

15 June 2025



# Cairngorms National Park Authority

Audit Needs Assessment

2025/26 to 2027/28

June 2025

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# Introduction

## Background

Wbg Services LLP (Wbg) have been appointed as Internal Auditors by Cairngorms National Park Authority (the Organisation) Audit & Risk Committee for an initial one year period from 1 April 2025 to 31 March 2026 with the option to extend for a further two years.

## Internal Audit

The prime responsibility of the Internal Audit Service (IAS) is to provide the Board, via the Audit & Risk Committee with an objective assessment of the adequacy and effectiveness of management's internal control systems.

The IAS objectively examines, evaluates and reports on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the Organisation.

The operation and conduct of the IAS must comply with the standards and guidelines set down by the Institute of Internal Auditors, including the Global Internal Audit Standards which came into effect from January 2025, as well as the Public Sector Internal Audit Standards.

## Terms of Reference – Internal Audit

The provision of the IAS by Wbg is covered by the letter of engagement dated 28 April 2025.

## Formal Approval

The Audit Needs Assessment (ANA) will be presented to Audit & Risk Committee for discussion and approval on 20 June 2025.

# Approach

Planning process and review

# Approach

The Audit Needs Assessment (“ANA”) has been produced based on the following:

- | Consideration of the risks noted within the Organisation’s Strategic Risk Register;
- | Consideration of previous internal audit coverage and the key findings from these reports;
- | An initial meeting held with the Senior Management Team (SMT), with a follow up meeting with the Deputy CEO / Director of Corporate Operations and the Head of Finance and Corporate Operations.
- | Meeting with the Chair of the Audit & Risk Committee.
- | Preparation of an Assurance Map;
- | The identification of key controls and associated risks for each system and sub-system; and
- | The determination of the internal audit resource required to meet the identified audit needs.

# Planning Process

Below is a diagram which details our planning process:



# Revisiting the ANA

The ANA will be reviewed continuously throughout our appointment and will take account of the results of audit work, the development of new systems and any other risk factors identified. Any proposed changes to the ANA will be presented to the the Audit & Risk Committee on at least an annual basis for discussion and approval. We have set out below the proposed Audit Team.



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# Operational Plan

2025/26



# Governance and New Finance System

Audit area	High level indicative summary scope	Total number of days
Governance	<p>The purpose of this review is to assess whether the Organisation has appropriate governance arrangements in place and that these have been embedded throughout. This review aims to provide assurance that the Organisation's corporate governance arrangements are appropriate and represent good practice. Our objectives for this review are to assess whether:</p> <ul style="list-style-type: none"> <li>  There is an effective scheme of governance in place.</li> <li>  There is effective leadership at the Organisation.</li> <li>  There are effective relationships and communication channels in place with external bodies.</li> <li>  Clear responsibilities and reporting arrangements are established and are being followed.</li> <li>  There are effective scrutiny arrangements in place which are being followed.</li> <li>  There is a formal meeting structure in place.</li> <li>  The Organisation's governance arrangements meet the framework document(s) agreed between CNPA and the Scottish Government, guided by the National Parks (Scotland) Act 2000.</li> </ul>	8
New Finance System	<p>The purpose of the assignment will be to review the implementation of the new finance system to assess whether the system is working as anticipated. We will also review the implementation process to ensure that deadlines and costs were met, and that staff have received sufficient training on the system. Our objectives for this review are to assess whether:</p> <ul style="list-style-type: none"> <li>  The new Finance System is fit for purpose and operating in line with good practice.</li> <li>  Data has been accurately transferred from the previous Finance System.</li> <li>  Sufficient training has been given to those staff who will be using the new Finance System.</li> <li>  Appropriate controls have been put in place over the new Finance System and these are being adhered to by staff.</li> </ul>	8

# Cyber Security



Audit area	High level indicative summary scope	Total number of days
Cyber Security	<p>The scope of this review is to be confirmed following discussions between the Organisation and Wbg.</p> <p>The Organisation have achieved Cyber Essentials Plus accreditation and have worked with the Scottish Government's pilot programme (HEFESTIS Pathway) to assess cyber maturity assessment and benchmarking. This programme included access to Pathway toolsets and the Public Sector Cyber Resilience Framework (PSCRF) guidance.</p> <p>Our scoping discussions will consider undertaking an assessment of the Cyber Essentials Plus criteria, which the Organisation has met, against the National Cyber Security Centre's 10 steps to Cyber Security Guidance to help identify any gaps.</p>	8

# Project Initiation

Audit area	High level indicative summary scope	Total number of days
Project Initiation	<p>Following the launch of the project control system in June 2025, we will assess whether this is working as anticipated and is being complied with and represents the appropriate level of control. We will assess the new control mechanisms being implemented from June 2025. We will also assess whether funding conditions are being met. Our objectives for this review are to assess whether:</p> <ul style="list-style-type: none"><li>  Roles and responsibilities for project management are clearly defined and key staff are aware of their specific roles.</li><li>  Criteria is in place to ensure key project decisions are fully informed at the outset, including scope definition, budgeting and risk management.</li><li>  Decisions are made timely and at an appropriate level.</li><li>  Project outcomes and when benefits will be realised are identified at the outset. These are measurable and progress against these are reported on, at agreed intervals.</li><li>  Identified projects comply with regulatory requirements, any funding requirements and align with the strategic objectives of the Organisation.</li><li>  The Organisation review procurement planning and compliance with public procurement regulations, including early engagement of procurement and adherence to procurement thresholds.</li><li>  The project control system is being adhered to.</li></ul>	8

# Grants Administration & Management and Follow Up Review



Audit area	High level indicative summary scope	Total number of days
Grants Administration & Management	<p>The purpose of the review is to ensure that the Organisation is operating efficiently and effectively in respect of its grants administration and management. We will undertake testing of the process to assess if the Organisation's procedures are being adhered to. Our review will consider the new expression of interest system and the new grants programme. This review seeks to provide assurance to the Board, via the Audit &amp; Risk Committee, that the Organisation's arrangements are adequate. Our objectives for this review are to assess whether:</p> <ul style="list-style-type: none"> <li>  The Organisation has robust arrangements in place for administering and managing grants.</li> <li>  The Organisation is consistent in its approach to negotiating, recording, and monitoring grants.</li> <li>  Staff are aware of these arrangements and are adhering to these.</li> <li>  The Organisation has the effective quality assurance arrangements in place for grants.</li> <li>  The Organisation has sufficient monitoring and tracking of grants.</li> <li>  The Organisation has appropriate reporting mechanisms surrounding the Organisation's provision where robust performance measures have been identified and are reported against.</li> </ul>	8
Follow Up Review	<p>The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work will provide Audit &amp; Risk Committee with assurance that prior year recommendations are implemented within the expected timescales. Our objective for this review is to assess whether:</p> <ul style="list-style-type: none"> <li>  The Organisation has appropriately implemented any outstanding internal audit recommendations made in prior years.</li> </ul>	5

# Assignment Plans & Dates

## Assignment Plans

A detailed assignment plan will be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan will be agreed and signed off by an appropriate sponsor from the the Organisation.

## Key Dates

Visit	Name	No. of audit days	Key personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Audit & Risk Committee
1	Governance	8	Director of Corporate Services	10 November 2025	28 November 2025	March 2026
	New Finance System	8	Head of Finance & Corporate Operations			
2	Project Initiation	8	Director of Corporate Services	1 December 2025	19 December 2025	March 2026
	Follow Up Review	5	Director of Corporate Services			
4	Grants Administration & Management	8	Community Grants Manager	12 January 2026	30 January 2026	March 2026
3	Cyber Security	8	Head of Finance & Corporate Operations	16 February 2026	6 March 2026	June 2026

# Reporting & Initial 3-year Audit Needs Assessment

# Reporting

The reporting arrangements for internal audit will be discussed and agreed with the Audit & Risk Committee.

The following reports will be produced by internal audit:

- | An Audit Needs Assessment;
- | A report on each audit assignment;
- | An annual report on Internal Audit Service's activities.

For each audit report we will have an overall level of assurance.

For each recommendation, a target date for remedial action will be set taking into account the degree of priority associated with the recommendation.

The draft report for each assignment will be discussed with the auditees and the factual accuracy agreed prior to issue of the report in its final form.

The auditees will be required to respond to the recommendations stating their proposed action and nominating the person responsible for each action point.

# Initial 3-year Audit Needs Assessment



1 April 2025 to 31 March 2028		Operating Plan (No. Of days)		
System	Audit Area	2025/26	2026/27	2027/28
<b>Financial Systems</b>	New Finance System	8		
	Financial Controls			8
	Payroll		8	
	Procurement			8
<b>Strategic and Governance</b>	Governance	8		
	C2030 Mid Programme Review		8	
	Risk Management			8
<b>Operational</b>	Project Initiation	8		
	Grants Administration & Management	8		
	Business Continuity & Disaster Recovery		8	
	Workforce Management		8	
	CRM System			8
	Operational Planning			8
<b>Information Technology</b>	Cyber Security	8		
	Information Management Controls or IT Strategy		8	
<b>Required</b>	Follow Up Review	5	5	5
	Audit Management	5	5	5
	<b>Total</b>	<b>50</b>	<b>50</b>	<b>50</b>



# Appendices

**A – Grading Structure**

**B – Key Performance Indicators**

**C – Training Topics**

**D – Assurance Map**

**E – Audit Universe**

# A – Grading Structure

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

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

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

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

# B – Key Performance Indicators

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

Performance Indicator	Target
Internal audit days completed in line with agreed timetable and days allocation	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than 5 working days before each start date	100%
Draft reports issued within 10 working days of exit meeting	100%
Management provide responses to draft reports within 15 working days of receipt of draft reports	100%
Final reports issued within 5 working days of receipt of management responses	100%
Recommendations accepted by management	100%
Draft annual internal audit report to be provided by 30 April each year	100%
Attendance Audit & Risk Committee meetings by a senior member of staff	100%
Suitably experienced staff used on all assignments	100%

# C – Training Topics

As a firm we offer a wide range of training topics to our clients and we have listed below some of the topics which we would be able to offer Cairngorms National Park Authority.

Topic	Summary
Risk Management	This can cover risk awareness, assessment of risks, responsibilities for monitoring risks, risk appetite and the scoring of risks. This is usually done as a workshop to ensure buy-in from management and committee members to the risk management process.
Role of the Board	This would cover the roles and responsibilities of Board members, including the Chair. This has been particularly useful when new Board members have been appointed and allows members to obtain some knowledge on what the expectation of a Board member is and what they should be looking out for.
Role of Internal Audit	We would provide a short session on what the internal audit function should be delivering to the Cairngorms National Park Authority and the added value which we would bring.
Finance for Non-Financials	This is useful for committee members who do not have a finance background and covers areas such as the management accounts, budget reporting and the statutory accounts.
Fraud Awareness	We would cover the importance of a having a strong control environment and areas to be aware of in relation to fraud. We would discuss some real-life examples of where we have identified or been asked to investigate allegations of fraud and the results of these investigations.

# D – Assurance Map

We have mapped out below, assurances from your Strategic Risk Register and internal audit reviews.

Risk Theme	Residual Risk	Mitigating actions	Planned Actions	Internal Audit Assurance
Public sector finances constrain capacity to allocate sufficient resources to deliver corporate plan.	15	<p><b>Preventative:</b> Ongoing liaison with Scottish Government through our sponsorship team and the Peatland Action Team, highlighting achievements of CNPA.</p> <p><b>Preventative:</b> Corporate plan prioritised around anticipated Scottish Government budget allocations, taking on Board expectation of funding constraints.</p> <p><b>Remedial:</b> Focus resource on diversification of income streams to alternative, non-public income generation.</p> <p><b>Remedial:</b> Continuing to support “delivery bodies” such as Cairngorms Nature, Cairngorms Trust in securing inward investment.</p>	<p><b>Preventative:</b> Ongoing liaison with Scottish Government through our sponsorship team and the Peatland Action Team, highlighting achievements of CNPA.</p> <p><b>Remedial:</b> scenario planning on forward budget modelling to prepare options for future resource allocations within final allocations, based on funding parameters suggested by sponsorship team.</p>	<ul style="list-style-type: none"> <li>Financial Controls</li> <li>Grants Administration &amp; Management</li> <li>C2030 Mid Programme Review</li> </ul>
Risk of C2030 match funding not being secured - current match funding in bid not fully committed and/ or for one year only in many areas.	15	<p><b>Preventative:</b> Ongoing liaison with Scottish Government through our sponsorship team and the Peatland Action Team, highlighting achievements of CNPA and importance of Peatland Restoration funding to inward investment by NLHF. <b>Remedial:</b> Discussions with Transport Scotland on funding for active travel design work.</p>	<p><b>Preventative:</b> focus over 2025 on match funding position and consequent impacts to ensure C2030 programme plans and financing of them fully aligned by end of year.</p> <p><b>Preventative:</b> high profile and ongoing focus for SMT in engaging in influencing to secure the match funding needed from partners; project managers aware of relevant project match funding position and tasked with seeking additional match funding where appropriate. <b>Preventative:</b> consideration of new, wider match funding opportunities.</p>	<ul style="list-style-type: none"> <li>Grants Administration &amp; Management</li> <li>C2030 Mid Programme Review</li> </ul>

# D – Assurance Map

Risk Theme	Residual Risk	Mitigating actions	Planned Actions	Internal Audit Assurance
<p>There are perceived gaps in our skill set with respect to: procurement processes, recruitment of technical staff, ability to undertake necessary due diligence on output from consultants and contractors.- Risks that procurement and wider skill set capacities are insufficient to meet the evolving needs of the organisation.- Lack of expertise and experience in managing construction projects may compromise the effectiveness and efficiency of planned delivery.- Financial risks associated with the letting of contracts where partnership funding is likely to be dependent on the achievement of satisfactory standards.</p>	8	<p><b>Preventative:</b> Recruitment of Procurement Officer</p> <p><b>Preventative:</b> Support secured from Scotland Excel (and from Central Government Procurement Shared Services (CGPSS) if required).</p> <p><b>Preventative:</b> Consider delivery through partners with construction project delivery experience where appropriate to delivery objectives.</p>	<p><b>Preventative:</b> additional support from LL&amp;TNPA requested</p> <p><b>Preventative:</b> Options for training of wider staff group under investigation - supported by Scotland Excel.</p> <p><b>Remdial:</b> procurement action plan developed from internal audit recommendations; reviewed monthly by Chair / Vice Chair of ARC. Target date for completion of key improvements 31.03.25 (extended from 31/12/24). SG budget controls may delay training until the first quarter of 2025/26.</p>	<p>  Procurement</p>

## D – Assurance Map

Risk Theme	Residual Risk	Mitigating actions	Planned Actions	Internal Audit Assurance
The Authority's range of powers combined with strategic partnerships is insufficient to deliver outcomes on wildlife crime.	16	<p><b>Preventative:</b> licencing arrangements contribute to more effective control framework. Tracker/ satellite monitoring deployed for some raptors.</p> <p><b>Remedial:</b> NPPP development processes used to explore partnership attitudes, engagement and powers.</p>	<b>Remedial:</b> Development/ strengthening of strategic partnerships.	Operational Planning
Increasingly competitive and restricted recruitment climate prevents staff with the required experience and skill sets being secured. Planning and other specialist staff (IT, procurement, finance) requirements impacted by national labour/ skills shortages and/ or salary structures not sufficiently competitive to attract or retain key staff.	9	<p><b>Preventative:</b> focus on training and development and internal succession planning, in turn bringing recruitment into less experienced/ less highly skilled markets and developing pipeline of qualified staff</p> <p><b>Preventative:</b> consideration given to job design, creating roles with more seniority (higher grades), and flexibility of offer regarding part-time/ job share.</p>	<b>Remedial:</b> contingency planning for example around out-sourcing of aspects of delivery eg establish call-off framework for consult planning services.	Covered in previous IA Plan

## D – Assurance Map

Risk Theme	Residual Risk	Mitigating actions	Planned Actions	Internal Audit Assurance
Supporting speed of organisational change prevents required development and embedding of effective support systems. The speed / scale of operational demand for support from corporate systems is such that we are always fire-fighting and giving the best advice and support we can. However, that ongoing fire-fighting and immediate advice prevents us having sufficient time to design, develop and implement new systems to better suit the new organisation.	16	<b>Remedial:</b> recruitment of additional staff to corporate function during 22/23 and 23/24. <b>Remedial:</b> project management training provided. <b>Remedial:</b> development of improved systems/ ways of working through better use of M365 applications <b>Remedial:</b> Implement new finance system to support wider digitisation of systems and effective financial reporting. <b>Preventative:</b> design and implement project initiation controls supporting more managed timelines and fuller, earlier consideration of project plans.	<b>Remedial:</b> apply resource to development of improved systems/ ways of working - new finance system due to be installed by 31/12/24; new project initiation control under development <b>Remedial:</b> provide training - procurement and in wider assessment of project impacts at initiation stage. <b>Remedial:</b> finalisation and roll-out of project initiation guidance, including assessment of any new legal implications arising from project delivery intentions.	Project Initiation



# D – Assurance Map

Risk Theme	Residual Risk	Mitigating actions	Planned Actions	Internal Audit Assurance
CNPA IT services are not sufficiently robust/ secure/ or well enough specified to support effective and efficient service delivery. Increasing demand for knowledge around Microsoft 365 and cyber security is outstripping the team's knowledge/ skill-set. Increasing ICT dependency for effective and efficient operations is not adequately backed up by ICT systems support. Use of AI increases risk of cyber security threats such as spear-phishing.	10	<p><b>Preventative:</b> Daily review of Scottish Cyber Coordination Centre threat summaries, with follow up action taken (eg patching) as appropriate. Preventative/ remedial: Collaboration with LL&amp;TNPA provides support.</p> <p><b>Preventative:</b> Transition to Sharepoint complete; R-drive now a read-only repository, reducing risk of threats from outside the organisation.</p> <p><b>Preventative:</b> implement Cyber Security Plus controls</p>	<p>Development of the IT operational risk register has identified potential for structural improvement. These considerations to be developed further (potential for external consultancy to develop our IT strategy organisational development, technical improvements and upskilling).</p> <p>Cyber essentials accreditation achieved; audit towards essentials plus accreditation underway (11/09/24).</p> <p>A review of IT staff role descriptions now completed; renewed focus on IT actions plans will flow from that.</p> <p>Work on the information management plan will produce greater resilience of data and access to key information when complete.</p>	Cyber Security
Business Continuity Plans (BCP) are inadequate to deal with significant impacts to normal working arrangements and result in service failure.	20	<p><b>Preventative:</b> Development of hybrid working methods and cloud computing approaches have improved the organisation's resilience. <b>Remedial:</b> develop updated business continuity plan and embed its provisions</p>	<p><b>Preventative:</b> proposed consultancy to develop new BCP</p>	Business Continuity & Disaster Recovery

## D – Assurance Map

Risk Theme	Residual Risk	Mitigating actions	Planned Actions	Internal Audit Assurance
Reputational damage may result from:- Unrealistic expectations of what the Park Authority and its partners can achieve in the face of the significant risks presented by climate change, species extinction, flood management and fire; and/ or- Disagreement between the Park Authority and stakeholder groups within the Park.	12	<b>Preventative:</b> Existing strategic partnerships and stakeholder relationships help to create a wider understanding of the factors that are within, and those that are outside the control of the Park Authority and its partners.	<b>Preventative:</b> Management of expectations through: <ul style="list-style-type: none"> <li>- Targeted communications</li> <li>- Further development of stakeholder relationships.</li> <li>- Development/ strengthening of strategic partnerships.</li> <li>- Ongoing assessment of operational risk management and mitigation in our communications.</li> <li>- Development of stakeholder relationship database</li> </ul>	<ul style="list-style-type: none"> <li>- C2030 Mid Programme Review</li> <li>- Operational Planning</li> </ul>
The Park Authority does not adequately respond or adapt to changes in funding environment at Scottish Government policy levels or in evolution of private finance investment.	12	<b>Preventative:</b> allocate senior time to engagement with Scottish Government in policy discussion and development, identifying and responding to risk implications. <b>Preventative:</b> proactively identify opportunities for private investment and structures to support their investment to complement and support NPPP and corporate objectives.	For development	<ul style="list-style-type: none"> <li>- Grant Administration &amp; Management</li> <li>- Financial Controls</li> <li>- C2030 Mid Programme Review</li> </ul>

# D – Assurance Map

Risk Theme	Residual Risk	Mitigating actions	Planned Actions	Internal Audit Assurance
The Park Authority's workforce is not adequately flexible to respond to changing strategic priorities or to changing operational scale	9	<b>Preventative:</b> workforce management strategy updated and regularly reviewed to take a 5+ year forward view. <b>Preventative:</b> continued investment in training and development for staff supporting performance in current roles and succession / development plans. <b>Preventative:</b> establish an appropriate mix of permanent and fixed term staff to allow for flexibility in future structures. <b>Remedial:</b> retain scrutiny of all vacancies and identification of opportunities to adapt vacancies toward future needs.	For development	Workforce Management
NPPP delivery responsibilities are not sufficiently clear across the partnership and Park Authority is expected to address more than it is capable to deliver.	12	<b>Preventative:</b> reinforce specific partner delivery responsibilities through performance management systems and reporting. <b>Preventative:</b> reinforce NPPP delivery linkages through grant contract terms.	For development	C2030 Mid Programme Review
Evolution of the Park Authority's range of activities and projects results in unidentified and unmitigated exposure to legal implications and associated liabilities	12	<b>Preventative:</b> undertake risk analysis overview of 2025/26 operational plan to identify any delivery areas with potential exposure; develop and deliver mitigation action plan	For development	C2030 Mid Programme Review

# E – Audit universe



We have set out below the auditable entities, processes, systems and activities, which support the development of the internal audit plan, and the Internal Audit coverage since 2022.

Area	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27
<b>Financial Systems</b>	Payroll and Expenses	Expenditure and Creditors		New Finance System	Payroll	Financial Controls
		Finance System and Processes				Procurement
<b>Strategic and Governance</b>	Performance Management			Governance	C2030 Mid Programme Review	Risk Management
		Risk Management				
			Cairngorms 2030			
<b>Operational</b>	Workforce Management and Planning	Health & Safety	Operational and Financial Planning	Project Initiation	Business Continuity & Disaster Recovery	CRM System
		Procurement	Recruitment	Grants Administration & Management	Workforce Management	Operational Planning
		Heritage Horizons				

# E – Audit universe



Area	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27
<b>Information Technology</b>	Data Management			Cyber Security	Information Management Controls	
<b>Compliance and Regulatory</b>	Leader Administration					