



# Cairngorms National Park Authority

## Internal Audit Plan 2024/25

March 2024





# Cairngorms National Park Authority

## Internal Audit Plan 2024/25

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# Introduction

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

Section 3 – Definition of Internal Auditing, Public Sector Internal Audit Standards

The PSIAS require the Chief Internal Auditor to produce a risk-based plan, which takes into account Cairngorms National Park Authority's risk management framework, its strategic objectives and priorities, and the views of senior managers and the Audit & Risk Committee. The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks are being managed effectively and value for money is being achieved.

Internal audit is only one source of assurance for the Audit & Risk Committee. Assurance on the management of risk is provided from a number of other sources, including the senior management team, external audit and the risk management framework itself.

This document addresses these requirements by setting out an internal audit plan for 2024/25 in the context of a three-year plan for 2022/23 to 2024/25.

## Audit & Risk Committee action

This latest version of the audit plan reflects discussions with the Chief Executive and the Director of Corporate Services and Deputy Chief Executive in February 2024. All feedback received to date has been factored into the plan to ensure internal audit work is as relevant and targeted to CNPA's needs as possible, and that it is supporting management and the Board in addressing the organisation's key risks.

The Audit & Risk Committee is asked to review and approve the proposed Internal Audit Plan for 2024/25.

# Internal Audit Plan 2024/25

Audit area	2022/23	2023/24	2024/25	24/25 Risk Register Ref	Audit objectives
<b>A. Financial systems</b>					
A.1 Financial management and reporting					Review of financial planning, budget management and reporting to management and the board.
A.2 Payroll and expenses	6				Review of the controls in place for the payment of staff salaries and expenses. Potential to utilise data analytics to undertake 100% sampling.
A.3 Expenditure and Creditors		7			Review of the controls over the processing and monitoring of expenditure and creditor payments.
A.4. Finance System and Processes		8			Advisory review considering whether the SAGE finance system is being utilised to provide appropriate financial monitoring for CNPA and is reflective of the operational structure of the organisation.
<b>Subtotal A:</b>	<b>6</b>	<b>15</b>	<b>-</b>		
<b>B. Governance and Corporate Systems</b>					
B.2 Performance Management	8				Review of the monitoring and evaluation framework in place to monitor and evaluate performance against the National Park Partnership Plan and CNPA Corporate Plan.
B.3 Risk Management		7			Review of the policies, procedures and practices in place to support robust risk management within CNPA. Work will build on the Risk Appetite work being undertaken by the Board.
B4. Cairngorms 2030			11	Risks 1,5,16,17,21	Review of the arrangements in place for the delivery phase of Cairngorms 2030 including whether there is a robust governance structure in place. This will include consideration of the internal reporting arrangements in place, including reporting on NLHF funding claims, and the extent to which the ongoing reporting and

Audit area	2022/23	2023/24	2024/25	24/25 Risk Register Ref	Audit objectives
					monitoring has been integrated as far as possible into wider organisational reporting.
<b>Subtotal B:</b>	<b>8</b>	<b>7</b>	<b>11</b>		
<b>C. Operational</b>					
C.1 Health and Safety		7			To review the operation and reporting on Health and Safety policies and procedures.
C.2 Workforce Management and Planning	11				Review of the arrangements in place for planning future workforce needs to deliver strategies and corporate plans. Will also consider the recruitment and retention arrangements in place for staff and ongoing staff wellbeing initiatives, particularly in the context of covid-19 impact.
C.3 Procurement		8			Review of the arrangements in place over the procurement of goods and services.
C4. Heritage Horizons		8			A review of the governance and reporting arrangements for the Heritage Horizons programme to ensure those processes are suitable for the delivery phase of the programme and that lessons learned from the development phase have been implemented.
C5. Operational and Financial Planning			14	Risks 5,16	A review of the annual operational planning process including how operational plans are developed alongside and the extent to which they are integrated with the annual financial plan. This will consider the cycle of spending, and monitoring of spend throughout the year to achieve the operational plan and the link to the delivery of corporate outcomes, including the use of scenario planning.
C6. Shared Services			10	Financial Risks	A review of the shared services in place with other organisations to determine the extent to which Cairngorms are clear on whether they are receiving value for money from services received This

Audit area	2022/23	2023/24	2024/25	24/25 Risk Register Ref	Audit objectives
					will include consideration of the way in which value for money has been defined, is being monitored and the use of clear, agreed KPIs.
<b>Subtotal C:</b>	<b>11</b>	<b>23</b>	<b>24</b>		
<b>D. Information technology</b>					
D.1 ICT Strategy					Review to ensure an up-to-date ICT strategy is in place and being actively maintained.
D.2 Data Management	7				A review of the adequacy of current data management processes in place that support the organisation, with particular consideration over processes emerging from COVID-19 and changes to CNPA's IT Infrastructure.
D.3 Cyber Security			10	Risks 4,6	Review of the arrangements in place to mitigate cyber security risks.
<b>Subtotal D:</b>	<b>7</b>		<b>10</b>		
<b>E. Compliance and Regulatory</b>					
E.1 LEADER Administration	5				To provide assurance on compliance with SLA between CNPA and Scottish Government on administration of EU LEADER funding.
E.2 Follow Up	3	3	3		To provide independent assurance to the audit and risk committee that agreed actions from previous internal audit reports are implemented as planned.
<b>Subtotal E:</b>	<b>8</b>	<b>3</b>	<b>3</b>		
<b>F. Management</b>					
Internal audit management and administration	2	2	2		

Audit area	2022/23	2023/24	2024/25	24/25 Risk Register Ref	Audit objectives
Audit and Risk Committee planning, reporting and attendance	3	3	3		
Audit needs analysis - strategic and operational IA planning	3	3	3		
Contract management	2	2	2		For coordination and efficiency
Annual internal audit report	1	1	1		
<b>Subtotal F:</b>	<b>11</b>	<b>11</b>	<b>11</b>		
<b>TOTAL</b>	<b>51</b>	<b>51</b>	<b>59</b>		



# Review timetable 2024/25

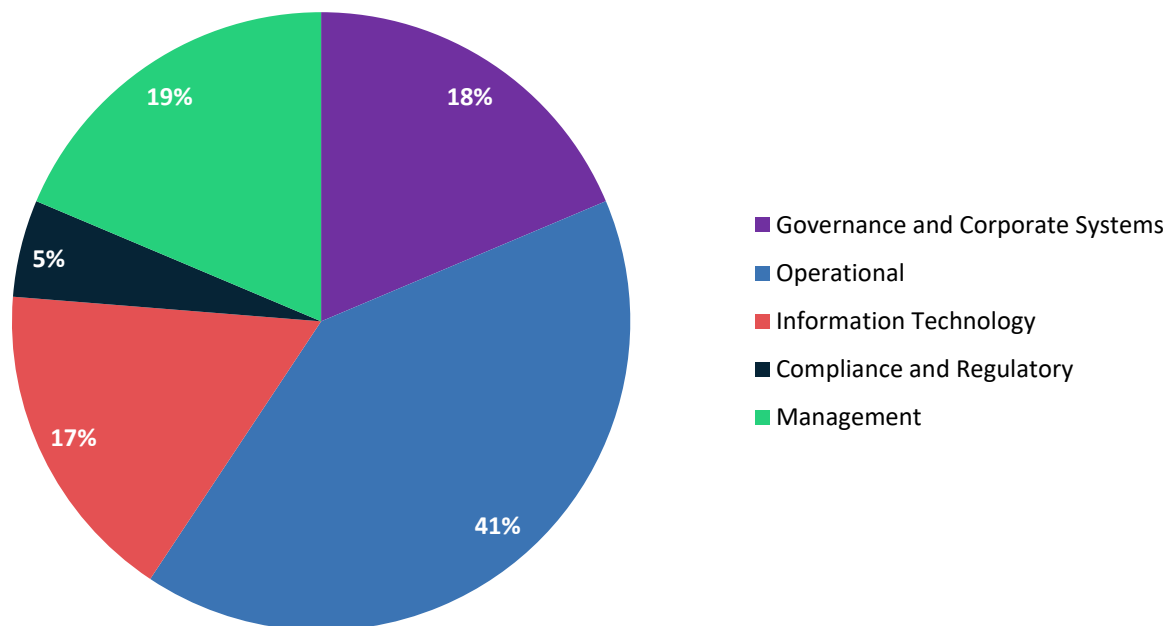
We have provided indicative dates below for each of the planned reviews for 2024/25 and will confirm exact timings with management following approval of the plan.

Review	Audit Sponsor	Start fieldwork	Complete fieldwork	Draft Report	Management Response	Final Report	ARC Meeting
B4. Cairngorms 2030	Director of Corporate Services and Deputy CEO	October 2024	October 2024	November 2024	December 2024	January 2025	April 2025
C5. Operational and Financial Planning	Director of Corporate Services and Deputy CEO	June 2024	June 2024	July 2024	August 2024	August 2024	September 2024
C6. Shared Services	Director of Corporate Services and Deputy CEO	May 2024	May 2024	June 2024	July 2024	July 2024	September 2024
D.3 Cyber Security	Director of Corporate Services and Deputy CEO	January 2025	February 2025	February 2025	March 2025	March 2025	April 2025
F1. Follow up – Part 1	Director of Corporate Services and Deputy CEO	October 2024	October 2024	November 2024	November 2024	November 2024	November 2024
F1. Follow up – Part 2	Director of Corporate Services and Deputy CEO	March 2025	Mar 2025	April 2025	April 2025	April 2025	April 2025
Annual internal audit report	n/a	n/a	n/a	n/a	n/a	n/a	April 2025

# Allocation of audit days

The table below demonstrates how the internal audit days for 2024/25 are allocated across each area of the audit universe (Appendix 2).

## Allocation of audit days



# Internal audit approach

## Supporting the Governance Statement

Our Internal Audit Plan is designed to provide Cairngorms National Park Authority, through the Audit & Risk Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the improvement of governance, risk management and internal control processes by using a systematic and disciplined evaluation approach.

## Compliance with best practice

Azets internal audit methodology complies fully with the Public Sector Internal Audit Standards (PSIAS), which cover the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.

## Risk based internal auditing

Our methodology links internal audit activity to the organisation's risk management framework. The main benefit to Cairngorms National Park Authority is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

By focussing on the key risk areas, internal audit should be able to conclude that:

- Management has identified, assessed and responded to Cairngorms National Park Authority's key risks;
- The responses to risks are effective but not excessive;
- Where residual risk is unacceptably high, further action is being taken;
- Risk management processes, including the effectiveness of responses, are being monitored by management to ensure they continue to operate effectively; and
- Risks, responses and actions are being properly classified and reported.

We have reviewed Cairngorm National Park Authority's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the risk register as one source of the information we use to inform our audit needs assessment.

## Audit needs assessment

Our internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the Audit & Risk Committee from internal audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment involved the following activities:

- Reviewing Cairngorms National Park Authority's risk register,
- Reviewing Cairngorms National Park Authority's corporate operational plan,
- Reviewing previous internal audit reports,

- Reviewing external audit reports and plans,
- Reviewing the Cairngorms National Park Authority's website and internal policies and procedures,
- Utilising our experience at similar organisations, and
- Discussions with senior management and the Audit & Risk Committee

The plan has also been cross-referenced to the Cairngorm National Park Authority's risk register as at November 2023. The audit universe is included at Appendix 2.

## Best value

Our work helps Cairngorms National Park Authority to determine whether services are providing best value. Every report includes an assessment of value for money, i.e. whether the controls identified to mitigate risks are working efficiently and effectively. Where we identify opportunities for improving value for money, we raise these with management and include them in the report action plan.

## Liaison with external audit

We seek to complement the areas being covered by Cairngorms National Park Authority's external auditor. We welcome comments on the internal audit plan from Mazars at any time. This will help us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of total audit resource.

# Delivering the internal audit plan

## Internal Audit Charter

At Appendix 3 we have set out our Internal Audit Charter, which details how we will work together to deliver the internal audit programme.

## Internal Audit team – indicative staff mix

Grade	2024/25 Input (days)	Grade mix (%)
Partner / Director	7	12%
Senior Manager	13	22%
Auditors	39	66%
<b>Total</b>	<b>59</b>	<b>100%</b>

## Internal Audit Team Contacts

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# Appendix 1 – Corporate Risk Register

As part of our audit needs assessment, we reviewed the Corporate Risk Register (as at November 2023) to consider auditable areas against identified risks.

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
Public sector finances constrain capacity to allocate sufficient resources to deliver corporate plan.	1	DC	Preventative: Ongoing liaison with Scottish Government highlighting achievements of CNPA. Preventative: Corporate plan prioritised around anticipated Scottish Government budget allocations, taking on Board expectation of funding constraints. Remedial: Focus resource on diversification of income streams to alternate, non-public income generation. Remedial: Continuing to support “delivery bodies” such as Cairngorms Nature, Cairngorms Trust in securing inward investment.	Risk escalation reflects Scottish Government’s continued and heightened concerns on forward stability of current financial allocations; risk of in-year adjustments, and risk over future year funding levels. All mitigating actions in place and operational.	5	3	15
The scale of CLLD Funding secured for Cairngorms communities does not meet required levels as a consequence of UK Funding not recognising National	2	DC	Preventative: prioritise engagement in consultations and events around the future development of structural and community funding. Remedial: continue to support work of Cairngorms Trust in attracting voluntary donations toward community action – although this is likely to remain at a much smaller scale for some time. Remedial: continue to review opportunities	Positive movement continuing across policy development areas within Scottish Government around the continuity of some form of CLLD with 2023/24 funding allocations in place, while limited by current in-year spending pressures. However, opportunity to access UK Government funding to replace EU losses still very unclear. Wider changes	3	3	9

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
Parks as administrative entities and Scottish Government funding changing priority.			for funding bids to other non-governmental funding sources. Preventative: work on C2030 potentially secures an additional £1m over 5 years and as such may remove this from a strategic profile risk if secured.	to agri-environment schemes and impact of change also remains highly uncertain.			
Scale of asset responsibilities such as for paths, outdoor infrastructure (e.g. legal path maintenance agreements) is not adequately recognised and does not secure adequate forward maintenance funding.	3	DC	Remedial: Review of accounting policies and the potential to recognise ensuing financial liabilities on the balance sheet so as to raise awareness with Scottish Government. Ensure full consideration is given in budget reviews. Preventative: Capital bids to government; alternate funding sources such as voluntary giving to be explored more actively. Work on Strategic Tourism Visitor Infrastructure Plan to focus action.	Added by MT / OMG April 18. Significant increase in capital allocation has allowed scope for increased programming of maintenance over 2021 to 2025. Potential to remove from strategic risk oversight at this time? Relatively small areas that are not very public and fairly low cost.	2	3	6

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
CNPA IT services are not sufficiently robust/ secure/ or well enough specified to support effective and efficient service delivery. Increasing demand for knowledge around Microsoft 365 and cyber security is outstripping the team's knowledge/ skill set. Increasing ICT dependency for effective and efficient operations is not adequately backed up by ICT systems support.	4	DC	Preventative: Develop and consult on the forward plans for ICT service development to ensure these meet service requirements. Remedial: External consultancy to develop our IT strategy - organisational development, technical improvements and upskilling. Remedial: New ICT Strategy to be developed to reappraise position on IT dependencies and establish a focus for future digital development across the Authority. Clear action planning to evolve from final ICT strategic direction once agreed. Preventative: Deploy timetabled action plan against approved ICT Strategy.	Retained as a risk rather than merged into other IT risks following May 2022 ARC review. Internal audit report on IT Strategy sets out key actions in this area of risk management around IT Strategy development, project management and costing of IT action plans to be implemented. Operational Management Group Movement into Microsoft 365 deployment and cloud-based systems has involved significant work and some disruption to staff operations. Internal audit work reinforces need to focus on project management of activities both for management of processes and improved organisational communications.	3	4	12
Our Corporate and Operational Planning systems do not adapt to delivery of major funded programmes alongside delivering 'core' national park objectives. This	5	DC	Preventative: Strategic and operational plans will be developed with externally funded project delivery as intrinsic elements of plans to ensure delivery capacity is considered fully. Importance of staff management and task prioritisation reinforced through leadership meetings. Focus on fewer, larger impact projects (C2030 Heritage Horizons) Remedial:	Additional recruitment in 22/23 and 23/24 to alleviate key staff pressure points complete. Fixed term staff contracts reviewed throughout the year. Likelihood of risk therefore declining and risk profile therefore reducing. Impact of measures and risk profile will continue to be closely monitored through staff management processes.	4	5	20



Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
leads to workforce stretch between 3rd party funding delivery and 'core' corporate plan activities with increased risks of stress and reduced morale.			Performance Development Conversations (PDCs) being deployed regularly with all staff to check on staff workloads, with 2-way flows of communications enabled through that process on staff workload and capacity.				
Cyber security is inadequate to address risk of cyber-attack on systems. Use of AI increases risk of cyber security threats such as spear-phishing.	6	DC	Preventative: Implementation of Scottish Government Cyber Security Action Plans and internal audit recommendations on IT security. Ongoing review of systems and procedures in tandem with LLTNPA and through consultancy. Rescope arrangements through IT Strategy	Added by MT / OMG April 18. Additional cyber security measures invested in and implemented. Aware of increased risks highlighted by national agencies during COVID response. Cyber security plus accreditation being reapplied for. Reviewing options for further increased security measures. Invest in strengthening cybersecurity infrastructure and training staff to handle potential threats. This includes regular security audits, incident response planning and promoting a security-first culture.	3	3	9

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
Change in financing IT services and the switch from capital to revenue provision places an unmanageable pressure on the Authority's budget capacity.	7	DC	Remedial: Monitor pattern of IT Investment costs as regards the capital and revenue split of resourcing requirements; build impacts into ongoing budget deliberations with Scottish Government.	Budgets have been sufficient in both 2022/23 and 2023/24 to accommodate the costs of SAAS. Continued expansion of our use of the Microsoft suite of products may lead to increased cost, but this will be controlled by allocation of appropriate licences. Installation of a new finance system (2024/25) is likely to add cost pressure. Added by Audit Committee 8 March 2019 following "deep dive" IT risk review. Risk remains live as we implement a refreshed ICT Strategy and move to more cloud / service solutions. While there was sufficient budget cover for the initial implementation of cloud-based services in 21/22, the final position will crystallise over 22/23 and into the 23/24 budget.	2	2	4
Business Continuity Plans (BCP) are inadequate to deal with significant impacts to normal working arrangements and result in service failure.	8	DC	Preventative: Overhaul of BCP developed in 2014 with reporting on development of plans through Management Team and Audit and Risk Committee. Test BCP arrangements once plan in place and communicated. Remedial: internal audit review of COVID19 over winter 20/21 will lead into lessons learned on wider BCP.	Added by Audit Committee May 2019 following internal audit review of BCP. Delay in finalisation of BCP documentation itself as we focus on establishment of hybrid working arrangements post COVID. However, work on BCP has considerably assisted in roll out of initial and ongoing responses to Coronavirus pandemic with evidence, including very positive	4	4	16

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
				staff feedback, that BCP implementation has been effective.			
The Authority's range of powers combined with strategic partnerships is insufficient to deliver outcomes on wildlife crime.	9	AF	Remedial: use NPPP development processes to explore partnership attitudes, engagement and powers which they may add to the current controls. Preventative: explore potential for licencing or other regulatory arrangements to contribute to more effective control framework; Tracker/satellite monitoring deployment;	Added by SMT risk review May 2021Licencing schemes coming into operation and trackers in place for some raptors. Declining risk profile.	4	4	16
The Authority's Peatland Programme outcomes may be adversely impacted by: Lack of internal capacity within the Peatland team; Lack of contractor capacity; and/ or Lack of land	10	AF	Preventative: interaction with skills and economic development agencies to highlight the problems of contractor capacity and scale of future programme; Preventative: close liaison with land management community around programme and participation. Design of support. Remedial: phasing of works to act on more straightforward, less technical areas to assist new contractors to enter market and develop skills and	Added by SMT risk review May 2021Recent evidence suggests increased level of response to peatland tenders and evidence of some new entrants to this market. Some ongoing evidence of success of risk mitigation measures, with programme on target for delivery of area of restoration for second year in succession. Internal capacity within the Peatland team is also having an impact on the speed of delivery.	3	4	12

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
manager engagement.			understanding; reprofile capital expenditure to recognise more expensive, more complex projects coming toward end of funding period.	Inclusion of peatland restoration in the C2030 programme extends the project over multiple years, easing annual time pressures.			
Reliance on partners' delivery of key communication messages is ineffective, resulting in blurred, disjointed communications and failure to achieve communications objectives.	11	GM	Preventative: agree partnership frameworks that explicitly set out expectations and outcomes of collaborative activities and establish adequate control mechanisms; Preventative: specifically monitor and feedback on communications effectiveness where there are partnership dependencies Remedial: conduct review meetings that track and document progress and escalate any issues arising to appropriate governance groups. Remedial: review brand management and approaches to partnership linkages through brand	Added by SMT risk review May 2021. Work remains to be undertaken around these preventative and remedial mitigation measures. Reputation management - recent issues around Glenmore (wildfires, parking etc) plus handling of key responsible behaviour messaging.	3	4	12

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
Approaches to conservation and protection of endangered species may be insufficient to achieve associated strategic outcomes.	12	AF	Remedial: review current approaches in context of relevant data sources to determine adequacy of current approaches. Remedial: use NPPP delivery processes to test potential for enhanced/ revised approaches to conservation and protection of endangered species	Added by SMT risk review May 2021. Recognised that work remains to be undertaken or is ongoing around these preventative and remedial mitigation measures. Capercaillie emergency plan suggests escalating risk.	3	3	9
Delivery of key outcomes is impacted by staff turnover/ internal secondment to projects, particularly in project teams.	13	DC	Preventative: consider HR solutions to encourage retention Remedial: ensure succession planning and operational risk registers cover this strategic risk	Added following Board reflection on impact of turnover in TGLP Project. Fixed term contracts extended through financial year 2023/24 with longer term review pending following funding and budget decisions in late 2023. Anticipated impact of projects (e.g. C2030 & Capercaillie) likely to be short-term. General uncertainty arises from patterns of staff need from project work.	4	3	12
Increasingly competitive and restricted recruitment climate prevents staff with the required experience and skill sets being secured. Planning and other specialist staff (IT, finance)	14	DC	Preventative: focus on training and development and internal succession planning, in turn bringing recruitment into less experienced/ less highly skilled markets and developing pipeline of qualified staff; consider job design, creating roles with more seniority (higher grades), and flexibility of offer regarding part-time/ job share. Remedial: contingency planning for example around	Added by SMT review 18 Jan 22. Evidence of reducing number of applicants and candidate lists for vacancies ongoing, while trend in unsuccessful recruitment exercises has been acted on with no recent unsuccessful recruitment.	4	4	16

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
requirements impacted by national labour/ skills shortages and/ or salary structures not sufficiently competitive to attract or retain key staff.			out-sourcing of aspects of delivery e.g. establish call-off framework for consult planning services.				
Corporate support and leadership resources are overstretched by wider demands of supporting national policy development on new national parks and public sector reform.	15	DC	New		3	2	6
Supporting speed of organisational change prevents required development and embedding of effective support systems. Teams working in silos is creating pressure	16	DC	There needs to be a better established/ more formal control that we will only sign off on commencement of organisational development/ change activity when we have approved, we are confident on our readiness to support it, providing enhanced control over speed of change.		4	4	16

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
and unequal pace of development. Speed of changes around current recruitment to C2030 posts has outstripped Senior Management capacity to forward plan around HR processes associated with those.							
The Authority does not meet Government or public expectations in our work to safeguard the Natural and Cultural Heritage of the Park (spans conservation activity, giving weight to first aim, addressing wildfire risk etc).	17		New		2	3	6

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
Full-service approach to peatland restoration programme creates increased legal and financial liabilities; design of grant scheme is not compliant with best practice	18	AF	<p>Remedial: commission legal advice to establish a suite of documentation and a more explicit, clear and formal relationship between the Park Authority, the land managers who are taking forward projects, and the contractors; determine the extent to which the legal advice and documentation developed mitigates the identified risks, and whether residual risk is in line with risk appetite, or whether additional mitigations are required.</p> <p>Remedial: take out commercial insurance to cover peatland advice?</p>	<p>Peatland Action is high risk in the sense that the sums of money are large, the science base is limited, and we know very little about the long-term consequences of peatland restoration. We are working in high altitude sites where climate can be extreme and we are dealing with a lot of uncontrollable variables around e.g. wildfire, deer behaviour etc. It's also quite high-profile work and therefore carries reputational risks for us re land managers, Board, Scot Gov, Ministers etc. It may not be possible to mitigate these risks fully, and we have to accept quite a high degree of risk going forward. However PA is one of the key SG strategies to combat carbon emissions and there is Gov support in every sense for this work. The risk appetite should therefore be quite high. The SLA is our best attempt to mitigate legal risks and I don't think there is much more we can do beyond that.</p>	5	1	5



Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
Scottish Government Main Group award 2023/25 creates significant financial pressure on the Park Authority's resource budget for 2024/25, with the potential to affect positive relationships with the Union, staff morale and motivation, recruitment and retention.	19	DC	Preventative: develop pay models to identify the potential cost to the Park Authority of following the Main Group position & consider the impact of potential pay strategies on the developing budget position for 2024/25; consider pay award dates and staged awards as tools to meet expectations while maintaining affordability		4	4	16
Lack of expertise and experience in managing construction projects may compromise the effectiveness and efficiency of planned delivery. There are perceived gaps in our skill set with respect to: procurement processes, recruitment of technical staff, ability	20	MF	New	Construction projects of the size anticipated within the C2030 programme are new to the organisation. We need to improve our knowledge of Construction Design Management Regulations (CDM) and contracts (NEC4). We lack experience in producing briefs and reviewing tenders of this size and type. Improvements in our skill set will also benefit peatland restoration, river restoration, construction of paths, active travel projects.	5	4	20

Risk	Ref	Resp	Mitigation	Comments	Current Impact	Current Likelihood	Risk Score
to undertake necessary due diligence on output from consultants and contractors. There are also financial risks associated with the letting of contracts where partnership funding is likely to be dependent on the achievement of satisfactory standards.							
Risk of C2030 match funding not being secured - current match funding in bid not fully committed and/ or for one year only in many areas.	21		Preventative: high profile and ongoing focus for SMT in engaging in influencing to secure the match funding needed from partners; project managers aware of relevant project match funding position and tasked with seeking additional match funding where appropriate.		Not assessed	Not assessed	Not assessed

# Appendix 2 – Internal Audit Universe

Auditable area	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Notes
<b>A. Financial Systems</b>								
Project Financing		✓						
Grant Funding and Management								
Pensions Administration								
Payroll Administration		✓			✓			
Expense Claims Process		✓						
Procurement						✓		
Financial Reporting				✓		✓		
Financial Ledger						✓		
Budget Management				✓				
Treasury and Cash Management								
Expenditure and Creditors						✓		
Income and Receivables								
Non-Current Assets								
Counter Fraud								
Financial Planning	✓			✓			✓	Combined with operational planning
<b>B. Strategic and Governance</b>								
Corporate Governance			✓					
Cairngorms 2030							✓	Requested by management
Risk Management		✓				✓		
Strategic Planning	✓				✓			
Strategic Engagement	✓							
Partnership Management	✓							

Sickness Absence								
Estates and Asset Management (Outdoor Access Infrastructure)								
Legacy Liabilities								
Marketing								
<b>C. Operational</b>								
Business Continuity Planning	✓		✓					
Project Management	✓	✓				✓		
Resource Planning		✓			✓			
Communications and Social Media Strategy								
Staff Objective Setting and Appraisal		✓						
Freedom of Information		✓						
Recruitment and Retention					✓			
Complaints Management								
Workforce Planning					✓			
Operational Planning						✓		Combined with financial management
Health and Safety							✓	
Shared Services							✓	Area identified by management
Performance Management	✓				✓			
<b>D. Information Technology</b>								
ICT General Controls Review								
ICT Performance and Strategic Development								

Network Management								
Data Management			✓		✓			
IT Strategy				✓				
IT Security				✓				
GDPR					✓			
Disaster Recovery Planning			✓					
IT applications review								
Cyber Security				✓			✓	Area requested by management
<b>E. Compliance and Regulatory</b>								
LEADER Administration	✓	✓	✓	✓	✓			
Follow Up	✓	✓	✓	✓	✓	✓	✓	

# Appendix 3 – Internal Audit Charter

The mission for internal auditing is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

## Definition

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve Cairngorm's National Park Authority operations. It helps Cairngorm's National Park Authority accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

## Aim

The aim of this Charter is to set out the management by all parties of the internal audit process. The Charter sets out the context of the internal audit function, including the place of the Audit Committee, the key personnel, timescales and processes to be followed for each internal audit review.

## Role

The internal audit activity is established by the Board of Directors or oversight body (hereafter referred to as the Board). The internal audit activity's responsibilities are defined by the Board as part of their oversight role.

## Professionalism

The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Core Principles of Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The IIA's Practice Advisories, Implementation Guidance, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to Cairngorms National Park Authority's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

## Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Board.

# Accountability

The Chief Internal Auditor will be accountable to the Audit & Risk Committee and will report administratively to the Director of Corporate Services.

The Audit & Risk Committee will approve all decisions regarding the performance evaluation, appointment, or removal of the Chief Internal Auditor.

The Chief Internal Auditor will communicate and interact directly with the Audit & Risk Committee, including between Audit & Risk Committee meetings as appropriate.

# Independence and objectivity

The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content. This is essential in maintaining the internal auditors' independence and objectivity.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, manage risks, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Chief Internal Auditor will confirm to the Audit & Risk Committee, at least annually, the organisational independence of the internal audit activity. Any interference experienced should be disclosed by the Chief Internal Auditor to the Board and the implications discussed.

# Scope and responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit include:

- Consistency of operations or programs with established objectives and goals and effective performance.
- Effectiveness and efficiency of operations and employment of resources.
- Compliance with significant policies, plans, procedures, laws, and regulations.
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information.
- Safeguarding of assets.

Internal Audit is responsible for evaluating all processes ('audit universe') of Cairngorms National Park Authority, including governance processes and risk management processes. In doing so, internal audit maintains a proper degree of coordination with external audit and where practical other assurance providers.

Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate for the organisation. It may also evaluate specific operations at the request of the Audit & Risk Committee or management, as appropriate.

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Audit & Risk Committee and to senior management, including fraud risks, governance issues, and other matters needed or requested by Cairngorms National Park Authority.

## Annual internal audit plan

The audit year runs from 1 April to 31 March.

At least annually, the Chief Internal Auditor will submit to the audit committee an internal audit plan for review and approval. The internal audit plan will detail, for each subject review area:

- The outline scope for the review,
- The number of days budgeted,
- The timing, including which Audit & Risk Committee the final will report will go to,
- The review sponsor.

The Chief Internal Auditor will communicate the impact of resource limitations and significant interim changes to senior management and the Board.

The internal audit plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of senior management. Prior to submission to the Audit & Risk Committee for approval, the plan will be discussed with appropriate senior management. Any significant deviation from the approved internal audit plan will be communicated through the periodic activity reporting process.

## Assignment Planning and Conduct

An assignment plan will be drafted prior to the start of every assignment setting out the scope, objectives, timescales and key contacts for the assignment.

Specifically, the assignment plan will detail the timescales for carrying out the work, issuing the draft report, receiving management responses and issuing the final report. The assignment plan will also include the name of the staff member who will be responsible for the audit (review sponsor) and the name of any key staff members to be contacted during the review (key audit contact).

The assignment plan will be agreed with the review sponsor and the key audit contact (for timings) before the review starts.

## Reporting and Monitoring

The internal auditor will discuss key issues arising from the audit as soon as reasonably practicable with the key contact and/or review sponsor, as appropriate.

A written report will be prepared and issued by the Chief Internal Auditor or designee following the conclusion of each internal audit engagement and will be distributed to the review sponsor and key contacts identified in the assignment plan for management responses and comments.



Draft reports will be issued by email within 15 working days of fieldwork concluding. The covering email will specify the deadline for management responses, which will normally be within a further 10 days. The management comments and response to any report will be overseen by the review sponsor. Internal Audit will make time after issuing the draft report to discuss the report and, if necessary, meet with the review sponsor and/or key contact to ensure the report is factually accurate and the agreed actions are clear, practical, achievable and valuable.

The internal auditors will issue the final report to the review sponsor and the Director of Corporate Services. The final report will be issued within 10 working days of the management responses being received. Finalised internal audit reports will be presented to the Audit & Risk Committee. Finalised internal audit outputs must be in the hands of the Director of Corporate Services by prescribed dates annually.

The working days set out above are maximum timescales and tighter timescales may be set out in the assignment plan.

The internal audit activity will follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

## Audit & Risk Committee

The Audit & Risk Committee meets four times a year, normally in April, June, September and November. Dates for Audit & Risk Committee meetings will be provided to internal audit as soon as they are agreed. The Chief Internal Auditor and/ or Internal Audit Manager will attend all meetings of the Audit & Risk Committee.

Internal audit will schedule its work so as to spread internal audit reports reasonably evenly over Audit & Risk Committee meetings. The annual internal audit plan will detail the internal audit reports to be presented to each Audit & Risk Committee meeting.

The internal auditor will generally present specific reports to the committee as follows:

Output	Meeting
Annual internal audit plan	March
Follow-up report	November and April
Annual report	April
Progress report	All meetings

The Audit & Risk Committee will meet privately with the internal auditors at least once a year.

## Periodic Assessment

The Chief Internal Auditor is responsible for providing a periodic self-assessment on the internal audit activity as regards its consistency with the Audit Charter (purpose, authority, responsibility) and performance relative to its Plan.

In addition, the Chief Internal Auditor will communicate to senior management and the Audit & Risk Committee on the internal audit activity's quality assurance and improvement programme, including results of on-going internal assessments and external assessments conducted at least every five years in accordance with Public Sector Internal Audit Standards.

## Review of Charter

This Charter will be reviewed by both parties each year and amended if appropriate.

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