



Cairngorms
National Park Authority

Ùghdarras Pàirc Nàiseanta a'
Mhonaidh Ruaidh

Audit & Risk Committee Paper 5

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Paper 5



Annual Audit Report

Cairngorms National Park Authority– year ended 31 March 2026

September 2026

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

24 September 2026

I am pleased to present our Annual Audit Report (“AAR”) for Cairngorms National Park Authority (CNPA) for the year ended 31 March 2026. 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 the Audit Scotland’s Code of Audit Practice (“the Code”) and for the sole benefit of the Audit and Risk Committee. 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,

Forvis Mazars LLP
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Forvis Mazars LLP

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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 committee charged with governance by the Board 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.

Executive Summary

Executive summary

Scope

We have been engaged to audit the financial statements of Cairngorms National Park Authority (“CNPA”) for the year ended 31 March 2026 which are prepared in accordance with the Government Financial Reporting Manual 2025-26 (the FReM).

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 substantially complete. Please refer to the ‘*Status of our audit*’ section 2 for a list of significant audit matters outstanding at the date of this report. We will provide an update to you on completion of those outstanding matters by way of our final Annual Audit Report.

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.

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 6.

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 opinion

At the time of issuing this report and subject to the satisfactory conclusion of our remaining audit work, we anticipate issuing an unqualified opinion, without modification, as set out in Appendix C.

Wider scope

We anticipate having no significant wider scope risks to report in relation to the financial sustainability arrangements that CNPA has in place. Further details have been provided in the ‘Wider scope and Best Value’ section 7 of this report.

Best Value

We anticipate having no risks to report in relation to Best Value arrangements that CNPA has in place. Further details have been provided in the ‘Wider scope and Best Value’ section 7 of this report.

Regularity opinion

We anticipate issuing 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 proposed regularity opinion is included in the draft auditor’s report in Appendix C.

Executive summary (continued)

Performance Report and Governance Statement opinion

We anticipate that we will have no matters to report in respect of the Annual 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 proposed Performance Report and Governance Statement opinion is included in the draft 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 noted from our reviews to date.

Qualitative aspects of CNPA's accounting practices

We have reviewed CNPA's accounting policies and disclosures and conclude that they comply with the Government Financial Reporting Manual (FReM) 2025/26, appropriately tailored to CNPA's circumstances.

Unaudited accounts were received from CNPA on 6 July 2026 and were of a good quality.

Significant matters discussed with management

During our audit, we communicated the following significant matters to management.

Data migration: CNPA transitioned to a new finance system, Access Financials, in early April 2025. CNPA's finances were processed entirely through the new system from 7 April 2025. We engaged our IT specialists to perform a project governance review of the data migration to the new system. We have reported the findings of this work on page 16

Significant difficulties during the audit

We have not encountered any significant difficulties and we have had the full co-operation of management.

Other matters of significance

We had no significant disagreements with management during our audit. Overall, there was effective co-operation and communication between Forvis Mazars, management, and the Audit and Risk Committee during our audit. All requested information and explanation were provided to us.

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 ongoing. There are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

Remuneration and Staff Report We have requested that management obtain further information and explanation from CNPA’s management expert, Capita, on the basis for its recalculation of prior year CETV figures for senior officer pension disclosures.	Medium
Audit quality control and completion procedures Our audit work will undergo final stages of review. In addition, there are residual procedures to complete, including updating post balance sheet event considerations to the point of issuing the opinion, obtaining final management representations and agreeing adjustments to the final set of accounts.	Medium
Annual Report and Accounts and letter of representation We will complete our final review of the annual report and accounts upon receipt of the signed version of the accounts and letter of representation.	Low

Status
High - Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
Medium - Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
Low - Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
N/A - Work on Wider Scope and Best Value arrangements therefore no risk of adjustment to the financial statements.

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 4 March 2026.

Materiality

Our provisional materiality at the planning stage of our audit was set at £280k using a benchmark of 2% of total gross expenditure as per the Annual Audit Plan. Our provisional performance materiality was set at £196k. In determining the overall 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, partners, the local community, and other stakeholders;
- that the primary aggregate that users tend to focus on is total gross expenditure, as it reflects the extent of services delivered by 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 setting 2% of the chosen benchmark is consistent with the prior period and, as part of our audit, we have gained an understanding that CNPA has a finance team capable of applying the relevant accounting standards; and
- the Audit and Risk Committee members demonstrate a good ability to scrutinise financial information at a high level.

In determining the performance materiality levels, we made the following significant judgements:

- that we are now in the fourth year of our audit appointment and therefore have a more mature and detailed understanding of CNPA's operations, risks, and financial environment;
- that the financial reporting process does appear stable, but involves significant journal adjustments which increases the risk of material misstatements;
- that the Authority has a strong control environment, which reduces the likelihood of pervasive misstatements;
- that significant errors were detected in previous audits, but these were not of a recurring nature; and
- that management has demonstrated a willingness to promptly identify, disclose, and correct errors.

Based on the final financial statement figures, the final overall materiality we applied was £351k (final performance materiality: £246K; final clearly trivial threshold: £11K).

Use of experts

In line with our audit methodology, we identified Deloitte as an auditor's expert. Deloitte is commissioned by the National Audit Office to perform an annual review of the approach adopted by Capita in its calculation of CETV pension values.

There has been no changes to the planned audit approach as set out in our Annual Audit Plan.

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	Yes	Yes	No	No	Yes	Risk satisfactorily addressed but two control recommendations identified.	13
Risk of fraud in income recognition	Yes	Yes	No	Yes	No	No	No	Risk satisfactorily addressed	14
Risk of fraud in expenditure recognition	Yes	Yes	No	Yes	No	Yes	Yes	Risk satisfactorily addressed but one control recommendation identified.	15
New finance system	No	No	Yes	Yes	No	No	Yes	Risk is satisfactorily addressed but we have identified control recommendations for IT general controls and data migrations.	16

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 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. You should assess this risk as part of your oversight of the financial reporting process.

How we addressed this risk

We addressed this risk through performing audit work over:

- accounting estimates: by evaluating the methods and assumptions used by management to develop the estimate;
- journal entries: testing journals that meet our fraud risk criteria and other adjustments made in preparing the financial statements; and
- significant transactions: considering and testing and significant transactions outside the normal course of business or otherwise unusual.

Audit conclusion

We identified five journals that met our fraud risk criteria. After investigation, we found no evidence that these were fraudulent. We also noted that four manual journals posted had no description attached as an identifier. In addition, our walkthrough testing identified that journals are prepared and posted by the same individual and no evidence of independent review retained. These have been raised as control recommendations on pages 43 and 49 respectively.

Our work has provided the assurance we sought in each of these areas and has not highlighted any further issues to bring to your attention. At the time of reporting, the work performed remains subject to final review by the Engagement Director

Significant findings (continued)

Significant risks

Risk of fraud in income recognition
Description of 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 Scottish Government resource allocations. 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 this income. We consider that the risk of fraud in income recognition therefore only applies to CNPA’s other material income streams, which are project income and other income, through incorrect recognition at year end. We have not extended the risk to trade and other receivables because these balances arise from routine, easily reconcilable invoicing and prepayments. We did not identify any errors from our prior year testing of these balances. There is also limited judgement involved, reducing the risk of misstatement. 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 over and understate income.
How we addressed this risk We addressed this risk by: • evaluating the design and implementation of controls over CNPA’s income recognition; and • substantive testing of project and other income recognised pre and post year end to identify if it has been posted in the correct accounting period.
Audit conclusion We did not identify any control recommendations arising from our walkthroughs of the key business processes, nor did we identify any misstatements through our substantive testing procedures. Our work has provided the assurance sought across these areas and has not identified any material matters requiring the Committee's attention. At the time of reporting, the work performed remains subject to final review by the Engagement Director

Significant findings (continued)

Significant risks

Risk of fraud in expenditure recognition
Description of 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 bodies, the risk of material misstatement due to fraud related to expenditure may in some cases be greater than the risk relating to revenue recognition. Board members and staff costs is well forecast and agreeable to underlying payroll systems, so there is less opportunity to manipulate this expenditure stream. In addition, depreciation and amortisation 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 material non-pay expenditure including operational plan expenditure and other operating costs. 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 over and understate non-pay expenditure. This would most likely occur through incorrect recognition of expenditure at year end and judgements made in accruing expenditure and recognising deferred income.
How we addressed this risk We addressed this risk by: • evaluating the design and implementation of controls CNPA’s expenditure recognition; • substantive testing of operational plan expenditure and other operating costs to identify if it has been posted in the correct accounting period; and • reviewing year end accruals and deferred income to verify that they have been completely and accurately recorded.
Audit conclusion We reported a deficiency with management’s approach to its year end accruals where we identified several errors from our review of purchase order accruals at 31 March 2026. This included items that had been incorrectly accrued and others that had not been accrued in error. This resulted in management making audit adjustments to correct the year-end financial position (See page 39 for details). Our work has provided the assurance we sought in response to the risk of expenditure cut-off and there are no other issues to bring to your attention. At the time of reporting, the work performed remains subject to final review by the Engagement Director

Significant findings (continued)

Significant risks

New finance system
Description of risk CNPA transitioned to a new finance system, Access Financials, in early April 2025. CNPA’s finances were processed entirely through the new system from 7 April 2025. There are significant risks associated with implementing a new system and migrating data from the legacy system. This includes the risk that data transferred is incomplete, inaccurate, or incorrectly mapped, which could result in a material misstatement in the financial statements.
How we addressed this risk We addressed this risk by: • reviewing the design and implementation of IT general controls within Access Financials; • reconciling the closing trial balance from the legacy system, Sage 200, to the opening trial balance in Access Financials; • reconciling the closing and opening accounts payables and account receivables subledger balances between Sage 200 and Access Financials; and • involving our IT specialists to perform a project governance review of the data migration from Sage 200 to Access Financials..
Audit conclusion We reviewed CNPA’s project governance of the data migration from Sage 200 to Access Financials. We noted that the implementation of Access Financials was successfully delivered within the planned timeline (July 2024- April 2025) supported by strong engagement from key stakeholders. No issues were identified from our testing of the reconciliation between the closing trial balance in the legacy system and the opening balances in Access Financials, nor from our reconciliation of the opening and closing accounts payable and accounts receivable subledgers. We note that officers consider that the governance and control arrangements in place were proportionate to the nature, scale and risk profile of the project. This is on the basis that the system is a well-established, off-the-shelf SaaS finance solution, with no bespoke software development or internal system build. Our review identified some areas of project governance which could be strengthened including: • ensuring retention of formal IT governance and project documentation throughout implementation; • delivery of the project was primarily led by the Finance team; more involvement of internal specialist IT staff would have helped ensure that technical, security and operational considerations were appropriately considered throughout implementation and that ongoing ownership and support arrangements for the organisation's core financial reporting system were not solely dependent on finance personnel; and

Significant findings (continued)

Significant risks

New finance system (continued)

- evidencing of key controls over the migration process, including testing, data migration, training, and rollback documentation.

We also reviewed the design and implementation of IT general controls within Access Financials and identified that management does not have documented IT policies in support of change management, user access management, and the administration of generic and privileged accounts within Access Financials. See detailed control recommendation reported on pages 41 42 and 50.

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 the CNPA. 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 CNPA and their officeholders have used their resources in discharging their functions. No such examination has 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 4 March 2026. Any subsequent changes to those figures are set out in the *‘Executive summary’* section of this report.

We identified no unadjusted misstatements above our reporting threshold, or that we deem to be material by nature, as at the date of this report which were not adjusted.

Adjusted misstatements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe the Audit and Risk Committee should be made aware of.

Details of adjustment	Entity	Nature	CIES	CIES	Balance Sheet	Balance Sheet
			Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Operational Plan Income		Factual	111			
Dr: Accruals					93	
Cr: Operational Plan Expenditure				93		
Cr: Deferred Income						111
Adjustment recognised following management’s re-evaluation of year-end purchase order accruals at 31 March 2026.						
Aggregate effect of unadjusted misstatements	blank	blank	111	93	93	111

Summary of misstatements (continued)

Disclosure misstatements

We identified the following disclosure misstatements during our audit to date that have been corrected by management. We will report on any further misstatements we identify in an update to this report.

Details of disclosure adjustments
Performance Report Inclusion of an explanation key to improve readers’ understanding of the CNPA’s performance monitoring indices.
Accounting policies Update to the accounting policy related to intangible assets to reflect the changes in the Financial Reporting Manual (FReM) effective from 1 April 2025.
Remuneration and Staff Report Update to the remuneration disclosures to include the additional disclosure requirements for an off-payroll worker earning above the £245 per day threshold in accordance with Chapter 6.5 of the FReM. The omission was identified through the review of cut-off expenditure samples.
Note 20. Related party transactions - Update to the related party disclosures to include only material transactions exceeding £5,000, in accordance with the Authority’s accounting policy. - Update to the related party disclosures to include transactions and balances with entities connected to members of the Senior Executive Team, as the original disclosure was limited to Board members.
Statement of financial position Amendment to the 31 March 2026 Taxpayers’ Equity balance following the correction of a casting error.
Note 8. Financial instruments and exposure to risk Update to the 2026 financial liabilities disclosure to reflect the inclusion of accrual balances previously omitted from the total.
Note 18. Leases Amendment to the disclosed lease liability amounts under the maturity bands “Not later than 1 year” and “Later than 1 year and not later than 5 years” for land and buildings, motor vehicle, and office equipment leases.

There were other adjustments for minor consistency and 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

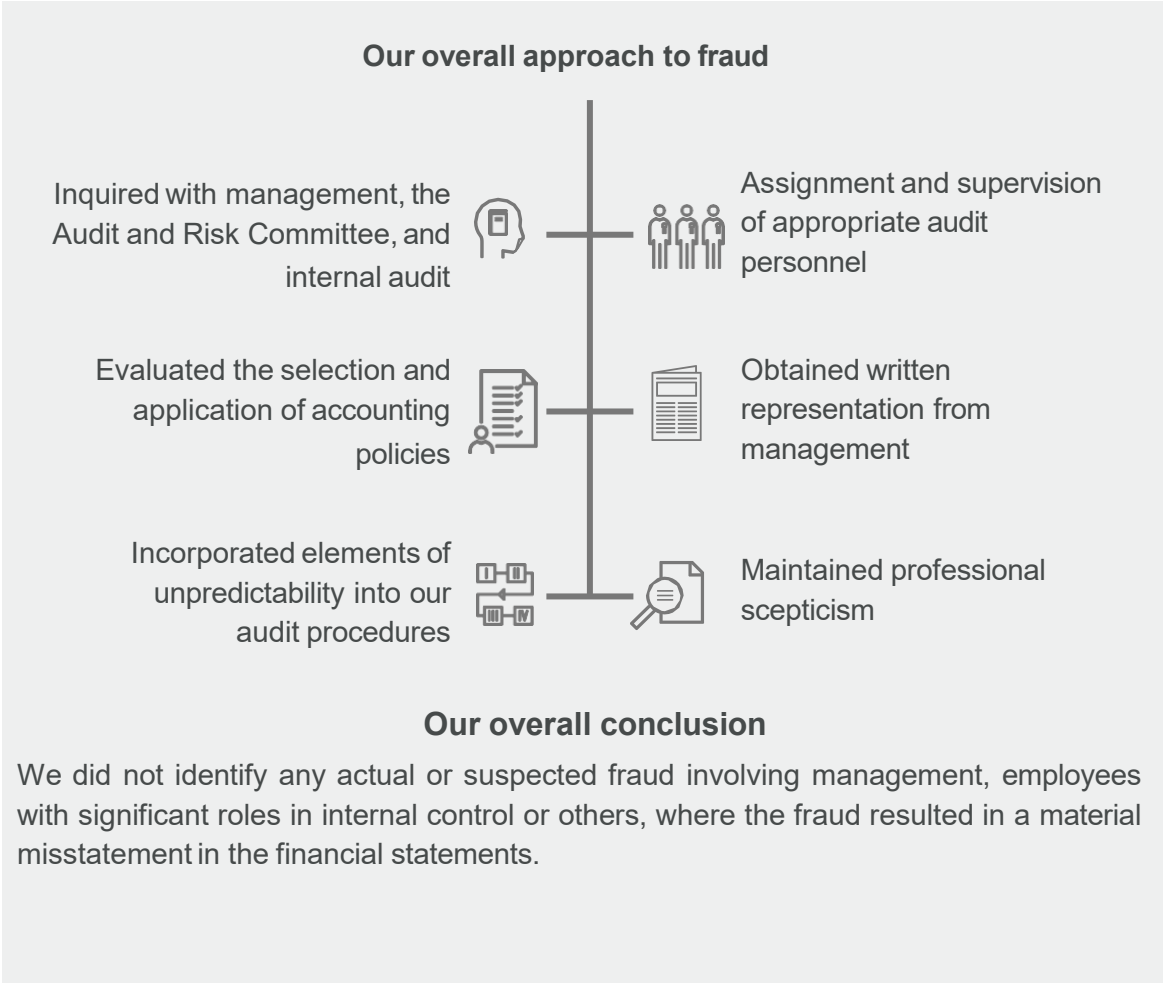
Management has primary responsibility for the prevention and detection of fraud. It is important that management, with your oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit 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 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 2025/26 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 the 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.

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	27	No	No	Yes – see commentary on page 30
Governance statement	32	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

Our overall assessment

Significant risks

We have not identified any significant risks in arrangements as part of our continuous planning procedures.

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning	CNPA has established a range of arrangements to support financial sustainability, including a Strategic Risk Register and a dedicated Risk Register for the Cairngorms 2030 Programme, a long-term partnership initiative focused on climate action, nature restoration, sustainable transport, and community wellbeing across the Cairngorms National Park. Both registers are regularly reviewed by management and reported to the Audit and Risk Committee. These arrangements support the identification, assessment and mitigation of financial and operational risks and provide Board-level oversight of key sustainability challenges facing CNPA. The most significant financial sustainability challenge relates to the delivery of the Cairngorms 2030 Programme. Management has recognised the uncertainty around future funding streams and has commissioned a comprehensive cost review to: • assess potential funding gaps • evaluate impacts on programme delivery; and • identify options for prioritisation should funding constraints emerge. CNPA also maintains ongoing monitoring and reporting arrangements with key funders, including the National Lottery Heritage Fund, to ensure expenditure remains aligned with approved funding profiles. CNPA has appropriate annual financial planning and budget-setting processes. Long-term priorities are established through the National Park Partnership Plan and translated into the Corporate Plan, annual operational plans and annual budgets. Scenario modelling is undertaken by management and considered by the Board as part of the budget approval process. In addition, CNPA continues to deliver efficiencies in support of the Scottish Government's Public Sector Reform agenda and has developed plans to achieve targeted reductions in corporate and administrative costs.	CNPA has appropriate arrangements in place to support financial sustainability. The Authority demonstrates a good understanding of its key financial risks and has established effective governance, risk management and budget monitoring arrangements. CNPA does not have a formal long-term financial strategy, and this represents an area for further development.	We have not assessed this as a significant risk. See page 30 for further information and our consideration of the progress made against the prior year recommendation.

Financial sustainability (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning (continued)	CNPA does not currently have a standalone long-term financial strategy. Management highlighted that longer-term financial planning is constrained by the nature of Scottish Government funding settlements, which are generally confirmed on an annual basis. However, management is developing a supporting financial framework alongside the next Corporate Plan to strengthen longer-term financial planning. We also noted evidence of proactive workforce planning, annual horizon-scanning exercises and ongoing strategic risk management, which will help support organisational resilience and future financial decision-making.		

Use of resources to improve outcomes (continued)

Follow up of previously-reported recommendations

In October 2025 we reported one recommendations to the CNPA to address risks identified from our Wider Scope audit for financial sustainability. As part of our work in 2025/26, we followed up the progress made by CNPA against the recommendations made, and determined whether the risk remained during the year.

	Financial sustainability finding as previously reported	Previous management response and implementation timeframe	Work undertaken and judgements made in 2025/26	Conclusions reached
1	Corporate cost reductions – Level 2 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. Recommendation: 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.	Management response 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. 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.	Progress against the recommendation As part of our 2025/26 follow-up procedures, we reviewed CNPA's Corporate Savings Plan, supporting savings calculations, budget outturn information and the approved 2026/27 budget to assess progress against the recommendation. We also reviewed supporting evidence for planned savings initiatives. We found that management has established a clear savings plan to support financial sustainability and respond to the Scottish Government commission of CNPA's ability to achieve a 20% reduction in corporate and administrative costs by 2029/30. Savings were achieved during 2025/26 through workforce changes, including reduced finance management resource costs. Management has also identified a proposed shared services arrangement with the Scottish Food Commission as a key longer-term savings initiative. These are in the areas of HR, payroll services, pensions administration, accountancy and financial reporting and well as information management and governance support.	Conclusions Ongoing. Management has developed a Corporate Savings Plan and established supporting arrangements to identify and deliver efficiencies as part of its approach to financial sustainability. Further opportunities are being explored, including through the planned shared services arrangement with the Scottish Food Commission. Management is also developing a supporting financial framework alongside the next Corporate Plan, expected to cover the period from 2027/28, to strengthen longer-term financial planning.

Use of resources to improve outcomes (continued)

Follow up of previously-reported recommendations

	Financial sustainability finding as previously reported	Previous management response and implementation timeframe	Work undertaken and judgements made in 2025/26	Conclusions reached
1		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. As such no further action is proposed on this matter at this time	We further reviewed CNPA's 2025/26 financial outturn and 2026/27 budget. CNPA reported a balanced budget for 2026/27, supported by increased grant funding, a multi-year pay settlement and significant external funding through the Cairngorms 2030 Programme. While some risks remain, including reliance on external funding streams and inflationary pressures, these have been recognised and incorporated into financial planning and monitoring arrangements.	Management response Our ongoing work and forward plans are as summarised in the auditors' conclusions set out above, while we will continue to review on basis of emerging direction of Programme for Government. Responsible individual Deputy Chief Executive and Head of Finance and Corporate Operations. Implementation date Implementation by 31 March 2027.

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.



Governance statement(continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Governance statement	We confirmed that the Governance Statement: • is consistent with the financial statements; • includes the information required by the FReM and the Scottish Public Finance Manual (SPFM); • is consistent with our knowledge obtained through the audit; • does not contain any misleading information. Management made no material amendments to the Governance Statement following our review.	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.	No significant issues identified

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 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

Overall, we concluded that CNPA has appropriate arrangements in place to support the delivery of Best Value. During 2025/26, the Audit and Risk Committee maintained oversight of governance, risk management, procurement and internal control arrangements, while Internal Audit completed a programme of reviews across key operational and corporate functions. The internal auditor's annual opinion concluded that CNPA had adequate and effective risk management, control and governance processes and had proper arrangements in place to promote and secure value for money.

A “Strong Assurance” opinion was also provided over grants administration and management. While opportunities for improvement were identified in specific areas, including follow-up actions and procurement performance measures, no significant weaknesses were identified that would indicate Best Value arrangements were not operating effectively during 2025/26.



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

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 the CNPA'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 the CNPA'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.

As our audit is still in progress, there may be further control recommendations to management.

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control

Accruals and trade payables – year end process: Implementation

Description of deficiency

We identified several errors from our review of purchase order accruals at 31 March 2026. This included items that had been incorrectly accrued and others that had not been accrued in error. This resulted in management making audit adjustments to correct the year-end financial position.

Potential effects

Errors in the accruals process increase the risk of expenditure and liabilities being misstated in the financial statements. This can also lead to additional management and audit effort to identify and correct inaccuracies.

Recommendation

Management should review the year-end accruals review process to ensure accruals are complete and accurately recorded.

Management response

Management agree the need to revise our year-end accruals evaluation process. Finance staff themselves identified and notified this issue within the 25/26 year-end calculations to the auditors, which arose as a consequence of the new finance system's purchase ordering system and our procedures not yet being sufficiently adapted to changes and implications of the new system. We are fully aware of the issues and are developing robust approaches to future year-end accrual calculations.

Responsible officer

Head of Finance and Corporate Operations.

Implementation date

1 May 2027

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control

Review of cash and bank reconciliations: Implementation
Description of deficiency As part of our walkthrough of the cash and bank balance processes, we noted that bank reconciliations were being performed; however, there was no documented evidence of an independent review. As a result, the operation of this key monitoring control could not be demonstrated.
Potential effects The absence of an evidenced review increases the risk that errors or unusual reconciling items may not be identified and resolved on a timely basis. This could result in undetected inaccuracies within cash and bank balances.
Recommendation Management should implement a formal review process for bank reconciliations, with evidence of review and approval retained.
Management response At a time of significant downward pressure on corporate costs, we are sceptical of the added value of formal sign off of processes for which staff have delegated responsibility. The audit finds that reconciliations are being performed and finds no issue nor error in those. At this point, we do not propose to commit additional staff time formally and procedurally into an already effective control.

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control (continued)

Database Access and Change Management: Design and Implementation
Description of deficiency CNPA relies on Access Financials, a system managed and hosted by Access Group, for the operation of the application and its underlying databases. However, the application provider (Access Group) does not issue a SOC 1 Type II report to evidence the design and implementation of its internal controls. As a result, we were unable to obtain assurance over key IT general controls performed by the service provider, including: • Privileged access management (database-level access) • Change management processes, including the segregation of duties and controls around development, testing and promotion of changes • Logical access controls related to restriction of data base access and password security management and compliance.
Potential effects The lack of independent assurance over service provider controls increases the risk that control weaknesses affecting the security or integrity of financial data may not be identified on a timely basis.
Recommendation Management should engage with Access Group to obtain alternative assurance over the design and operation of key IT general controls, such as independent control certifications, security reports, or detailed control attestations, and assess whether any additional monitoring or compensating controls are required to mitigate the associated risks.
Management response We assume this is a feature of all organisations using this package. We have obtained written confirmation from The Access Group evidencing their compliance with recognised IT standards. This documentation was acceptable in support of our Cyber Security accreditation. We have also received assurance on the sufficiency of their data protection methods. We feel this gives us sufficient assurance around the security of the system and of our data. Following receipt of guidance from the auditors on what would be deemed an acceptable alternative to a SOC1 Type 2 report and any guidance on what other audit clients using this package have done in this regard, we will communicate the finding to Access Financials and seek their response. Responsible officer Deputy Chief Executive and Head of Finance and Corporate Operations. Implementation date 31 March 2027

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control (continued)

IT System Backup management policy: Design and Implementation
Description of deficiency CNPA has no central backup policy.
Potential effects The absence of clear guidance could increase the risk of data loss and impact business continuity.
Recommendation The Authority should implement a central backup policy covering, for example: • location of backups • monitoring of backup jobs • retention timelines • testing of data restoration • disaster recovery (including testing).
Management response We are working through the range of recommendations and advice provided by our internal auditors in our advisory report on Disaster Recovery and Back Up. This work appears to replicate the intent of these recommendations.
Responsible officer As agreed in response to wbg report by ARC in June 26.
Implementation date As agreed in response to wbg report by ARC in June 26

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control (continued)

Journals with no description: Implementation
Description of deficiency As part of our testing to address the risk of management override of controls, we obtained CNPA's complete ledger and analysed the manual and automated entries using our data analytics software. This included extracting any entries which did not have a description. We found four instances of transactions posted without a description. This is a small proportion of the 4,840 entries processed during the year. However, when any transaction is posted without a description it is very difficult to identify what it relates to and its appropriateness. We reviewed the four transactions and confirmed that these were all appropriate entries and related to supplier invoices.
Potential effects Descriptions on financial ledger entries assist in understanding the nature of the entry and whether it is appropriate. The absence of descriptions increases the risk of fraud or error in the financial records.
Recommendation Management should ensure all entries include a suitable description for why the entry has been made.
Management response We understand that the four items referred to, on further investigation, were actually invoice and payment entries and not journals, therefore no further action appears needed on this matter. Responsible officer Not provided. Management consider no further action is necessary. Implementation date Not provided. Management consider no further action is necessary.

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control (continued)

Financial statements review: Implementation
Description of deficiency As part of the financial statements closure process the Director of Corporate Services reviews the draft annual report and accounts. Officers could not provide evidence of this review as we understand it was carried out collaboratively with the Head of Finance and Corporate Operations.
Potential effects The absence of documented review evidence increases the risk that any errors, inconsistencies and omissions identified are not corrected. It also means there is no audit trail for changes made as a result of the review process.
Recommendation Management should retain appropriate evidence of the outcome of its review of the draft financial statements.
Management response The development and review of the annual report and accounts is indeed a collaborative activity, with delivery responsibility delegated to the Head of Finance and Corporate Operations and sponsored by the Deputy Chief Executive. This collaboration can give rise to a variety of email correspondence, annotated versions of accounts and meetings and discussions between the parties. We do not routinely save all such developmental input, and will note to maintain appropriate records in future.
Responsible officer Deputy Chief Executive and Head of Finance and Corporate Operations.
Implementation date 30 June 2027.

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.

Related party 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 it 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.
2025/26 update Complete: We confirmed that all Board members promptly completed their declaration of interests and related party transactions were appropriately disclosed in the financial statements.

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.
Potential effects Risk of unauthorised access to financial systems due to lack of formal, documented approval.
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.
2025/26 update Complete: This deficiency was raised in respect of the legacy system, Sage 200, which has now been replaced with Access Financials.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

Review of corporate policies
Description of deficiency CNPA does not have a formal timetable for reviewing corporate policies. 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.
2025/26 update Complete: Our review of the key policies confirmed that management has implemented an updated document management system including details of version number, date of update and review. Management monitors legislative and other changes to ensure that policies are routinely reviewed as necessary.

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..
2025/26 update Complete: Management has migrated its financial reporting data from Sage 200 to Access Financials and consolidated all entries into one financial reporting system.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (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.
2025/26 update Complete: This deficiency was raised in respect of the legacy system, Sage 200, which has now been replaced with Access Financials. Under Access Financials, the password management function is domiciled with the system provider.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (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.
Potential effects Failure to undertake regular asset review exercise may result in assets being incorrectly valued.
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.
2025/26 update Ongoing: From our review of the Fixed Assets Register, we noted that there are 99 assets with nil net book values. Management response Under our cost model, a fully depreciated asset that is still in use remains on the fixed asset register at cost with matching accumulated depreciation. The wider implication of this finding is that the assessed useful economic life of some asset types may need to be revised. We will review this point prior to 26/27 accounts preparation. Responsible officer Head of Finance and Corporate Operations. Implementation date 31 March 2027.

Appendix A: Internal control conclusions (continued)

[Follow up on previous internal control points \(continued\)](#)

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.
2025/26 update Ongoing: CNPA’s documented process states that the Financial Accountant prepares a log of all journals posted during the period and submits the journal log and supporting documentation to the Head of Finance and Corporate Operations for review. Our walkthrough testing identified that journals are prepared and posted by the same individual and no evidence of independent review is retained. Consequently, there is no evidence that the control is implemented as designed.
Management response Control over the review of journals has been operating effectively as a verbal conversation. To satisfy this audit requirement we now record evidence of our review each month. For the 2026/27 financial year we will be able to support our review through the evidence of calendar invites (to a meeting of the Head of Finance and Corporate Operations, Financial Accountant and Finance Manager) and as comments on the month end checklist.
Responsible officers Head of Finance and Corporate Operations.
Implementation date 31 October 2026.

Appendix A: Internal control conclusions (continued)

Follow up on previous internal control points (continued)

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.
2025/26 update Ongoing: We reviewed the design and implementation of IT General Controls (ITGCs) for CNPA’s new financial reporting system, Access Financials. As part of our review, we requested information from management on documented and approved policies supporting the use of Access Financials. We noted that there are no formal policies related to User Access creation, modification and deactivation, access rights control including the review of generic and privileged access as well as change management. Management response We will review the operation and controls in place with the new finance system and consider any further formal policy development in the context of these highlighted control considerations. Responsible officers Head of Finance and Corporate Operations. Implementation date 31 March 2027.

Appendix B: Draft management representation letter

Tom Reid

Forvis Mazars LLP

100 Queen Street

Glasgow

G1 3DN

XX September 2026

Dear Tom

Cairngorms National Park Authority– Audit for Year Ended 31 March 2026

This representation letter is provided in connection with your audit of the financial statements of Cairngorms National Park Authority (“the Authority”) for the year ended 31 March 2026 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 Board 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 2025/26 Government Financial Reporting Manual (the 2025/26 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.

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 2025/26 Government Financial Reporting Manual (the 2025/26 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.

Appendix B: Draft management representation letter

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.

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 there are no unadjusted misstatements

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

Report 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 2026 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 2025/26 Government Financial Reporting Manual (the 2025/26 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the state of the body's affairs as at 31 March 2026 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 2025/26 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. 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
XX October 2026

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 remain available to the Audit and Risk Committee to discuss any matters relating to our independence, should such a discussion be required.

Confirmation of independence

We confirm that the firm, Forvis Mazars LLP, and all covered persons remain independent of Cairngorms National Park Authority in accordance with the requirements of the FRC Ethical Standard.

Relationships disclosure

A review of relationships between the firm, covered persons, and Cairngorms National Park Authority, including its directors, senior management, affiliates, and connected parties, has identified no matters that bear on our integrity, objectivity, or independence during the engagement period..

Appendix E: Other communications

Other communication	Response
 Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. 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.
 External confirmations	We did not experience any issues with respect to obtaining external confirmations.
 Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: 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 b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
 Going Concern	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. 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.

Appendix E: Other communications (continued)

Other communication	Response
 Subsequent events	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. 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.
 Matters related to fraud	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. We will obtain written representations from management and, where appropriate, the Audit and Risk Committee, confirming that - they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; - 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; - they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: - management; - employees who have significant roles in internal control; or - others where the fraud could have a material effect on the financial statements; and - 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.

Appendix E: Other communications (continued)

Other communication	Response
 System of Quality Management	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: • Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities • 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.) • Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality • Evaluating responses and remediating control gaps or deficiencies We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2025. Details of that assessment and our conclusion are set out in our 2024/2025 Transparency Report, which is available on our website here.

Appendix F: Wider scope ratings

We need to gather sufficient evidence to support our commentary on the CNPA’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 CNPA 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

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Disclosure to third parties cannot be made without the prior written consent of Forvis Mazars LLP.

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