



# Paper 1

# Annex 1



# Cairngorms National Park Authority

Internal Audit 2025/26

Annual Report

May 2026

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# 1. Introduction

The prime responsibility of the Internal Audit Service (IAS) is to provide Cairngorms National Park Authority's (the Organisation) Audit & Risk Committee, and other Senior Management of the Organisation, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

We conduct our activity within the overarching framework of the Institute of Internal Auditors, including the Global Internal Audit Standards (GIAS) and Topical Requirements, and the Application Note regarding the adoption of GIAS in the UK Public Sector. The Application Note replaces the Public Sector Internal Audit Standards from 1 April 2025.

In line with these Standards, we have developed a robust quality assurance process to ensure that each of our activities and reports are of a high and consistent standard.

We actively seek to improve the services we deliver through a programme of CPD, training, networking and engagement with internal peers, as well as by piloting new ways of working.

We had an extensive external assessment undertaken against the new Global Internal Audit Standards in November 2025. The assessment was undertaken by the Chartered Institute of Internal Auditors who concluded:

"Following an independent review by the Chartered Institute of Internal Auditors in November 2025, the Wbg Services LLP (Wbg) Internal Audit Department is able to report that the design of its internal audit approach and methodology is generally aligned to the Global Internal Audit Standards (GIAS) and, where appropriate, the Application Note that sits alongside the GIAS for public sector organisations.

Given Wbg Internal Audit Department's high level of performance and achievement with the GIAS, we do not make any formal recommendations to enhance conformance in this report".

This Annual Report should be considered by the Audit & Risk Committee prior to the Committee submitting their annual report to the Board.

## 2. Executive Summary

### Overall Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the Organisation's risk management, control and governance processes.

In our opinion, the Organisation did have adequate and effective risk management, control and governance processes to manage its achievement of the Organisation's objectives at the time of our audit work. In our opinion, the Organisation has proper arrangements to promote and secure value for money. We note that we provided a weak level of assurance regarding the Follow Up Review which will be followed up during the 2026/27 Internal Audit Plan.

Our fieldwork was carried out between November 2025 and April 2026, and we have not undertaken any further internal audit assignments at the time of this report.

The overall findings and conclusion of each report are highlighted in Section 3. As can be seen from the summary in Section 3 all areas included in the Operational Plan for 2025/26 have been completed.

In forming our opinion, we have carried out the following work:

- | A review and appraisal of financial and other controls operated by the Organisation;
- | A review of the established policies and procedures adopted by the Organisation;
- | An assessment of whether or not the internal controls are reliable as a basis for producing the financial accounts;
- | A review of accounting and other information provided to management for decision making;
- | Compliance and substantive audit testing where appropriate; and
- | A review of the Organisation's procedures in place to promote and secure value for money.

The analysis of performance indicators for the internal audit work carried out in the year is included at Section 5.

## 2. Executive Summary (continued)

### **Basis of Opinion**

As the Head of Internal Audit at the Organisation, we are required to provide the Audit & Risk Committee with an opinion on the adequacy and effectiveness of the Organisation's risk management, control and governance processes.

In giving our opinion, it should be noted that assurance can never be absolute. The most that we can provide to the Audit & Risk Committee is reasonable assurance that there are no major weaknesses in the Organisation's risk management, control and governance processes.

In assessing the level of assurance given, we have considered:

- | All audits undertaken during the year ended 31 March 2026 with the exception of the IT Disaster Recovery review which was undertaken in April 2026;
- | Any follow-up action taken in respect of audits from previous periods;
- | Any significant recommendations not accepted by management and the consequent risks;
- | The effects of any significant changes in the Organisation's objectives or systems;
- | Matters arising from previous reports to the Audit & Risk Committee;
- | Any limitations which may have been placed on the scope of internal audit;
- | The extent to which resource constraints may impinge on the Head of Internal Audit's ability to meet the full audit needs of the Organisation;
- | What proportion of the Organisation's audit need has been covered to date; and
- | The outcomes of our quality assurance processes.

# 3. Audit Findings

## Summary of Work Undertaken

The following table summarises the audit work undertaken in 2025/26. The grading structure used in our reports can be found in Appendix A.

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations	Advisory Action Points
Governance	8	8	Complete	<b>Strong</b>	-	-	2	-
New Finance System	8	8	Complete	<b>Substantial</b>	-	1	-	-
Project Initiation	8	8	Complete	<b>Substantial</b>	-	1	4	-
Follow Up Review	5	5	Complete	<b>Weak</b>	1	8	-	-
Grant Administration & Management	8	8	Complete	<b>Strong</b>	-	-	4	-
IT Disaster Recovery	8	8	Complete	<b>Advisory</b>	-	-	-	6
Audit Management	5	5	N/A	N/A	N/A	N/A	N/A	-
<b>Total</b>	<b>50</b>	<b>50</b>	-	-	<b>1</b>	<b>10</b>	<b>10</b>	<b>6</b>

# 3. Audit Findings

## HIGH PRIORTIY RECOMMENDATIONS

The following high priority recommendations were raised during the year.



Area 1	Finding	Recommendation
<p style="text-align: center;"><b>Procurement, Management Action Follow Up Part 2 2024/25, March 2025</b></p>	<p><b>Original Finding</b> Prior to 2025 internal audit work was undertaken by a different provider who followed a different format which did not include details of the original finding. Instead, we have focused on the original recommendation, included below.</p>	<p><b>Original Recommendation</b> CNPA should undertake a full review of the procurement documentation held for each supplier. This should include confirming the last date of procurement exercise and determining contracts which require retendering. Management should seek to develop templates which set out the stages of the procurement journey, such as a template for briefing, supplier evaluation and ongoing contract management, in particular for routes 2 and 3 and as a minimum a checklist to be utilised for route 1. There should be clear documentation retained showing the current status of the procurement exercise, and once contractors have been appointed. As part of the work under MAP 1.1, CNPA should revise the current procurement policy to include a step-by-step process flow for the different thresholds, and a detailed explanation of the requirements of each step in the procurement route. This should also contain the required approvals and levels of authority required for each stage to ensure that staff are aware of their roles and responsibilities. This should include the process for noncompetitive actions including the documentation to be held and the thresholds in place. There should be a significant focus on training all staff with the updated policies, to ensure that there is consistent understanding and approaches across the teams. A central repository of all contract information should be maintained.</p>

# 3. Audit Findings

Area 1	Finding	Recommendation
<p><b>Procurement, Management Action Follow Up Part 2 2024/25, March 2025</b></p>	<p><b>Finding from 2025/26 Follow Up</b>            The Organisation has a Procurement Action Plan in place which it is currently using to track prior Procurement recommendations. In 2024, the Organisation hired a Procurement Officer, moving from previous use of an external provider for procurement services. This has worked to improve procurement processes across the Organisation.</p> <p>At the time of our review, the only outstanding point per the Procurement Action Tracker is the development of Procurement KPIs.</p>	<p><b>Recommendation from 2025/26 Follow Up</b>            We recommend that the Organisation develop a set of formal set of procurement KPIs.</p>
	<p style="text-align: center;"><b>Management Response</b></p> <p>Procurement KPIs are currently under development.</p> <p><i>Responsible Officer:</i> Louise Allen</p> <p><i>Implementation Date:</i> April 2026</p>	

# 4. Benchmarking

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the previous financial year.




Area	High	Medium	Low	Total	
<b>Governance</b>					
Average number of recommendations in similar audits	-	-	1	1	
Recommendations at Cairngorms National Park Authority	-	-	2	2	
<b>New Finance System</b>					
Average number of recommendations in similar audits	-	-	1	1	
Recommendations at Cairngorms National Park Authority	-	1	-	1	
<b>Summary</b>					
Average number of recommendations in similar audits	-	-	2	2	
Recommendations at Cairngorms National Park Authority	-	1	2	3	

No benchmarking for Project Initiation, and Grants Administration & Management reviews due to the specific nature to the Organisation. Also, no benchmarking For the IT Disaster Recovery review due to this being an advisory review.

As highlighted above, the Organisation has a higher number of recommendations in comparison with the organisations it has been benchmarked against.

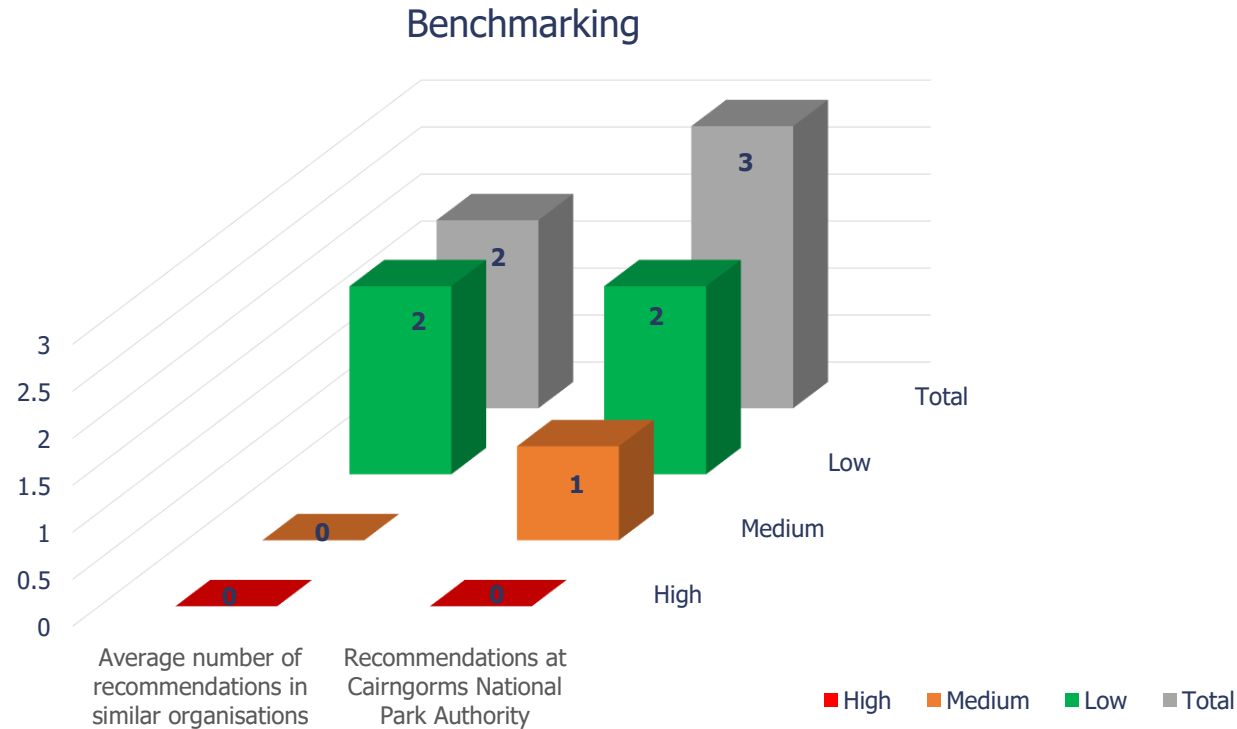
# 4. Benchmarking

For each review, we benchmark the number and ranking of recommendations made for audits of a similar nature in the previous financial year. Please refer to the key below for an explanation of the benchmarking symbols used:

Key	
	Indicates a lower number of recommendations in comparison with the organisations it has been benchmarked against.
	Indicates a similar number of recommendations in comparison with the organisations it has been benchmarked against.
	Indicates a higher number of recommendations in comparison with the organisations it has been benchmarked against.

# 4. Benchmarking

We have set out below in graphical format an analysis of the Benchmarking totals by grade of recommendation made.



As demonstrated on the earlier page, the Organisation has a higher number of recommendations in comparison with the organisations it has been benchmarked against.

# 5. Key Performance Indicators

Performance Indicator	Target	Actual
Internal audit days completed in line with agreed timetable and days allocation	100%	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than five working days before each start date	100%	100%
Draft reports issued within 10 working days of exit meeting	100%	100%
Management provide responses to draft reports within 15 working days of receipt of draft reports	100%	67%*
Final reports issued within five working days of receipt of management responses	100%	100%
Recommendations accepted by management	100%	100%
Draft annual internal audit report to be provided by 30 April each year	100%	0%**
Attendance at Audit & Risk Committee meetings by a senior member of staff	100%	100%
Suitably experienced staff used on all assignments	100%	100%

\*Management responses received outwith the target timeframe for the Governance and Project Initiation reviews.

\*\*Issue of the Annual Report was delayed due to the timing of the IT Disaster Recovery review.

# Appendix A

## Grading Structure

# A. Grading Structure

For each area of review, we assign a level of assurance in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately

For each recommendation, we make we assign a grading either as High, Medium or Low priority depending upon the degree of risk assessed as outlined below:

Assurance	Risk	Classification
High	High risk	Major weakness that we consider needs to be brought to the attention of the Audit & Risk Committee and addressed by Senior Management of the Organisation as a matter of urgency
Medium	Medium risk	Significant issue or weakness which should be addressed by the Organisation as soon as possible
Low	Low risk	Minor issue or weakness reported where management may wish to consider our recommendation