



# Annual Audit Report

## Cairngorms National Park Authority – year ended 31 March 2025

October 2025

The Audit and Risk Committee  
Cairngorms National Park Authority  
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Grantown-On-Spey  
PH26 3HG

Forvis Mazars  
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Glasgow  
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24 October 2025

Dear Committee Members and the Auditor General for Scotland,

### **Annual Audit Report – Year ended 31 March 2025**

We are pleased to present our Annual Audit Report for Cairngorms National Park Authority (CNPA) for the year ended 31 March 2025. The purpose of this report is to summarise our audit findings and conclusions.

This report has been prepared in accordance with the responsibilities set out within Audit Scotland’s Code of Audit Practice (“the Code”). This report is intended solely for the Audit and Risk Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. Except where required by law or regulation, it should not be used, quoted or made available to any other parties without our prior written consent.

We appreciate the courtesy and co-operation extended to us by Cairngorms National Park Authority throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

Yours faithfully

Tom Reid (Audit Director)

Forvis Mazars LLP

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# Contents

- 01** Executive summary
- 02** Status of our audit
- 03** Audit approach and risk summary
- 04** Significant findings
- 05** Summary of misstatements
- 06** Fraud considerations
- 07** Wider scope and Best Value

Appendix A: Internal control conclusions

Appendix B: Draft management representation letter

Appendix C: Draft audit report

Appendix D: Confirmation of our independence

Appendix E: Other communications

Appendix F: Wider scope ratings

This document is to be regarded as confidential to Cairngorms National Park Authority. It has been prepared for the sole use of the Audit and Risk Committee as the appropriate sub-committee charged with governance by the Committee members. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

# 01

Executive Summary

# Executive summary

## Scope

We have been engaged to audit the financial statements of Cairngorms National Park Authority for the year ended 31 March 2025 which are prepared in accordance with the Government Financial Reporting Manual 2024-25.

We have conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs'), relevant ethical and professional standards, and the requirements set out in the Audit Scotland's Code of Audit Practice 2021. Our responsibilities and powers are derived from our appointment by the Auditor General under the Public Finance and Accountability (Scotland) Act 2000.

## Audit status

Our audit procedures are now complete for the year ended 31 March 2025.

## Areas of focus and audit approach, and significant findings

We have not made any changes to our initial risk assessment and planned audit approach that was communicated to the Audit and Risk Committee in our Annual Audit Plan.

## Significant control deficiencies

We did not identify any significant deficiencies in internal control.

The non-significant control observations that we have identified to date are set out in 'Appendix A: Internal control conclusions'.

## Audit misstatements

A summary of the adjusted and unadjusted misstatements above our reporting threshold we have identified to date is set out in the '*Summary of misstatements*' section.

# Executive summary (continued)

## Audit opinion

We have issued an unqualified opinion, without modification, as set out in Appendix C.

## Wider scope

We have no significant wider scope risks to report in relation to the financial sustainability arrangements that Cairngorms National Park Authority has in place. Further details have been provided in *section 'Wider scope and Best Value'* of this report.

## Best Value

We have no risks in arrangements to report in relation to the Best Value arrangements that Cairngorms National Park Authority has in place.

Further details have been provided in *section 'Wider scope and Best Value'* of this report.

## Regularity opinion

We have issued an unqualified regularity opinion, meaning that in our opinion, in all material respects the expenditure and income recognised in the financial statements have been applied or incurred in accordance with any applicable enactments and guidance issued by the Scottish Ministers. Our regularity opinion is included in the auditor's report in Appendix C.

## Performance Report and Governance Statement opinion

We have no matters to report in respect of the Governance Statement or the Performance Report preparation as it is consistent with the financial statements and has been prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. Our Performance Report and Governance Statement opinion is included in the auditor's report in Appendix C.

## Matters on which we report by exception

We are required by the Auditor General for Scotland to report to you if, during the course of our audit, we have found that adequate accounting records have not been kept; the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit. We have nothing to report in respect of these matters.

## Other information

We are required to report on whether the other information (comprising of the Performance Report and the Accountability Report and the unaudited parts of the Remuneration and Staff Report), is materially inconsistent with the financial statements; is materially inconsistent with our knowledge obtained in the course of the audit; or is materially misstated. No inconsistencies have been identified and we have issued an unmodified opinion in this respect.

## Executive summary (continued)

### Qualitative aspects of Cairngorms National Park Authority's (CNPA) accounting practices

We have reviewed Cairngorms National Park Authority's accounting policies and disclosures and conclude that they comply with the Government Financial Reporting Manual (FReM) 2024/25, appropriately tailored to Cairngorms National Park Authority's circumstances.

Our Annual Audit Plan, presented to the March 2025 Audit and Risk Committee, included the timeline for the 2024/25 audit. We updated the timeline following discussions with officers on their preparedness for the audit. We received the unaudited annual accounts from CNPA on the revised submission date of 30 June 2025. The annual report section of the accounts was incomplete as the performance report and remuneration and staff report had not been finalised. Several notes to the financial statements were also incomplete. This delayed the start of some of our audit procedures.

### Significant matters discussed with management

We discussed the following issue was discussed with Management and it remains outstanding at the time of preparing this report:

#### Remuneration and Staff report:

CNPA is reliant on MyCSP to provide the necessary pension information to support disclosures in the Remuneration and Staff Report. This is in relation to the Cash Equivalent Transfer Values (CETV) for five employees who are members of the Civil Service Pension Scheme. Officers have confirmed they are satisfied with the accuracy and reliability of the calculations performed by MyCSP and shared relevant supporting evidence with the audit team.

### Other matters discussed with management

We discussed the disclosure requirements under the Task Force on Climate-related Financial Disclosures (TCFD) framework with the officers, following the Scottish Government's guidance encouraging public bodies to adopt TCFD reporting. CNPA confirmed that it does not currently meet the thresholds for mandatory disclosure. Specifically, it has less than 500 full-time equivalent (FTE) employees and does not receive £500 million or more in operating income or funding.

We recommended that CNPA consider voluntary alignment with TCFD disclosures in future reporting, in line with best practice and guidance from the Scottish Government.

## Executive summary (continued)

### Significant difficulties during the audit

Management was cooperative throughout the audit; however, we encountered some challenges that affected the efficiency and timeliness of our work.

In our view, there were several occasions where the working papers and audit evidence provided by CNPA was not sufficiently detailed for us to conclude on whether it was reliable and/or relevant. This meant we had to make several follow up queries to officers which delayed the completion of our work. The audit was also impacted by the complexity of CNPA's financial reporting system, with the use of five separate general ledgers making transaction listings and working papers difficult to follow.

Officers submitted multiple versions of the annual accounts over the course of the audit. This made it very difficult for the audit team to track the changes that had been made to the accounts and led to delays and rework. At the time of preparing this report, we have received eight versions of the accounts.

### Other matters of significance

There was effective co-operation and communication between Forvis Mazars, management, and the Audit and Risk Committee during our audit. All requested information and explanations were provided to us, however as noted above on some occasions this took longer than expected.

Other matters we are required by ISA (UK) 260 *Communication with Those Charged with Governance* to communicate to you have been set out in Appendix E.



## Status of our audit

## Status of our audit

Our audit work is complete and there are no matters of which we are aware that would require modification of our audit opinion.

## Audit approach and risk summary

# Audit approach and risk summary

## Changes to our audit approach

There have been no changes to the audit approach we communicated in our Annual Audit Plan, issued on 21 March 2025.

## Materiality

Our provisional materiality at the planning stage of our audit was set at £291k using a benchmark of 2% of total operating expenditure as per the Annual Audit Plan. Our performance materiality was set at £203k. In determining the overall and performance materiality levels, we made the following significant judgements;

- that the main users of the financial statements are the Scottish Government, other National Park Authorities, the National Park Partnership, Local Authorities, Regulators, various Partners, Local Community, and other Stakeholders;
- that the primary aggregate that users tend to focus on is gross operating expenditure, as it reflects the extent of services delivered by Cairngorms National Park Authority (CNPA).
- that CNPA's objective is not to maximise profits, as it has no shareholders. Instead, its focus is on delivering its key priorities. The services provided to the local community are primarily funded through a combination of Scottish Government funding and grants;
- that as part of our audit, we have gained an understanding that CNPA has a well-established and experienced finance team capable of applying the relevant Accounting Standards. Additionally, the Audit and Risk Committee members demonstrate a good ability to scrutinise financial information at a high level.

Based on the final financial statements' figures, and other qualitative factors, the final overall materiality we applied was £280k (final performance materiality: £196k; final clearly trivial threshold: £8k). Please note this is subject to change upon receipt and review of the final accounts.

## Audit approach and risk summary (continued)

Significant risks	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Management override of controls	Yes	Yes	No	Yes	No	No	No	Risk satisfactorily addressed.	15
Risk of fraud in income recognition	Yes	Yes	No	Yes	No	No	No	Risk satisfactorily addressed.	16
Risk of fraud in expenditure recognition	Yes	Yes	No	Yes	No	No	No	Risk satisfactorily addressed.	17

Significant findings

# Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

## Significant risks

### Management override of controls

#### Description of the risk

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.

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#### How we addressed this risk

We addressed this risk by:

- Reviewing the key areas within the financial statements where management had used judgement and estimation techniques and considered whether there was evidence of unfair bias;
- Examining any accounting policies that vary from the Government Financial Reporting Manual;
- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements, including testing journals that meet our fraud risk factors; and
- Considering and testing any significant transactions outside the normal course of business or otherwise unusual.

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#### Audit conclusion

Our work has provided the assurance we sought in each of these areas and has not highlighted any material issues to bring to your attention. However, we have provided an internal control recommendation related to journal authorising process. Please see Appendix A

# Significant findings

**Risk of fraud in income recognition**

**Description of the risk**

As set out in International Standard on Auditing (UK) 240: The auditor’s responsibilities relating to fraud in an audit of financial statement, there is a presumed risk of fraud over the recognition of revenue. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements.

CNPA receives grant in aid funding through resource allocations direct from the Scottish Government. While material, this funding is well forecast and can be agreed directly to Scottish Government funding letters. We consider the opportunity and incentive to manipulate this funding is low and rebut the presumed risk around revenue recognition for the revenue resource allocation.

We consider that the risk of fraud in income recognition therefore only applies to CNPA’s other income streams, which are operational plan 2024/25: £2,349k) and other income (2024/25: £108k). CNPA’s financial performance targets are primarily set based on its year end outturn position, so we consider the risk to apply to year end revenue transactions and receivable balances. In our judgement there is a risk of under and overstatement of income.

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**How we addressed this risk**

We addressed this risk by:

- Evaluating the design and implementation of controls and procedures over operational plan and other income streams;
- Focussing substantive testing of non grant in aid income recognised pre and post year end to identify if it has been posted in the correct accounting period; and
- Sample testing of receivable balances held at year end through agreement to invoices and/or other supporting records.

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**Audit conclusion**

Except for the errors noted in section 5, our work has not highlighted any significant issues to bring to your attention

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# Significant findings

## Risk of fraud in expenditure recognition

### Description of the risk

Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom highlights that, as most public-sector bodies are net spending entities, the risk of fraud related to expenditure may be greater than that related to revenue recognition.

Payroll expenditure is well forecast and agreeable to underlying payroll systems, so there is less opportunity to manipulate this expenditure stream. In addition, depreciation represents the allocation of the cost of an asset over its useful economic life. These costs are stable, and we do not consider them at risk of material misstatement. Therefore, in our judgement, the risk applies to non-pay expenditure including operational plan expenditure (2024/25: £7,039k) and other operating costs (2024/25: £905K).

Cairngorms National Park Authority (CNPA), as a Non-Departmental Public Body, is required by the Scottish Government to closely manage its annual outturn. It requires approval to overspend, and the Scottish Government reserves the right to retain any underspends. This means there is an incentive for management to misstate expenditure. This would most likely occur through incorrect recognition of expenditure at year end and manipulating accruals, payables and provisions. In our judgement there is a risk of under and overstatement of expenditure.

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### How we addressed this risk

We addressed this risk by:

- Evaluating the design and implementation of controls and procedures over non-pay expenditure which mitigate the risk of expenditure being recognised in the wrong period;
- Focussing substantive testing of non pay expenditure recognised pre and post year end to identify if it has been posted in the correct accounting period; and
- Review of accruals, payables and provisions, where material, around the year end to verify that they have been completely and accurately recorded.

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### Audit conclusion

Except for the errors noted in section 5, our work has not highlighted any significant issues to bring to your attention.

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## Significant findings (continued)

### Wider responsibilities – statutory reporting

We are required to notify the Auditor General when circumstances indicate that a statutory report may be required.

Section 22 of the Public Finance and Accountability (Scotland) Act 2000 allows us to prepare a report to bring to the attention of the Scottish Parliament and the public, matters of public interest arising during the audit of Cairngorms National Park Authority.

We confirm no such reports have been prepared.

Section 23 of the Public Finance and Accountability (Scotland) Act 2000 allows us to initiate an examination into the economy, efficiency and effectiveness with which Cairngorms National Park Authority and their officeholders have used their resources in discharging their functions.

We confirm no such examinations have been initiated.

## Summary of misstatements

# Summary of misstatements

## Unadjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Annual Audit Plan, issued on 21 March 2025. Any subsequent changes to those figures are set out in the *‘Executive summary’* section of this report.

We identified no misstatements above our reporting threshold, or that we deem to be material by nature, which were not adjusted.

## Adjusted misstatements

We have identified following adjustments:

Details of adjustment	CIES	CIES	Reserves	Reserves	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Tax payers' equity			275			
Cr: Deferred Income						275
Officers have adjusted the unaudited accounts to reflect the grant in aid drawdown in advance by increasing deferred income and correspondingly reducing taxpayer's equity by £275k. We reviewed this adjustment and discussed it with officers to confirm it was appropriate.						
To be continued on next page						

## Summary of misstatements

Details of adjustment	CIES	CIES	Reserves	Reserves	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Accruals					14	
Cr: Operational plan expenditure		14				
Correction of overstated accruals identified during expenditure and accruals testing.						
Dr: Grant in Aid			10			10
Cr: Deferred Income						
Reduction of the accrual in the journal above has eventually resulted in lowering Peatland project costs, increasing grant in aid drawn down in advance and raising deferred income						
Dr: Deferred Income					750	
Cr: Operational plan expenditure		750				
We identified a duplicate recognition of £750,000 relating to CNPA's contribution to the Cairngorms 2030 programme. This was incorrectly recognised as both expenditure and released income. The adjustment removes the duplicated expenditure and reverses the release from deferred income.						
To be continued on next page						

## Summary of misstatements

Details of adjustment	CIES	CIES	Reserves	Reserves	Balance Sheet	Balance Sheet
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
<p>DR Operational Plan Income</p> <p>Cr: Deferred Income</p> <p>Staff costs recovered from NLHF grant were incorrectly recognised as income. The adjustment reverses £750k from income and reinstates the deferred income balance.</p>	750					750
<p>Dr: Accruals</p> <p>Cr: Operational plan income</p> <p>A cut-off error was identified in relation to capital equipment purchases for C2030.</p>		48			48	
<p>Dr: Operational Plan Income</p> <p>Cr: Deferred Income</p> <p>Following correction of the cut-off error, the related NLHF income of £48,289 was deferred to 2025/26. This ensures income recognition aligns with the matching principle.</p>	48					48
<b>Aggregate effect of adjusted misstatements</b>	<b>798</b>	<b>812</b>	<b>285</b>	<b>0</b>	<b>812</b>	<b>1,083</b>

# Summary of misstatements (continued)

## Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

### Governance Statement

- Addition of reference to the internal audit's annual report to confirm inclusion of the reasonable opinion.

### Remuneration and Staff Report

- Fair Pay disclosures updated for current and prior year to ensure adherence to FReM.
- Inclusion of Staff Turnover percentage as required by FReM.
- Updating Total Remuneration Bandings for Senior Officers for arithmetic accuracy.
- Updating Board Member term dates to ensure accuracy.
- Disclosure for Off-Payroll arrangements added to be compliant with FReM.
- Average number of employees note revised to be in line with payroll records.
- Minor disclosure narrative amendments to the remuneration report.

### Performance Report

- Enhanced narrative on future actions for the amber projects
- Updated outturn figures to align with financial statement with a footnote added to explain differences from SoCNE figures to maintain consistency with the Board-reported budget.

# Summary of misstatements (continued)

## Disclosure misstatements

### Annual Accounts

- Related Parties note – Addition of disclosure to explain the need for prior year restatement.
- The disclosure for Third Party amounts was updated to reflect the correct proportions for the bonds.
- Accounting policy on Guarantees to Landowners updated to reflect the appropriate definition of a contingent liability.
- Financial Instruments note – Exclusion of prepayments from the trade and other receivable balance and deferred income, holiday pay accrual from the trade and other payables balance to adhere to IFRS 9 for both current year and prior year.
- Capital commitment note revised to include purchase of bikes to be capitalised in 2025/26.
- Accruals and deferred income split in trade and other payables note to be consistent with FReM.
- Updates made to Cash flow Statement to be in line with FReM presentation.

There were also adjustments to the annual report and accounts for other minor disclosure, page numbers, consistency or presentational matters.



## Fraud considerations

# Fraud considerations

We have a responsibility to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

## Your responsibilities

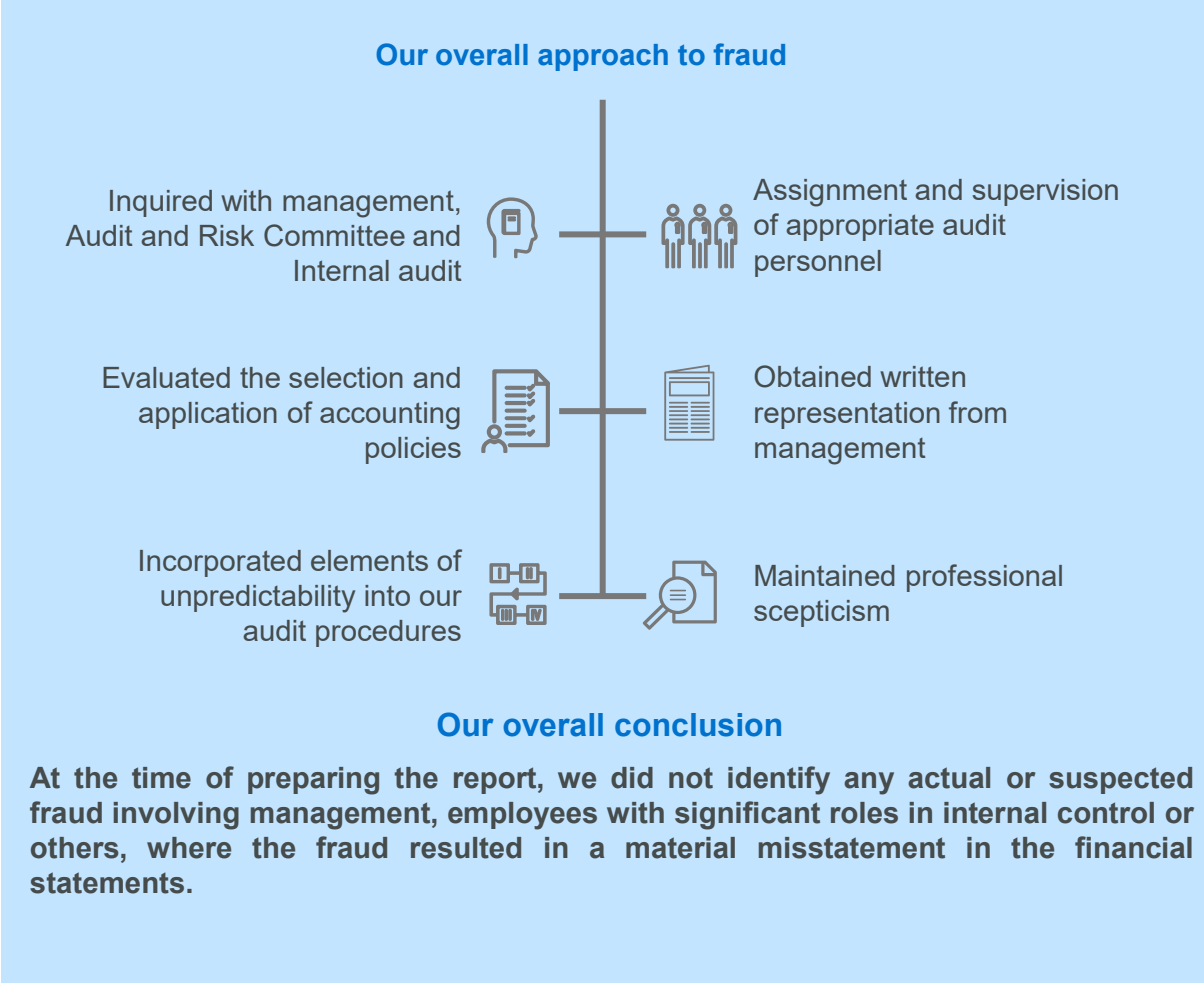
Management has primary responsibility for the prevention and detection of fraud. It is important that management, with your oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which is reinforced by your active oversight.

## Our responsibilities

We have a responsibility for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in a misstatement is intentional or unintentional. Two types of intentional misstatements are relevant to us – misstatements resulting from fraudulent financial reporting, and misstatements resulting from the misappropriation of assets.

## ISA presumed fraud risks

As set out in the ‘*Audit approach and risk summary*’ section, the risks of fraud in expenditure recognition, income recognition and management override of controls were identified as significant risks.



Wider scope and Best Value

# Commentary on Wider Scope

## Overall Summary



# Commentary on Wider Scope

## Wider Scope summary

As auditors appointed by the Auditor General of Scotland, our Wider Scope responsibilities are set out in the Code of Audit Practice 2021. The Code requirements broaden the scope of the 2024/25 audit and allow us to use a risk-based approach to report on our consideration of the CNPA’s performance and make recommendations for improvement and, where appropriate, conclude on CNPA’s performance.

The Code’s Wider Scope framework is categorised into four areas:

- financial management;
- financial sustainability;
- vision, leadership and governance; and
- use of resources to improve outcomes.

## Less complex bodies

The Code of Audit Practice allows an alternative audit approach where an audited body is considered less complex due its size and limited financial activity. In the Annual Audit Plan, we documented our judgement that CNPA is a less complex body. We have reviewed this assessment and confirmed that it remains appropriate. We therefore restricted our wider scope work to:

- a review of the Governance Statement
- concluding on the financial sustainability of CNPA and the services that it delivers in the medium to longer term.

## Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Possible significant risks?	Significant risks identified?	Other recommendations made?
Financial sustainability	31	No	No	See page 33
Governance statement	35	No	No	No



# Commentary on Wider Scope

## Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.



# Financial sustainability (continued)

## Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning	<p>CNPA's Corporate Plan 2023–2027 and the National Park Partnership Plan 2022–2027 provide the strategic framework for CNPA's operations and resource allocation. Both plans emphasize long-term sustainability through:</p> <p>Nature: Large-scale peatland restoration, woodland expansion, and biodiversity recovery to address climate and nature crises.</p> <p>People: Investment in affordable housing, skills development, and community resilience.</p> <p>Place: Sustainable tourism and infrastructure improvements to balance visitor growth with environmental protection.</p> <p>Financial sustainability is underpinned by core grant-in-aid from the Scottish Government, supplemented by additional external funding such as the Heritage Horizons: Cairngorms 2030 programme (supported by the National Lottery Heritage Fund).</p> <p>The Strategic Risk Register includes finance and sustainability risks and is reviewed monthly by the Executive Team and at every Audit and Risk Committee meeting. Mitigations describe actions taken to support CNPA's sustainability.</p> <p>CNPA does not have a formal medium to long-term financial strategy. It responds to Scottish Government resource spending review commissions on an ad hoc basis and made a submission in October 2022 to inform the Scottish Government's Medium Term Financial Strategy, projecting resource needs up to 2026/27. A horizon scanning session was held by the Board in November 2024 to discuss future resources and risks.</p>	<p>CNPA has a clear approach to determine its annual budget requirements. It demonstrates effective short term financial management and engagement with the Scottish Government. However, the absence of a formal medium to long term financial strategy including scenario planning limits its ability to fully assess and manage long term financial sustainability risks.</p> <p>Reducing corporate costs to meet the Scottish Government's expectations, without compromising service delivery, will be very challenging for CNPA.</p>	<p>We have not assessed this as a significant risk as the Scottish Government commitment has not yet been confirmed in reduced budget allocations. See page 31 for our recommendation.</p>

# Financial sustainability (continued)

## Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning	<p>The Authority operates within a one-year budget settlement and focuses on maximising the use of available resources to deliver a break-even outturn.</p> <p>The Scottish Government has commissioned CNPA on its ability to deliver a 20% reduction in corporate/administrative costs by 2029/30, when compared to the 2024/25 base. Officers have calculated that this equates to £345k over five years and would involve reducing its workforce by four full-time equivalent posts. CNPA's strategy to meet this target would rely on staff attrition, due to a policy of no compulsory redundancies.</p> <p>While this requirement applies across the central government sector, CNPA is expected to contribute to this target. Meeting this target without compromising service delivery will be challenging, given CNPA's reliance on annual grant-in-aid settlements and limited flexibility in resource allocation.</p> <p>CNPA is developing a Workforce Management Strategy, scheduled for Board discussion in October 2025, to ensure it has the appropriate resources to deliver its services. The strategy is being refined following initial review by the Senior Management Team.</p>		



# Financial sustainability (continued)

## Identified risks in financial sustainability arrangements and recommendations for improvement

As a result of our work, we have identified risks in the CNPA’s financial sustainability arrangements. This identified risk has been outlined in the table below. We have assigned priority ranking to reflect the importance that we consider it poses to your organisation and, hence, our recommendation in terms of the urgency of required action; see Appendix F for further details

	Financial sustainability risks identified	Recommendation for improvement	CNPA’s response and implementation timescale
1	<p><b>Corporate cost reductions – Level 2</b></p> <p>The Scottish Government has commissioned CNPA on its ability to deliver a 20% reduction in corporate/administrative costs by 2029/30, when compared to the 2024/25 base. While this requirement applies across the central government sector, reducing corporate costs to meet the Scottish Government’s expectations, without compromising service delivery, is likely to be very challenging for CNPA.</p>	<p>Management should develop a clear plan for reducing its corporate costs. This includes exploring and developing savings options as part of a longer-term financial strategy.</p>	<p><b>Management’s response</b></p> <p>For clarity, the Scottish Government commission is on the potential to reduce corporate costs and how any cost reductions would be achieved if required. This therefore remains a scenario at present, rather than a requirement to be planned for. The recommendation appears to overstate the current risk or requirement arising from the government commissions in question.</p> <p>The subsequent commission of August 2025 summarises the Park Authority’s savings plans should those be required and highlights our plans range from £3,000 below target in 2025/26 to £113,000 above target by 2029/30. This summary is underpinned by specific proposals which will be immediately converted to an action plan if required to do so. The summary is also covered by a series of explanatory notes to government highlighting the constraints around the Park Authority’s operations and risks of any implementation. As such the recommendation noted in this report is already covered by work put in place in August 2025, which in turn built on work done in April 2025.</p> <p>As such no further action is proposed on this matter at this time.</p> <p><b>Responsible officer</b> Deputy Chief Executive</p> <p><b>Implementation date</b> Not applicable – no outstanding matters to be dealt with</p>

# Commentary on Wider Scope

## Governance statement

The Governance statement outlines assurances about the organisation's performance and risk profile, its responses to the identified and emerging risks and its success in tackling them.



## Vision, leadership and governance (continued)

### Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Governance statement	<p>We confirmed that the Governance Statement:</p> <ul style="list-style-type: none"><li>• is consistent with the financial statements;</li><li>• includes the information required by the FReM and the Scottish Public Finance Manual (SPFM);</li><li>• is consistent with our knowledge obtained through the audit;</li><li>• does not contain any misleading information.</li></ul> <p>Officers made minor amendments to the Governance Statement following our review.</p>	<p>We are required to report on whether the information given in the Governance Statement is materially inconsistent with the financial statements; has not been properly prepared in accordance with The National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; or is materially misstated. We have no matters to report in respect of the Governance Statement.</p>	<p>No significant issues identified.</p>



# Commentary on Best Value

Best Value



# Best Value

## Best Value in central government bodies

The Scottish Public Finance Manual (SPFM) explains that accountable officers have a specific responsibility to ensure that arrangements have been made to meet their Best Value obligations. The duty of Best Value as set out in the SPFM is:

- To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and, in making those arrangements and securing that balance; and
- To have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development.

Ministerial guidance for Accountable Officers in public bodies sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

The seven Best Value characteristics have been recently regrouped to reflect the key themes which will support the development of an effective organisational context from which public services can deliver key outcomes and ultimately achieve Best Value:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality

We have used a risk-based approach that is proportionate to the size and type of the body, to assess whether CNPA has made proper arrangements for securing Best Value. We have also followed up on previously reported Best Value findings, where applicable, and have assessed the pace and depth of improvement implemented by CNPA.

## Best Value (continued)

### Best Value in central government bodies – overall conclusion

CNPA has not carried out a recent assessment against the Best Value characteristics. However, we found evidence of its ongoing commitment to Best Value principles.

In 2023/24, CNPA launched Phase Four of its Organisational Development and People Strategy (ODPS) 2024–2027, aimed at enhancing work processes, organisational culture, and service delivery. The strategy promotes a high-performance, people-focused environment supported by modern technologies and staff development initiatives. The ODPS outlines ambitions across nature, people, and place, underpinned by a goal to be “the best small public sector body in Scotland.” These developments demonstrate CNPA’s alignment with Best Value principles, particularly in the areas of efficiency (Effective use of resources), staff engagement (Vision and leadership), and continuous improvement (Governance and accountability).

Additionally, CNPA’s Corporate Plan 2023-27 and National Park Partnership Plan 2022-27 set out clear priorities across nature, people, and place, promoting sustainable development, partnership working, and efficient service delivery. These frameworks underpin CNPA’s efforts to deliver continuous improvement and value for public resources.

Overall, we have concluded that CNPA has reasonable arrangements in place to secure Best Value. However, CNPA could more formally assess and report on the effectiveness of its Best Value arrangements. For example, by carrying out an annual assessment against the Best Value themes.



# Appendices

A: Internal control conclusions

B: Draft management representation letter

C: Draft audit report

D: Confirmation of our independence

E: Other communications

F: Wider scope ratings

G: Current year updates, forthcoming accounting & other issues

# Appendix A: Internal control conclusions

## Other deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered Cairngorms National Park Authority's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cairngorms National Park Authority's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in Appendix A are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in Appendix A should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but have been reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.



# Appendix A: Internal control conclusions (continued)

## Other deficiencies in internal control (Continued)

### Review of fixed asset register and useful life

#### Description of deficiency

CNPA’s asset register includes property plant and equipment that has been fully depreciated. The gross book value and accumulated depreciation is reflected in the financial statements with a nil net book value. Assets that are no longer in use should be written out of the asset register and ledger. Assets that are in use should be reviewed to ensure the carrying value is appropriate.

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#### Potential effects

Failure to undertake regular asset review exercise may result in assets being incorrectly valued.

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#### Recommendation

CNPA should conduct regular reviews of its fixed asset register to identify and remove assets no longer operational. Where assets are still in use, CNPA should review the useful economic life of the assets to determine a value in use in compliance with IAS 16.

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#### Management’s response

Assets are reviewed annually to identify items no longer in use. We will continue to carry out these reviews.

#### Responsible officer

Head of Finance and Corporate Operations

#### Implementation date

Ongoing

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# Appendix A: Internal control conclusions (continued)

## Other deficiencies in internal control (Continued)

### Related parties transactions

#### Description of deficiency

CNPA did not disclose related party transactions with two of its Board members in the prior year audited accounts. We confirmed tt has updated the annual report and accounts to include details of the 2023/24 related party transactions. We also found a discrepancy between the related party transactions disclosed in the financial statements and the registered interests of key individuals.

#### Potential effects

Incorrect or incomplete disclosure of related parties transactions.

#### Recommendation

CNPA should conduct regular reviews to identify transactions with related parties and ensure these are appropriately disclosed in the annual report and accounts.

#### Management’s response

The completeness of this disclosure depends on the timeliness of information provided by individual Board members. Board members are asked to review and update their entries on the Register of Interests quarterly. The updates made to the information recorded in 2023/24 arose because the clerks became aware of the connections only after the completion of those accounts.

In response to the matters raised during the audit, the Clerks to the Board are now requesting details of the date on which a Board Member’s connection to a particular organisation commenced and when it ended. Board members will be reminded of their responsibilities for reporting on the Register of Interests.

**Responsible officer:** Director of Corporate Services

**Implementation date:** Next Board meeting – 28 November 2025

# Appendix A: Internal control conclusions (continued)

## Other deficiencies in internal control (Continued)

### User access review

#### Description of deficiency

The current user access process does not formally distinguish between access to Windows Active Directory and access to financial systems (e.g., Sage 200). While the New User Management request form is used to initiate account creation, it does not explicitly document approval for access to financial systems.

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#### Potential effects

Risk of unauthorised access to financial systems due to lack of formal, documented approval.

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#### Recommendation

The authority should reintroduce the New User request form to clearly document and distinguish between access to Windows Active Directory and financial systems. Including this form as supporting evidence ensures both HR and IT teams are appropriately reviewing the access request. The current system does maintain segregation of duties however, the request for access to financial systems should be clearly distinguished from that for the Access Directory to prevent unauthorised access to the financial systems.

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#### Management’s response

There are six members of the Finance team who are all known to the HR and IT teams. Our belief is that adding the requirement to request formal documentation for approval to give access to financial systems would not improve security. The comment was made with reference to the Park Authority’s use of an outdated Sage accounting system; the new Access Financials system requires access rights to be granted by a system administrator. Staff with these administrator rights are senior members of the Finance team. In future, changes to access rights will be managed from within the Finance team. No further action is considered necessary.

**Responsible officer:** None provided

**Implementation date:** Not provided as management consider no further action is necessary.

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# Appendix A: Internal control conclusions (continued)

## Other deficiencies in internal control (Continued)

### Password and Multi Factor Authentication (MFA) Policy and Administrative Accounts Policy

#### Description of deficiency

CNPA has introduced key IT policies such as a Password and MFA Policy and Administrative Accounts Policy in response to prior year recommendations, however we found several discrepancies between the documented policies and actual practices. These include outdated or inaccurate details regarding password settings, administrative account requirements, and log retention periods. For example:

- Password expiry and lockout settings in the policy do not match system configurations.
- Minimum password length and password history settings are inconsistent across policies.
- Log retention periods for Microsoft 365 and Active Directory are overstated.

#### Potential effects

Increased risk of security breaches due to misalignment between policy and practice.

#### Recommendation

The Authority should prioritise the review and update of all IT policies to ensure they accurately reflect current system configurations and operational practices. Specifically:

- The Password & MFA Policy should be updated to confirm that passwords expire every 30 days and accounts are locked after five failed login attempts.
- The Administrative Accounts Policy should be revised to:
  - Require a minimum password length of 14 characters, aligning with the Password and MFA Policy.
  - Reflect a maximum password age of 30 days and a password history of 24 remembered passwords.
  - Administrative accounts currently only require 8-character passwords, which does not meet the intended policy standard. This should be corrected to enforce the 14-character minimum.

**Management’s response:** Management has no concern that the Park Authority’s cyber security is at risk as a consequence of identified discrepancies between documented policies and actual practices. Over the course of the year, we have been working with Scottish Government on a pilot project to develop the maturity of our IT systems. This work has resulted in a number of recommendations around documentation, and we are starting to address this lack of formality in written policy in the context of a now significantly updated operating environment. All administrative accounts are password protected – the team are willing to increase password length, age and history as requested.

**Responsible officer:** Information Systems Manager

**Implementation date:** Ongoing

# Appendix A: Internal control conclusions (continued)

## Other deficiencies in internal control (Continued)

### Review of journal postings

#### Description of deficiency

There is currently no formal process in place to review journal entries/transactions posted in the financial ledger (Sage 200).

#### Potential effects

Any member of the finance team with access to Sage 200 has the ability to post journal entries. The absence of a review process increases the risk of incorrect or potentially fraudulent postings going undetected, thereby compromising the integrity of financial reporting.

#### Recommendation

CNPA should implement a formal process for reviewing journal entries. This should include independent verification of journal entries prior to posting, with clear evidence of review.

#### Management's response

Within a small team, it is efficient and expedient to allow all members of the finance team access to journal functionality. We have two main control processes over the integrity of journal entries:

- Our month end processes involve review of transactions and reconciliation of balances, and
- We review management information monthly and explore any unexpected variances.

There has been a strong focus on the audit of journal entries, and we understand that restricting access to journal functions would provide audit assurance. However, it would make our financial processes less efficient.

We will develop a process whereby all journal entries are reported monthly and reviewed by the Financial Accountant and the Head of Finance. In this way we will provide a process of management review that does not result in slower processing. We will build this into our monthly processes.

#### Responsible officer

Louise Allen, Head of Finance

#### Implementation date

Immediate and retrospective

# Appendix A: Internal control conclusions (continued)

## Other deficiencies in internal control (Continued)

### Review of corporate policies

#### Description of deficiency

CNPA does not have a formal timetable for reviewing corporate polices. Also, some policies do not clearly reflect the latest review date in their revision history. This affects key policies such as the Code of Conduct, Data Protection, and Risk Management.

#### Potential effects

Policies may become outdated or inconsistent with current legislation, standards, or best practice.

#### Recommendation

The Authority should implement a formal policy review schedule and ensure its policies are clearly marked with the latest review date.

#### Management’s response

We agree that we need to set up a system for management and review of corporate policies. Following recommendations from our internal auditors, new policy documents now include details of version number, date of development and date for review, but there is currently no register of these documents and consequently no formal timetable for review. We are aware, however, of the need to keep policies relevant and in line with legislation. The Park Authority currently achieves this through monitoring of legislative or other changes in our operating environment which trigger immediate policy review when required rather than waiting for a scheduled review date: for example, our immediate action on the Supreme Court ruling regarding the legal definition of sex. We recognise that the addition of a schedule of review dates would be a helpful additional control within our control environment.

#### Responsible officer

Louise Allen, Head of Finance

#### Implementation date

31 March 2026

# Appendix A: Internal control conclusions (continued)

## Follow up on previous internal control points

We set out below an update on internal control points raised in prior periods.

### Information and Data Security

#### Description of deficiency

CNPA has not obtained Cyber Essentials Plus accreditation for 2024. Cyber Essentials is a Government backed scheme designed to help protect organisations against a range of the most common cyber-attacks. Cyber Essentials Plus includes a hands-on technical verification.

#### Potential effects

CNPA may be exposed to attempts to harm or exploit its computer systems.

#### Recommendation

CNPA should work to obtain Cyber Essentials Plus accreditation.

#### 2024/25 update

**Complete.** CNPA confirmed they have achieved Cyber Essentials Plus accreditation.

### IT policies

#### Description of deficiency

We identified from our testing that CNPA does not have formal policies covering change management and user access, including review of generic and privileged access to its main financial systems.

#### Potential effects

The absence of clear policies and procedures over user access to financial systems increases the risk of unauthorised access to CNPA's systems.

#### Recommendation

CNPA should develop policies for review of change management and user access.

#### 2024/25 update

**Incomplete.** During this year's audit, we identified that a formal change management and user access policy is still to be established.

**Management's response:** While formal policies covering change management and user access are not documented, there are strong processes in place and management has no concern that the Park Authority's cyber security is at risk as a consequence of this lack of formality.

Over the course of the year, we have been working with Scottish Government on a pilot project to develop the maturity of our IT systems. This work has resulted in a number of recommendations around documentation, and we are starting to address this lack of formality in written policy in the context of a now significantly updated operating environment.

**Responsible officer:** Information Systems Manager

**Implementation date:** Ongoing

# Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (Continued)

## Complex General Ledger Structures

### Description of deficiency

CNPA has complex and time-consuming general ledger structures and accounting processes, as evidenced by the following features:

- Use of multiple ‘companies’, which means CNPA performs manual consolidation to produce a result for the whole organisation from the five companies set up in the SAGE financial ledger system
- Inconsistencies in the Chart of Accounts for the five companies
- Requisitions for procurement prepared in Excel
- Reporting and payroll processing require manual input into the SAGE system.

We note that management have sought and received approval for the acquisition of a new accounting system, with approval provided in June 2024.

### Potential effects

The processes currently in place result in duplication of efforts, are time-consuming and strenuous for the finance team, and could lead to errors in information processing.

### Recommendation

We recommend that CNPA ensures that any new accounting system meets its needs and addresses the issues identified above. CNPA should also ensure there is a clear project plan for implementing the new system.

### 2024/25 update

**Ongoing.** The complex ledger structure observed in prior periods continued for the current year’s audit. The existence of five separate sub-ledgers significantly increased the time required for audit procedures, leading to duplication of effort and inefficiencies in the review process. We note that CNPA has moved to a new system (Access Financial) for financial year 2025/26 which has a less complex ledger structure.

### Management’s response

While potentially complex, the Park Authority’s ledger structure has provided a robust means of controlling a wide range of income sources and activities delivered by the organisation. The finance team has been engaged in implementation of a new system over the course of the year. There is now a single company structure and a project sub-ledger within that structure. The system was made live on 1 April 2025.



## Appendix B: Draft management representation letter

Tom Reid  
Forvis Mazars LLP  
100 Queen Street  
Glasgow  
G1 3DN

(Date)

Dear Tom

### **Cairngorms National Park Authority - Audit for the Year Ended 31 March 2025**

This representation letter is provided in connection with your audit of the financial statements of Cairngorms National Park Authority for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

#### **My responsibility for the financial statements and accounting information**

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the National Parks (Scotland) Act 2000 and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

#### **My responsibility to provide and disclose relevant information**

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Accountable Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

# Appendix B: Draft management representation letter

## Accounting records

I confirm that all transactions undertaken by the Authority have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you.

## Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority's financial position, financial performance and cash flows.

## Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions and the data used by the Authority in making the accounting estimates, including those measured at fair value are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

## Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired, or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the National Parks (Scotland) Act 2000 and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

## Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

# Appendix B: Draft management representation letter

## Fraud and error

I acknowledge my responsibility as Accountable Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

## Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the National Parks (Scotland) Act 2000 and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

I have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which I am aware.

## Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the statement of financial position date. An impairment review is therefore not considered necessary.

## Charges on assets

All the Authority's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

## Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

## Valuation of land, buildings and dwellings

I confirm that I am satisfied that the key assumptions feeding into the assessment of the assets are appropriate based on my review.

## Appendix B: Draft management representation letter

### **Right of Use assets and lease liabilities**

I confirm that I have satisfied myself that the key judgments and assumptions made in valuing Right of Use assets and corresponding lease liabilities are reasonable and in accordance with IFRS 16. I am satisfied that assumptions around lease terms of implicit leases are reasonable.

### **Ultimate parent company**

I confirm that the ultimate parent company for Cairngorms National Park Authority is the Scottish Government Environment and Forestry Directorate.

### **Impacts of Russian Forces entering Ukraine**

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note to the financial statements fairly reflects that assessment.

### **Tariffs**

I confirm that I have carried out an assessment of the potential impact of changes in US trade policy in respect of tariffs, including the impact of reciprocal tariffs by other countries, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note to the financial statements fairly reflects that assessment.

### **Going concern**

To the best of my knowledge there is nothing to indicate that the Authority will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

### **Performance related allocations**

I confirm that I am not aware of any reason why the Authority's funding allocation limits would be changed.

### **Subsequent events**

I confirm all events subsequent to the date of the financial statements and for which the National Parks (Scotland) Act 2000 and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM) require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

### **Governance Statement**

I am satisfied that the Governance Statement fairly reflects the Authority's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the Governance Statement.

# Appendix B: Draft management representation letter

**Annual Report**

The disclosures within the Annual Report and the Remuneration and Staff Report fairly reflect my understanding of the Authority’s financial and operating performance over the period covered by the financial statements.

**Other Representations**

I confirm that all provisions required under IAS 37 have been included in the financial statements.

**Unadjusted misstatements**

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

Yours faithfully

.....

Grant Moir  
Chief Executive and Accountable Officer

# Appendix C: Draft audit report

## **Independent auditor's report to the members of Cairngorms National Park Authority and the Auditor General for Scotland and the Scottish Parliament**

### **Reporting on the audit of the financial statements**

#### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of Cairngorms National Park Authority for the year ended 31 March 2025 under the National Parks (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

#### **Basis for opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Appendix C: Draft audit report

### Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland Website](#).

### Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

### Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;

## Appendix C: Draft audit report

- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Reporting on regularity of expenditure and income**

#### **Opinion on regularity**

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

#### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.



# Appendix C: Draft audit report

## Reporting on other requirements

### Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

### Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

# Appendix C: Draft audit report

## Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

## Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

## Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Tom Reid, Director

For and on behalf of Forvis Mazars LLP

100 Queen Street

Glasgow – G1 3DN

(Date)

## Appendix D: Confirmation of our independence

We communicate any matters which we believe may have a bearing on the independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Annual Audit Plan and therefore we remain independent.

# Appendix D: Confirmation of our independence (continued)

## Fees for work as Cairngorms National Park Authority’s auditor





We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Annual Audit Plan presented to the Audit and Risk Committee on 21 March 2025. Having substantially completed our work for the 2024/25 financial year, we can confirm that our fees are as follows:

Area of work	2024/25 fees	2023/24 fees
Auditor remuneration	£29,150	£27,980
Pooled costs	(£280)	£300
Sectoral cap adjustment	(£12,190)	(£11,920)
Additional fees	TBC	-
Total fees	TBC	£16,360

## Fees for other work

We confirm that we have not undertaken any non-audit services for Cairngorms National Park Authority in the year.


## Appendix E: Other communications

Other communication	Response
 <b>Compliance with Laws and Regulations</b>	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
 <b>External confirmations</b>	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 <b>Related parties</b>	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> <li>a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li> <li>b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li> </ul>
 <b>Going Concern</b>	<p>We have not identified any evidence to cause us to disagree with the Accountable Officer that Cairngorms National Park Authority will be a going concern, and therefore we have not identified any evidence to cause us to consider that the use of the going concern assumption in preparation of the financial statements is not appropriate.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

# Appendix E: Other communications (continued)

Other communication	Response
<div data-bbox="96 376 165 448"></div> <div data-bbox="196 391 463 422"><b>Subsequent events</b></div>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
<div data-bbox="84 743 173 826"></div> <div data-bbox="196 762 402 823"><b>Matters related to fraud</b></div>	<p>Our audit was designed to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. Please refer to the section titled ‘<i>Fraud considerations</i>’ for our fraud considerations and conclusion.</p> <p>We will obtain written representations from management and, where appropriate, the Audit and Risk Committee, confirming that</p> <ol style="list-style-type: none"> <li>they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li> <li>they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud;</li> <li>they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:               <ol style="list-style-type: none"> <li>management;</li> <li>employees who have significant roles in internal control; or</li> <li>others where the fraud could have a material effect on the financial statements; and</li> </ol> </li> <li>they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.</li> </ol>

# Appendix E: Other communications (continued)

Other communication	Response
 <b>System of Quality Management</b>	<p>To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management, including:</p> <ul style="list-style-type: none"><li>• Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership</li><li>• Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities</li><li>• Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.)</li><li>• Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality</li><li>• Evaluating responses and remediating control gaps or deficiencies</li></ul> <p>We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2024. Details of that assessment and our conclusion are set out in our 2023/2024 Transparency Report, which is available on our website <a href="#">here</a>.</p>

# Appendix F: Wider scope ratings

We need to gather sufficient evidence to support our commentary on Cairngorms National Park Authority’s arrangements and to identify and report on any risks. We will carry out more detailed work where we identify significant risks. Where significant risks are identified we will report these to Cairngorms National Park Authority and make recommendations for improvement. In addition to local risks, we consider challenges that are impacting the public sector as a whole.

We have assigned priority rankings to each of the risks identified to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The table below describes the meaning behind each rating that we have awarded to each wider scope area based on the work we have performed.

Rating	Description
Level 1	The identified risk and/or significant deficiency is critical to the business processes or the achievement of business strategic objectives. There is potential for financial loss, damage to reputation or loss of information. The recommendation should be taken into consideration by management immediately.
Level 2	The identified risk and/or significant deficiency may impact on individual objectives or business processes. The audited body should implement the recommendation to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.
Level 3	The identified risk and/or significant deficiency is an area for improvement or less significant. In our view, the audited body should action the recommendation, but management do not need to prioritise.



# Contact

## Forvis Mazars

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