as appropriate. The report will also include recommendations about changes that may be required to the Management Plan and/or management priorities of the Plan to ensure its future effectiveness. The annual review report and periodic audit reports will clearly articulate any recommendations that arise from the annual performance assessment or periodic audit processes.

3.3 The MPRA has a process to recommend the appropriate action on the results of the audit and to monitor the results of any actions.

Implementation:

DEC will, if necessary, prepare guidelines to assist in ensuring that any actions arising from the audit are implemented, as far as practicable, and the results are monitored and communicated to the MPRA.

3.4 The resources required to properly undertake the audits and monitor the implementation of recommendations, if appropriate, are clearly identified and an appropriate procedure is in place to pursue these resources.

Implementation:

The audit schedule and the annual review reports will include estimates of the resources required to both carry out the audit/performance assessment process and to implement any recommendations, if appropriate, which are required to ensure the management plan is effective.

The MPRA recognises that the annual review, periodic audit and implementation of management actions as a result of its reviews are key outcomes of the MPRA statutory audit function and these activities must be adequately resourced. The MPRA will pursue the resourcing of these activities as a key part of its strategies.

3.5 The MPRA has a process to advise the Director General, the Minister and the wider community of the outcomes of the audit.

Implementation:

The MPRA will meet with the Director General of DEC to discuss the annual review report, soon after its completion. It may also be appropriate to discuss the report with the Chief Executive Officer of the Department of Fisheries. The final annual review report, together with summaries of each park-level performance assessment reports, will then be forwarded to the Minister as soon as possible after this meeting, and will also be distributed to relevant DEC offices. The annual audit report, which summarises the finding of the annual review, will be included as an appendix in the MPRA's annual report (for the following financial year i.e. the 2006/2007 audit report will be included in the 2007/2008 annual report), which is tabled in Parliament. The full annual review report will be published on the MPRA's website each year, following tabling of the report in Parliament each year.

The MPRA will also follow the above protocol for the report from each periodic and 10-year review of individual marine parks or reserves. However, each periodic and 10-year report will be included in full as an appendix to the MPRA's annual report to Parliament.

Appendix 1: Glossary of terms

Department: the Department of Environment and Conservation.

Marine work plan preview: assists in informing the development of the annual proposed expenditure (budget) for each marine park or reserve.

Marine work plan: outlines priority management strategies and proposed budget to achieve each for the financial year ahead.

Annual status report: outlines implementation of the marine work plan and management plan for each marine park or reserve for the past financial year by DEC and other agencies, where relevant. May also be known as performance assessment report.

Annual review report: outlines the annual review of the status reports for each marine park or reserve. Published on the MPRA website following tabling of the MPRA annual report in Parliament.

Annual audit report: summarises the finding of the annual review and is appended to the MPRA annual report for tabling in Parliament.

Periodic audit: formal audit of management performance for each marine park or reserve generally conducted once or twice in the ten year life of the management plan.

10-year audit: audit of management plan implementation conducted just prior to the statutory review of the management plan to inform that review.

Audit schedule: a rolling schedule, updated annually, that outlines the timelines for periodic audits and statutory 10-year reviews of management plans for each marine park and reserve.

Appendix 2: Key milestones and timelines

Key milestone	Annual due date	Responsibility
Draft rolling schedule and detailed timetable of audits.	31 March	DEC for MPRA consideration
Marine work plan previews.	31 March	DEC for MPRA consideration
Finalise rolling schedule and note annual marine work plan previews.	31 May	MPRA
Final marine work plans.	1 August	completed by DEC Districts/Region; forwarded to MPRA
Performance assessment reports for each marine park or reserve.	August-September	DEC and DoF
Review annual performance assessment reports at workshop.	30 September	MPRA Audit Committee
Draft report on the annual review of management plan implementation.	30 November	MPRA Audit Committee to full MPRA
Review the rolling schedule for formal periodic audit each year and update the MPRA Strategic Plan as necessary.	30 November	MPRA Audit Committee
Finalise annual review report.	28 February	MPRA
Meet with the Director General of DEC to discuss the annual review report; meet with CEO of DoF if required.	31 March	MPRA
Meet with the Minister to discuss annual audit and annual review reports.	31 May	MPRA
Attach annual audit report to MPRA Annual Report for tabling in Parliament.	1 August	MPRA/DEC
Publish annual review report on MPRA website.	Following tabling of annual report in Parliament	DEC
Report on progress of audits and the implementation of the rolling schedule.	quarterly	MPRA Audit Committee to full MPRA

Appendix 3: MPRA Audit Committee terms of reference

1.0 Objectives

The Audit Committee has been formed with the following objectives:

- to relieve the full Authority from detailed involvement in the review and results of the internal and external (as appropriate) audit process;
- provide evidence of the proper discharge of the duties and responsibilities of the Authority in regard to audit;
- provide a link between DEC operational staff and the Authority; and
- give proper emphasis to the audit function.

2.0 Composition and term of membership

The Audit Committee will be appointed by the full Authority and will comprise not less than three members of whom two will constitute a quorum. One of the Committee will be appointed the Chairman of the Committee by the Authority. Each member shall serve no longer than three years with one member retiring by rotation each year, commencing two years after the formation of the Committee.

3.0 Meetings

The Committee will meet as required to fulfil its duties with meetings scheduled to ensure attendance by all members. Any member of the Committee may call a meeting by giving sufficient notice of timing and agenda.

All meetings will have an agenda and minutes of the meetings will be taken, recording any resolutions taken or instructions and requests made and the minutes will be made available to the Authority and the Director General of DEC.

4.0 DEC support

DEC will provide support, to the extent that is practicable, to the MPRA Audit Committee and the MPRA in order for it to fulfil its audit function through briefings, discussions, minute-taking and other necessary actions.

5.0 Duties

- Review the rolling schedule for the audit process.
- Evaluate the effectiveness of the audit process.
- Determine that no restriction is being placed on the internal reporting and external audit functions.
- Review annual status reports and audit reports.
- Prepare a report to the full Authority summarising the work undertaken and the conclusions drawn and recommendations made.