



For decision

Title: Draft Audit and Risk Committee annual report

Prepared by: David Cameron, Deputy CEO

Purpose

To present the draft Audit & Risk Committee Report for consideration prior to submission to the Board.

Recommendation

The Audit & Risk Committee is requested to:

- a) Consider the report and;
- b) Agree any amendments to it prior to circulation to the Board.

Background

1. The Audit & Risk Committee is required to report to the full Board on its activities over the year, and on the reports presented to the Committee by the Authority's internal and external auditors.
2. This Annual Report is presented on behalf of the Audit & Risk Committee to cover the period of its operations from September 2024 to September 2025.

Overview

3. The period of this Annual Report covers consideration of final accounts for 2023/24. The accounts were submitted to the Committee's meeting of 27 September 2024 in line with the agreed external audit timetable for accounts to be finalised and approved for signature and submission to the Auditor General for Scotland at this meeting.
4. The Committee has also overseen the conduct of the external audit of the 2024/25 annual report and accounts during this period, with the draft accounts for this



financial year submitted to the committee's meeting of September 2025 in line with the agreed timetable for the 24/25 audit.

5. Mazars remain appointed through Audit Scotland as external auditors to the Park Authority.
6. During the reporting period, the Committee was supported by Azets in the provision of internal audit services, with wbg auditors assuming this role from April 2025. There was a period of overlap between Azets and wbg during which the Committee maintained oversight of the work of both internal audit providers. The Committee has agreed an internal audit plan for 2025/26 which will be delivered by wbg. However, the timing of the internal audit work is over the second half of the year and therefore no internal audit reports on specific areas of audit have been submitted to the Committee between April and September 2025.
7. The Committee has continued to work to the terms of reference approved by the Board over the duration of this reporting period.
8. The Committee met four times over the period covered by this report. All meetings were held as scheduled and were quorate.

Key Activities

9. In addition to management reports from the Authority's Internal and External Auditors, considered in further detail below, the Committee considered the following issues during the course of the year:
 - a) Risk management: the Audit & Risk Committee has continued to take a strategic oversight of the Authority's risk management strategy and regularly considered the strategic risk register. The Committee has supported the full review of the strategic risk register to ensure the Park Authority's strategic risk management remains supportive of delivery of the Corporate Plan spanning 2023 to 2027.
 - b) Detailed Risk Analysis: the Committee has continued the practice in the year of considering more in-depth analysis of key risks from senior management. This practice provides an opportunity to explore key or increasing strategic



risks in more detail and evaluate the adequacy of mitigation actions. The Committee has considered detailed analysis of the risks associated with the Cairngorms 2030 programme as it moved into its Delivery Phase.

- c) Accounting Policy and Estimates: the Committee reviews and agrees accounting policies and considers any significant estimates required in the finalisation of the annual accounts as part of its consideration of final accounts prior to their signature by the Accountable Officer. There were no significant variations to accounting policy required in either year covered by this report, nor were any estimates causes of concern.
- d) Governance Statement: review and approval of this statement, prior to its inclusion in the annual accounts and prior to signature by the Accountable Officer.
- e) Updates on progress in implementing previous audit recommendations: the Committee has maintained a twice-yearly audit review of action taken on previous audit recommendations, supplemented from time to time by management reports.
- f) Consideration and agreement of forward audit activity plans: the Committee has agreed a forward plan of internal audit activity and has monitored progress in successful delivery of the internal audit plan for 2024/25. A plan for internal audit work has been agreed for 2025/26.
- g) Letter of representation: the Committee considered the draft letter of representation from the Authority to Mazars, the external auditor, prior to its signature by the Accountable Officer as an appropriate reflection of the Authority's position for preparation of the accounts for 2024/25 and conduct of the Authority's financial and wider control procedures over the course of the year. The Committee has also reviewed the underpinning detail set out in assurances to the external auditor relating to preventing fraud in the annual accounts, compliance with laws and regulations, litigation and claims, and going concern.
- h) Procurement: the Committee received an internal audit report in June 2024 setting out significant weaknesses in the Park Authority's internal controls over its procurement activities. The Committee agreed an action plan including urgent actions to resolve the key issues. The Chair and Vice Chair of the Committee monitored delivery of that action plan monthly initially, with the full Committee receiving updates at its meeting. The appointment of a Procurement Officer in 2024 represented a key step in taking forward priority



actions, and a procurement action place has now been mostly completed. The Committee also considered the lessons learned on procurement at their meeting of September 2025.

- i) The Committee reviewed updates on information requests and complaints, ensuring appropriate oversight and consideration of matters presented.

Internal Audit

10. The Committee agree an annual internal audit work programme presented by the internal auditor.

Table One: Summary of Internal Audit Findings

Internal Audit Study	Number of Recommendations			
	Very High Risk	High Risk	Moderate Risk	Limited Risk
2011/12 Total (7 studies)	0	3	14	9
2012/13 Total (4 studies)	0	0	0	10
2013/14 Total (7 studies)	0	1	9	11
2014/15 Total (4 studies)	0	0	5	13
2015/16 Total (9 studies)	0	0	9	10
2016/17 Total (8 studies)	n/a	0	11	11
2017/18 Total (3 studies)	n/a	0	3	7
2018/19 Total (9 studies)	n/a	1	6	10
2019/21 Total (9 studies)	0	5	16	21
2021/22 Total (5 studies)	0	4	10	2
2022/23 Total (6 studies)	2	9	11	5
2023/24 Total (3 studies + 2 advisory)	4	7	8	0
2023/24 Total	4	7	8	0



The 2024/25 studies were:				
	Very High	High	Moderate	Limited
Cairngorms 2030 (1 advisory)	-	-	-	-
Operational and financial planning (1 advisory)	0	0	4	0
Recruitment	0	0	2	1
Total for period	0	0	6	1

External Audit

11. The completion of the external audit for the 2023/24 accounts was delayed into November / December 2024 while the audit team completed final checks and review processes. The accounts were laid in Parliament prior to the statutory date of 31 December.
12. Work on the 2024/25 external audit was still underway at the point of the Committee's consideration of the draft accounts in September 2025. The Park Authority's accounting treatment of the financing and expenditure related to the Cairngorms 2030 (C2030) Programme has required an in-depth technical evaluation and this has caused some delay in finalisation of accounts presentation and the subsequent completion of audit work. The accounts for 2024/25 are now scheduled to be presented and finalised at the Committee's November meeting and subsequently presented to the board at the end of November.

Strategic Risk Management

13. The Authority's strategic risk register has been fully revised over the course of the year, with oversight and input to this process from the Committee, to ensure the Park Authority's approach to strategic risk management continues to support effective delivery of the Corporate Plan spanning 2023 to 2027. The Park Authority's strategic risk management approach now incorporates and is led by the Board's strategic risk appetite. The Audit & Risk Committee has continued to review the coverage and adequacy of the strategic risk register in those quarters where it is not presented to the full Board.



14. The Committee has incorporated assurance over risk management of the Cairngorms 2030 Programme as a standing element of its agenda, ensuring any strategic risk implications to the Park Authority as a whole arising from its leadership of this significant programme of work are recognised and incorporated in our risk management framework.

Conclusions

15. The Audit & Risk Committee considers that it has been successful in progressing the Board's governance and internal control priorities during the period covered by this annual report.
16. The Committee welcomes the work of the Authority's Finance team in once again maintaining a high quality and professional financial accounting service. The Committee also recognises the valuable work of the wider Corporate Services team in supporting a rapidly expanding range of activities and delivery by the Park Authority and in helping achieve the organisation's strategic objectives.
17. The Committee has engaged through the year with issues identified by the Authority's internal and external auditors, and also by the Authority's officers. The Committee has received full reports on issues raised; considered recommendations made; and approved responses and actions. The Committee has shaped and approved the overall audit plan and guided the direction and approach of the internal auditors and their programme of work. The Committee has also monitored delivery against approved action plans.
18. Both the internal and external auditors' findings provide assurance to the Committee and Board that the Authority's internal control and governance objectives are being met effectively by management.
19. The Committee continues to recognise the continued expansion and evolution of the coverage of the Park Authority's range of activities has pushed the risk profile of recommendations higher over the course of the last reporting periods. It is accepted that there will always be a range of improvements than can be made to services and



controls; that these controls must continue to adapt to changing operating and strategic environments; and as such a number of recommendations for improvement from internal audit will always be expected. The Committee warmly welcomes the evidence of attention to internal control systems by management and generally effective control systems evidenced by the annual internal audit reports. The Committee expects the risk profile of recommendations to fall back toward more usual levels in coming years as new service areas and recommendations for action become better embedded.

20. The Committee will continue to address key, basic issues of internal control and the development of appropriate processes within the Authority. The evidence of the urgent attention given to high-risk recommendations arising from the procurement audit gives the Committee reassurance that where control gaps are identified these matters are prioritised through allocation of time and, where necessary, financial resources.
21. The Committee will also continue to have oversight of the Authority's approach to and handling of risk management, and of wider aspects of corporate governance such as the approach to Best Value and value for money. In particular, members will seek to ensure that lessons are learned from operational experience and that wherever possible reviews of working practices and learning from them lead to improvements in our systems.

Mariann Pita, David Cameron, for Audit & Risk Committee members

3 November 2025

mariannpita@cairngorms.co.uk

davidcameron@cairngorms.co.uk