



Cairngorms
National Park Authority
Ùghdarras Pàirc Nàiseanta a'
Mhonaidh Ruaidh

Paper 6 Annex 1

13 March 2026

Paper 6

Annex 1



Cairngorms National Park Authority

Internal Audit 2025-26

Grants Administration & Management

January 2026

Overall Conclusion

Strong



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The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for Cairngorms National Park Authority's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Overview

Purpose of review

The purpose of this review was to assess whether Cairngorms National Park Authority (the Organisation) is operating efficiently and effectively in respect of grants administration and management. We undertook testing of the process to assess if the Organisation's procedures are being adhered to. Our review considered the new expression of interest system and the new grants programme.

This review seeks to provide assurance to the Board, via the Audit & Risk Committee, that the Organisation's arrangements are adequate.

Scope of review

Our objectives for this review were to assess whether:

- | The Organisation has robust arrangements in place for administering and managing grants.
- | The Organisation is consistent in its approach to negotiating, recording, and monitoring grants.
- | Staff are aware of these arrangements and are adhering to these.
- | The Organisation has effective quality assurance arrangements in place for grants.
- | The Organisation has sufficient monitoring and tracking of grants.
- | The Organisation has appropriate reporting mechanisms surrounding the Organisation's provision where robust performance measures have been identified and are reported against.

1 Executive summary

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There was no limitation of scope.

1 Executive summary

Background

Expression of Interest and Initial Applications

The Organisation follows a defined Grant Management Procedure. This is defined within the Grant Management Process document, developed by the Community Grant Manager and has come into effect since April 2025.

The Grant Management Process covers the steps required for the administration and management of grants. This begins with setting up the grants method of gathering interest via expression of interest or application through the Organisation's website.

Grant Managers develop the expression of interest, or initial application document, for each of the grants they have responsibility for. These involve a series of initial 'screening' questions, to check eligibility and ensure that the applicant's project correctly aligns with the funding stream's aims. These are usually set up via Microsoft Forms or Microsoft Word, and standard templates have been developed by the Community Grants Manager to assist in this process.

Grant Managers are assigned to review expressions of interests & initial applications, correspond with applicants and obtain claim evidence.

Where details applications are unclear, or more detail is requested, the relevant Grant Manager will reach out to applicants, supporting them to finish the application.

Recording of grants on the Grant Information Management List

The Community Grant Manager maintains a record of all grant applications on the Grant Information Management List. This includes details of denied grants, as well as both ongoing and finalised grants. We note that all office staff have access to the Grant Information Management List.

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When initial expressions of interests and applications come in, the Grant Manager will receive notification via Microsoft forms (or direct email) of this. The Grant Manager would review the submitted application and enter these details onto the Grant Information Management List. Entries onto the Grant Information Management List are created via Microsoft List, which provides a list of questions which must be answered.

This includes all current details of the grant/application. This is updated by the Grant Manager as more information becomes available, including:

- | Service area;
- | Funding type;
- | Project title;
- | Organisation applying, the name of lead contact, and their contact details;
- | Total cost of the applicant's project, and the grant amount they have requested;
- | Whether an approval meeting has taken place;
- | Value of grant offered;
- | Date grant offer letter issued; and
- | Dates of claims made

Management of Grants

If an application is approved, the Grant Manager is responsible for the ongoing management and monitoring of that grant. This includes issuing the initial Grant Offer Letter, alongside a copy of the standard grant terms and conditions. At this stage, there may be specific conditions added to the offer letter, for the applicant to agree to. This will also include the response deadline.

The Grant Manager is responsible for keeping the Grant Information Management List updated throughout the life of the grant. This begins with the initial expression of interest, and more details are added as these are obtained throughout the application process or during correspondence with the applicant. The Grant Information Management List allows the 'status' of the grant to be updated, so the stage a grant is at can be viewed at a glance. Grants can be noted as:

- | Applicant not proceeding

1 Executive summary

- | EOI Received
- | EOI Rejected
- | Grant accepted by recipient
- | Grant app received
- | Grant app unsuccessful
- | Grant complete
- | Grant offered
- | Under Discussion

Evidence is required to support each claim against the grant including invoices, photographs of equipment, and evidence of outputs. When claim forms are received by the Grant Manager, they are responsible for obtaining claim evidence before submitting to finance for payment.

Additional evidence is required before the first payment is made. This may include bank statement evidence, evidence of premises, purchases (if already made) etc.

Staff Awareness

The Community Grants Team have developed a clear and detailed Grants Management Process. This describes the process to be followed. This also includes step-by-step instructions for some parts of the process, such as updating the Grant Information Management List.

The Community Grants Team have also prepared several standard templates which Grant Managers can use including:

- | Guidance questions - used to assist the grant manager when creating the grant - includes considerations of themes/outputs, what the grant is supposed to support, assessment criteria, contact details;
- | Expression of Interest form template;
- | Application form template; and
- | Grant offer letter template.

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Both the Grant Management Process and the templates listed above are available to all staff via the Organisation's intranet, Eolas. All process and guidance documentation is available on the Community Grant team's landing page, as well as contact details for the team members. Additionally, the page includes a direct link to the Grant Information Management List.

Monitoring and Quality Assurance

Grant Managers are responsible for monitoring applications to which they are assigned. This includes correspondence with the client, review of any updates received and for progressing the application through the decision process. They will update the Grant Information Management List with more details as these are received. The Grant Manager updates this as it progresses, adding details such as approved grant amounts, dates of offer letters and claim dates.

The Community Grant Team are available to support Grant Managers throughout this process, but the responsibility lies with them. The Team have been providing ad-hoc support and training to Grant Managers where required, though the process is well documented and easy to follow with the use of Microsoft Forms.

The Community Grant Manager monitors the Grant Information Management List for overall robustness. This includes performing monthly spot-checks of grant entries, comparing the details within the Grant Information Management List to evidence stored within the relevant grant's SharePoint folder. They will also review entries where the status has appeared to be static for a long time.

Grant Information Management List, the Community Grant Manager notices details or documentation missing, they will liaise with the Grant Manager to ensure this is completed. Where the status of a grant appears to have been static for a while, the Community Grant Manager would get in touch with the Grant Manger to confirm why this has not progressed. We have raised a recommendation focused on these spot-checks. **Please see Section 3: Detailed Recommendations** for more information.

1 Executive summary

Testing

We reviewed the Grant Information Management List and selected a sample of 10 grant entries for review. In each case, we sought to review evidence that the following was stored:

- | The completed Expression of Interest Form or initial application;
- | The full application;
- | The Signed Grant offer letter;
- | If unsuccessful, communication of this to the applicant;
- | Significant correspondence with the applicant;
- | Pre-claim check evidence;
- | Claim forms; and
- | Supporting claim evidence.

Note that we selected grants of various stages of completion, so the exact items reviewed for each grant will vary based on the documentation available at each stage of progression.

1 Executive summary

Work Undertaken

In line with each objective, we completed the following work:

Objective 1: The Organisation has robust arrangements in place for administering and managing grants.

- | We held discussions with the Community Grant Manager to understand and review the process for administering and managing grants, including the expressions of interest system.
- | We reviewed the Organisation's Grant Management Process, assessing this robustness and clarity.

Objective 2: The Organisation is consistent in its approach to negotiating, recording, and monitoring grants..

- | We performed a holistic review of the Grant Information Management List used to record and monitor grants, to confirm that grant information was being recorded and monitored consistently.
- | We reviewed a sample of 10 grants from the Grant Information Management List to confirm that grants were appropriately approved and managed in line with the Grant Management Process.

Objective 3: Staff are aware of these arrangements and are adhering to these.

- | We held discussions with the Community Grant Manager to understand how staff are made aware of the Grant Management Process.
- | We reviewed the guidance documents and standard templates produced by the Community Grants Manager, to assess whether these are clear and fit for purpose.

Objective 4: The Organisation has effective quality assurance arrangements in place for grants.

- | We held discussions with the Community Grant Manager to understand what quality assurance arrangements are in place in terms of the Organisation's Grant Management Process.
- | We conducted a walkthrough test with the Community Grant Manager, reviewing how new entries are made onto the Grant Information Management List via Microsoft List, acting as a proactive way to prepare high-quality information.

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Objective 5: The Organisation has sufficient monitoring and tracking of grants.

- | We performed a holistic review of the Grant Information Management List used to record and monitor grants, to confirm that this was suitable for monitoring of grants.
- | We held discussions with the Community Grant Manager to understand how the Organisations grants awarded are monitored.

Objective 6: The Organisation has appropriate reporting mechanisms surrounding the Organisation's provision where robust performance measures have been identified and are reported against.

- | We held discussions with the Community Grant Manager to understand what reporting arrangements are in place for the Organisation's grants awarded.
- | We considered the reporting arrangements in place for the Community Grants Team, reviewing evidence of their reporting to the Cairngorms Trust Board.
- | We considered the reporting arrangements in place for other CNPA grants, included those awarded from the Climate Adaption fund and the Conservation fund.

1 Executive summary

Conclusion

Overall conclusion

Overall Conclusion: Strong

Following our review, we can provide the Organisation with a strong level of assurance surrounding the grants administration and management arrangements. This is highlighted as we have raised several areas of good practice, however, we have raised four low-grade recommendations for improvement and one observation for consideration. Please refer to **Section 3: Detailed Recommendations** and **Section 4: Observations** for further information.

Summary of recommendations

Grading of recommendations				
	High	Medium	Low	Total
Grants Administration & Management	0	0	4	4

As can be seen from the above table there were no recommendations made which we have given a grading of high.

1 Executive summary

Areas of good practice

The following is a list of areas where the Organisation is operating effectively and following good practice.

1.	The process for receiving, recording and progressing grant applications is robust. Expressions of interest are used to screen applications at the initial stage, with more detailed information required in the full application. Grant Managers are responsible for taking applications forward, and receive automatic notification when new expressions of interests are received. Grant managers record details onto the Grant Information Management List as they are received.
2.	Grant applications are assessed based on specific criteria developed for each grant, focused on the specific outcomes, themes and targets that the grant funding offering is meant to achieve.
3.	The process for management of grant applications and grants awarded, including gathering evidence, issuing offer letters and reviewing supporting evidence for claims, is clearly defined within the Grant Management Process.
4.	The Organisation has a dedicated Grant Management Process in place, developed by the Community Grants Manager, providing robust details of the procedure to be followed for administering and managing grants.
5.	Grant Managers are allocated to each grant application, and are responsible for the monitoring and management of that application. This includes ensuring that the Grant Information Management List is updated, and storage of grant documentation within relevant SharePoint folders.
6.	The Community Grants Team have prepared process documentation and standard templates for Grant Managers to follow for their grants. These are available to all members of staff via the Community Grant Team's page on Eolas.

1 Executive summary

The following is a list of areas where the Organisation is operating effectively and following good practice.

7.	The Grant Information Management List used to monitor current grants is based on the Microsoft List system, setting out desired fields for details of each grant.
8.	The Community Grants Manager monitors the Grant Information Management List regularly, ensuring this is robust and entries are complete.
9.	Reporting arrangements for each grant vary based on responsibility for the relevant funding stream, ensuring information is only reported to relevant groups.

2 Detailed recommendations

Spotchecks			
Ref.	Finding and Risk	Grade	Recommendation
1.	<p>The Organisation should perform periodic reviews of the Grant Information Management List used to record and monitor grant applications and grants awarded.</p> <p>Discussions with the Community Grant Manager noted that monthly spot-checks of entries onto the Grant Information Management List take place, however, these are not formally recorded. The Community Grant Manager will review entries to confirm that all required details are filled in, and that supporting evidence is stored. Where these are not in place, the Community Grant Manager will contact the responsible Grant Manager and request these entries are completed. They will also review entries where the status has appeared to be static for a long time, querying why this is with the relevant Grant Manager.</p> <p>Our root cause analysis finds that the requirement to review the Grant Information Management List is not formalised within the</p>	Low	<p>We recommend that Organisation formalise the requirement to conduct periodic spot-checks of the Grant Information Management List within the Grant Management Process. Spot-checks should be recorded to confirm completion each month.</p> <p>Consideration should be given to adding a field directly to the Grant Information Management List indicating which grants have been spot-checked, and the date this was performed.</p>

2 Detailed recommendations

	<p>Grant Management Process, or related documentation. The Community Grant Manager has identified the need for period review, however specific requirements around this are not set out.</p> <p>Where spot-checks are not performed, this creates a risk that the quality of the Grant Information Management List as a monitoring tool would decline.</p>		
Management response			Responsibility and implementation date
<p>Recommendation accepted.</p> <p>Community Grants Manager to lead and work with Grants team to create a spot check checklist / form that will be used to complete a monthly check. Checks will then need to be filed and acknowledged for future audit / referral. Consideration to be given to the best mechanism for recording - using existing Grant Information Management list together with an MS form that will collect all the spot checks as well as the List entry.</p>			<p><i>Responsible Officer:</i></p> <p>Bridget Trussell</p> <p><i>Implementation Date:</i></p> <p>31 December 2026</p>

2 Detailed recommendations

Post-completion review			
Ref.	Finding and Risk	Grade	Recommendation
2.	<p>As part of the completion and finalisation of grants administered, quality-assurance checks should be performed.</p> <p>Discussions with the Community Grants Manager noted that there is currently no formal post-grant completion review. The Community Grants Manager has begun performing ad-hoc reviews of completed grants to ensure that all required details and evidence are stored, in line with the Grant Management Process.</p> <p>Our root causes analysis finds that requirement to complete post-completion review checks is not included within the Grant Management Process. As a result, there is no formal process for the post-completion review, or for recording the review completed.</p> <p>Where grants are not given a post-completion review, this creates a risk that final steps of the process may be followed incorrectly, with details or evidence not obtained. Opportunities</p>	Low	<p>We recommend that the Organisation formalise a process for the post-completion review of grants within the Grant Management Process. This should include requirements around recording this review.</p> <p>Consideration should be given to adding a field directly to the Grant Information Management List indicating where post-completion review checks have been performed.</p>

2 Detailed recommendations

	to identify any 'lessons learned', or any potential trend analysis, processes improvements or targeted training, could be missed.		
Management response			Responsibility and implementation date
Recommendation accepted.			<p><i>Responsible Officer:</i> Bridget Trussell</p> <p><i>Implementation Date:</i> 31 December 2026</p>

2 Detailed recommendations

Central Storage of evidence			
Ref.	Finding and Risk	Grade	Recommendation
3.	<p>All evidence related to the approval and administration of grants should be recorded. This should include applications and evidence of their evaluation, decisions to approve/reject grants and any evidence to support claims.</p> <p>During our sample selection of 10 grants, the Organisation was unable to provide the following supporting evidence:</p> <ul style="list-style-type: none"> For one grant selected, evidence of pre-claim checks were not provided; For one grant selected, no evidence of the evaluation or decision to approve was provided; and For one grant selected, no evidence was provided. <p>We also note that there was delay with obtaining this information due to evidence being stored in various different locations.</p> <p>Our root cause analysis is that there is no central storage of grant supporting evidence. At</p>	Low	<p>We recommend that the Organisation develop central storage for supporting evidence of grants administered.</p> <p>Consideration should be given to adding a direct link on the Grant Information Management List to the sharepoint folder for each grant.</p>

2 Detailed recommendations

	<p>current, Grant Managers are responsible for storing supporting evidence in departmental sharepoint folders, in line with their operational responsibilities.</p> <p>Where evidence is not stored in a central, accessible location, this creates a risk that details entered into the Grant Information Management List are incorrect, or not supported by required documentation. When the Community Grants Manager performs spot checks of the Grant Information Management List, there is a risk that obtaining evidence for review and liaising with grant managers would become a time consuming task.</p>		
Management response			Responsibility and implementation date
<p>Recommendation accepted in principle. However, rather than maintaining a central repository for all grants a link to the files of operational teams will be added to the Grant Information Management List.</p>			<p><i>Responsible Officer:</i> Bridget Trussell</p> <p><i>Implementation Date:</i> 31 December 2026</p>

2 Detailed recommendations

Decision and reporting routes			
Ref.	Finding and Risk	Grade	Recommendation
4.	<p>The decision to approve or reject, and the reporting of the outcomes of each grant application vary based on the grant funding stream.</p> <p>During our sample testing of a selection grants, we found that for two grants, the correct decision making process to be followed was unclear. We also found that although the Grant Information Management List includes a field for the date of an approval meeting, there is no field to indicate who actually made this approval, nor any field stating who should be responsible for approval. We do note that for all nine grants where evidence was provided, approval by senior management or the Cairngorms Trustees.</p> <p>Our root cause analysis notes that as the decision making routes vary across grant funding streams, focus has been placed on the details of the grant rather than it's approval methods. As a result, details recorded related</p>	Low	<p>We recommend that the Organisation formally document the decision-making process and approval routes for each grant funding type within a single guidance document.</p> <p>Consideration should be given to enhancing the Grant Information Management List to include a field for 'approved by', where the Grant Manager can indicate the individual/group responsible for approving the grant. Additionally, a field stating who is responsible for the approval of the grant should be considered.</p>

2 Detailed recommendations

	<p>to the approval are scarce.</p> <p>Where decision making processes are unclear, there is a risk that grant applications may be approved incorrectly. Further, without indicating the correct decision route on the Grant Information Management List, it is difficult to understand whether the decision making and subsequent approval are appropriate, without further investigation.</p>		
Management response		Responsibility and implementation date	
<p>Recommendation accepted in principle. The Grant Information Management List will be adapted to give an indication of the approval route for each grant: e.g. Trust board; C2030 project governance; Working Group; Operational Plan delivery. This will allow relevant approval systems to be defined in each relevant area, rather than in a single central document.</p>		<p><i>Responsible Officer:</i> Bridget Trussell</p> <p><i>Implementation Date:</i> 31 December 2026</p>	

3 Observations

The following is a list of observations from our review

- | | |
|----|--|
| 1. | The Organisation are currently developing PowerBI analysis to be used in grants reporting. This analysis includes a summary total grant commitments, and breaks down grants by local area, funding type, and grant recipient. The Community Grants Team are still in the process of developing this reporting. Once development is finalised, consideration should be given to using this information in reporting to senior management and the Board. |
|----|--|

4 Audit arrangements

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	12 January 2026
Closing meeting	22 January 2026
Draft report issued	29 January 2026
Receipt of management responses	18 February 2026
Final report issued	21 February 2026
Audit Committee	13 March 2026
Number of audit days	8

5 Key personnel

We detail below our staff who undertook the review together with the Organisation staff we spoke to during our review.

Wbg			
Partner	Graham Gillespie	Partner & Head of Internal Audit	gg@wbg.co.uk
Director	Peter Clark	Director of Internal Audit	pcc@wbg.co.uk
Senior Manager	Scott McCready	Senior Internal Audit Manager	smc@wbg.co.uk
Senior	CJ Scott	Internal Audit Assistant Manager	cjs@wbg.co.uk

Cairngorms National Park Authority			
Key Contact	Bridget Trussell	Community Grants Manager	bridgettrussell@cairngorms.co.uk
Wbg appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

A Grading structure

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

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

A Grading structure

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

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the organisation as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the organisation as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

The purpose of the review is to confirm 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 & Risk Committee, that the Organisation's arrangements are adequate.

Scope of review

Our objectives for this review are to assess if:

- | The Organisation has robust arrangements in place for administering and managing grants.
- | The Organisation is consistent in its approach to negotiating, recording, and monitoring grants.
- | Staff are aware of these arrangements and are adhering to these.
- | The Organisation has effective quality assurance arrangements in place for grants.
- | The Organisation has sufficient monitoring and tracking of grants.
- | The Organisation has appropriate reporting mechanisms surrounding the Organisation's provision where robust performance measures have been identified and are reported against.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation of scope.

Audit approach

Our approach to the review will be:

- Discussion with key staff to gain an understanding of the grant administration and management arrangements
- | Review of documented policies and procedures related to the administration and ongoing management of grants
- | Review of the Organisation's grants monitoring tools
- | Selection of a sample of grants administered to confirm that the process was followed correctly
- | Discussion with key staff to gain an understanding of how staff are made aware of arrangements, and review of evidence to support this.
- | Evaluation of the reporting arrangements in place for grant administration and management

Potential key risks

The potential key risks associated with the area under review are:

- | The Organisation does not have robust arrangements in place for administering and managing grants.
- | The Organisation's approach to negotiating, recording, and monitoring grants is not consistent.
- | Staff are not aware of these arrangements or are not adhering to these.
- | The Organisation does not have effective quality assurance arrangements in place for grants.
- | The Organisation does not perform sufficient monitoring and tracking of grants.

- | The Organisation does not have appropriate reporting mechanisms surrounding the Organisation's provision where robust performance measures have been identified and are reported against.