



## **For decision**

**Title: Draft governance statement**

**Prepared by: Louise Allen, Head of Finance and Corporate Operations**

### **Purpose**

This paper presents the draft Governance Report, which forms part of the Annual Report and Accounts, to the Committee for review and comment prior to inclusion in the draft papers submitted for external audit.

### **Recommendations**

The Audit and Risk Committee is requested to:

- a) Review the draft Governance Statement presented with this paper.
- b) Subject to any agreed amendments, approve the Governance Statement for inclusion in the Park Authority's draft Annual Report and Accounts for 2025/26.

### **Executive summary**

1. The content of the Governance Statement within the Park Authority's Annual Report and Accounts has certain prescribed elements. Within the required reporting format, the content of the statement has been updated for 2025/26 as presented with this paper. Key areas of update are shaded in grey to help identify new material added and changes made.
2. The Committee is invited to review the draft statement and make any amendments prior to its inclusion in the documents and working papers submitted for external audit review of the 2025/26 accounts.



## **Governance Statement**

### **Scope of responsibility**

As Accountable Officer, I am responsible for maintaining sound systems of internal control that support the achievement of Cairngorms National Park Authority's policies, aims and objectives, while safeguarding the public funds and departmental assets for which I am personally responsible. These duties are in accordance with the Framework Agreement between the Park Authority and Scottish Government and align with responsibilities assigned to me in the Scottish Public Finance Manual (SPFM).

The SPFM, issued by the Scottish Ministers, provides guidance to the Scottish Government and other relevant bodies on the proper handling of public funds, and sets out the relevant statutory, parliamentary, and administrative requirements, emphasising the need for economy, efficiency, and effectiveness, and promotes good practice and high standards of propriety. As Accountable Officer, I am responsible for ensuring that the Park Authority's internal control systems comply with the requirements of the SPFM.

The Framework Agreement with Scottish Government sets out the role of the Park Authority's Board in providing leadership and governance. The Framework Agreement is a standard agreement between Scottish Government and its devolved public bodies and came into force following approval by the Park Authority Board at its meeting on 26 May 2023.

The governance responsibilities of the Board are supported by Standing Orders and a Code of Conduct, both revised and adopted in 2024. Required additions to the Code to handle Board involvement in quasi-judicial and regulatory decision making were agreed with the Standards Commission for Scotland. The Board agreed a "Governance Responsibility Framework" document in 2021, setting out the respective roles and responsibilities of the Board and its non-executive Board members and senior managers in decision making, to give added clarity and understanding to this aspect of the Park Authority's governance. Our group of professional, senior staff advisors, complemented by appropriate Board training and development processes, support the good governance arrangements set out in the Standing Orders and Code of Conduct.

As a public body, the Park Authority is committed to accessibility, openness, and accountability, and supports the highest standards in corporate governance.



Other than the documents referred to above and the resource allocation letters issued to me over the course of the year; there were no other written authorities provided to me over the course of 2025/26.

### **The operation of the Board and sub-committees**

The Board comprises 19 members: 7 appointed by Ministers following nomination by five Councils with boundaries within the National Park, 7 appointed by Scottish Government through public appointments processes, and 5 directly elected within the wards of the National Park.

The Board therefore reflects a blend of different experience, backgrounds and interests. The full Board meets regularly to consider strategy and performance against the current Corporate Plan. Meetings are scheduled quarterly, with additional meetings convened as required. To enable the Board to discharge its duties, all members receive appropriate and timely information in advance of meetings with all agendas and papers also placed in the public domain. Meetings are open to the public, with the exception of occasional meetings held in private for various reasons of business and commercial confidentiality.

To ensure that the Board develops an understanding of the current and emerging issues, members also participate in informal discussion sessions to consider evolving policy issues and proposals. These meetings are held in private to provide for early-stage discussion and members' learning and development on a range of policy topics. The agreed strategic direction of the Park Authority is discussed and identified in full, open consideration at formal meetings.

The Board has established sub-committees: a Planning Committee (which deals with all aspects of the Park Authority's statutory planning responsibilities), together with Committees covering Governance, Resources, Performance, and Audit and Risk. The committee structure augments the governance of the Authority and enhances the Board's assurance role, as the Authority's scale of activities and support of significant programmes continues to increase. The Governance Committee remains in place to support the Board and the Convener to maintain oversight of the effectiveness of governance arrangements across the organisation, including the effectiveness of the committee structure itself. All committees have delegated duties and responsibilities, set



out in terms of reference agreed by the full Board, to oversee and scrutinise the Park Authority's deployment and management of resources. The operation of the committee structure has continued in place throughout the 2025/26 financial year.

The record of attendance at Board meetings can be found in the Remuneration and Staff Report within the Annual Report and Accounts.

### **The Audit and Risk Committee**

The Audit and Risk Committee's role is to provide effective governance over all aspects of the Park Authority's internal management control systems and the annual financial accounts and audit. It also takes a lead in strategic risk management, ensuring that risks impacting on strategic objectives are identified and mitigated, and that risk management is embedded throughout the Park Authority's operations. It is supported by the Park Authority's internal audit function, delivered by wbg, and external auditors, Forvis Mazars. Both the internal and external auditors have independent access to the Committee and to its Convener. The Committee is tasked with monitoring the operation of the internal control function and bringing any material matters to the attention of the full Board. Detailed reports of all audit reviews are made available to both management and the Committee.

The Committee meets at least quarterly and reports to the Board on the adequacy and effectiveness of the Park Authority's internal controls, and more widely on its work in the preceding year.

The Board has continued a process of self-evaluation of effectiveness and governance. The Board maintains a skills matrix based on self-evaluation by members, and which is updated as new members are appointed. A review of the skills matrix carried out in November 2025 identified a requirement for the future recruitment of Board members with knowledge and understanding of:

- organisational financial and risk management, and
- landscape scale nature restoration and landscape scale change management.

The Park Authority intends to carry out a full member survey in late 2026 in order to identify training needs, and to guide member appointments.



During the year, the Board held various workshops to discuss matters of effectiveness and governance, including:

- Consideration of equality duties in the public sector (March 2025)
- Discussion of the Authority's values and culture (May 2025)
- Personal use of social media (May 2025)
- Board effectiveness (August 2025)
- Horizon scanning (October 2025)

The Board has agreed a set of Corporate Performance Indicators to improve its oversight of delivery against key strategic objectives and the Park Authority's Corporate Plan. A detailed performance report is submitted to the Board annually on delivery against key performance indicators, alongside a review of strategic risk management. These monitoring and control mechanisms support Board scrutiny over delivery of the Corporate Plan and National Park Partnership Plan priorities.

Periodic reports from independent internal and external auditors form a key and essential element in informing my review as Accountable Officer of the effectiveness of the systems of internal control within the Park Authority. The Board's Audit and Risk Committee also plays a vital role in this regard, through its consideration of audit recommendations arising from reviews of internal control systems, and its scrutiny of proposed management action to address any improvements required. The Audit and Risk Committee also considers both a three-year plan for internal audit coverage and annually agrees an internal audit plan flowing from that three-year plan.

### **Shared services delivery**

The Park Authority plays an important role in providing support to local communities and organisations, over a range of activities, to help deliver the National Park Partnership Plan's priorities. We have continued to support the Cairngorms Local Action Group Trust in its leadership and delivery of new Community Led Local Development funding streams. Following completion of the Development Phase of the Cairngorms 2030 Heritage Horizons Programme, and after a lengthy application process, in January 2024 we were awarded £10.771m funding by the National Lottery Heritage Fund to commence the Delivery Phase of the Cairngorms 2030 programme. These have been



significant, community-, and partner-led programmes of activity. Our management and internal control structures ensure that support for these community-based delivery entities is separated from the core activities of the Authority, while ensuring that our support helps them achieve “best practice” in their operations.

The Authority also undertakes a range of shared service arrangements with other public body partners. Over the course of the year, we have worked with the Scottish Land Commission, providing payroll services, together with advice and support on human resource and organisational development matters. We have also collaborated on a range of shared service delivery with Loch Lomond and the Trossachs National Park Authority (LLTNPA). We have received support from LLTNPA on IT infrastructure maintenance and development, shared licence agreements for planning systems, and data back-up and security arrangements. In addition to these more formal shared services with LLTNPA, both National Park Authorities continue to collaborate closely on areas of shared policy interest.

### Internal audit

The internal audit function is an integral element of scrutiny of the Park Authority’s internal control systems. wbg were appointed as the Park Authority’s internal auditors in 2025, following an open procurement process, and have undertaken a comprehensive assessment of key internal control systems since their appointment. During the year to 31 March 2026, wbg have reported to the Audit and Risk Committee on the following reviews:

#### *Governance & risk*

- Corporate governance arrangements

#### *Operational*

- Implementation of a new finance system
- Project initiation processes
- Grant administration and management
- Follow up on previous recommendations
- IT disaster recovery (advisory review carried out in April 2026)



All recommendations made by wbg are considered, given management responses, which are considered by the Audit and Risk Committee, and implemented as appropriate.

### **External audit**

External auditors are appointed for us by the Auditor General for Scotland through Audit Scotland. Audit Scotland appointed Forvis Mazars to the role with effect from the commencement of the audit of the 2022/23 annual accounts. We continue to develop our relationship with Forvis Mazars, who review key systems in order to form a view on the effectiveness of control arrangements, and to support their audit opinion on the financial statements. No non-audit work was undertaken by Forvis Mazars, and consequently, no fees were paid other than the agreed fee for external audit work.

### **Best value**

The Audit and Risk Committee continues to monitor the Authority's adherence to Scottish Government Best Value guidelines and our approach to continuous improvement. Since the launch, in 2023/24, of our Organisational Development and People Strategy 2024, we have continued to improve our work processes, organisational environment, and delivery of services. The results of our 2025 staff survey have informed the delivery of continuous organisational improvement as part of our Corporate Plan to 2027.

### **Risk management**

We have a risk management strategy in accordance with guidance issued by Scottish Ministers to identify actual and potential threats that may prevent us from delivering our statutory purpose, and also to identify appropriate mitigation actions.

The Board recognises the importance of risk management and continues to monitor the Park Authority's Strategic Risk Register, within its established risk appetite, for areas of the 2023/27 Corporate Plan. This approach supports delivery of our Corporate Plan objectives.

The Strategic Risk Register records risks, action taken to mitigate the identified risks and senior management's responsibility for leading on each risk and its mitigation. The Strategic Risk Register is reviewed by the Executive Management Team at least four



times each year and updated by the full Board and the Audit and Risk Committee as part of each quarterly cycle of meetings.

The Audit and Risk Committee, with the Senior Management Team, leads on embedding risk management processes throughout the Park Authority. Both groups consider the management of strategic risk in line with the Risk Strategy to ensure that the required actions are appropriately reflected and incorporated in operational delivery plans.

### **Data security**

Procedures are in place to ensure that information is being managed in accordance with legislation and that data is held accurately and securely. The Park Authority has experienced no reported nor recorded instances of data loss in the year to 31 March 2026.

We continue to review our digital practices and infrastructure to ensure they remain fit for purpose and that all reasonable steps are taken to minimise the risk of data loss or compromise of systems due to Cyber Attacks. During the year, the Park Authority worked towards renewal of its accreditation under the Cyber Essentials Plus scheme.

The Authority's Senior Management Team approved an IT and Data Management Strategy in 2021. The strategy described our transition toward cloud-based service infrastructure. This strategy will be reviewed and refreshed in 2026.

### **Business continuity**

The Authority implemented its Business Continuity Plan (BCP) processes in 2020, in response to the COVID19 pandemic. The BCP prioritised the maintenance and evolution of systems to support dispersed working while maintaining maximum focus on delivery of the Authority's strategic outcomes.

The Park Authority has now adopted hybrid working arrangements, with the majority of our staff working part-time from home and dispersed locations, and part-time in the office. Our Board also holds both hybrid and full face-to-face public meetings.

A revision of the Business Continuity Plan is prioritised for 2026/27.