



# Annual Audit Report

**Loch Lomond and the Trossachs National Park Authority– year ended 31 March 2025**

September 2025

Audit and Risk Committee  
Loch Lomond and the Trossachs National Park Authority  
Carrochan Road  
Balloch  
G83 8EG

Forvis Mazars  
100 Queen Street  
Glasgow  
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14 August 2025

Dear Committee Members and the Auditor General for Scotland,

### **Annual Audit Report – Year ended 31 March 2025**

We are pleased to present our Annual Audit Report for Loch Lomond and the Trossachs National Park Authority (“LLTNPA”) for the year ended 31 March 2025. 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 Audit Scotland’s Code of Audit Practice (“the Code”). This report is intended solely for the Audit and Risk Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. 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 Loch Lomond and the Trossachs 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

Tom Reid (Audit Director)

Forvis Mazars LLP

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This document is to be regarded as confidential to Loch Lomond and the Trossachs National Park Authority . It has been prepared for the sole use of the Audit and Risk Committee as the appropriate sub-committee charged with governance by the Committee 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.

01

Executive Summary

# Executive summary

## Scope

We have been engaged to audit the financial statements of Loch Lomond and the Trossachs National Park Authority for the year ended 31 March 2025 which are prepared in accordance with the Government Financial Reporting Manual 2024-25.

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 now substantially complete for the year ended 31 March 2025.

Please refer to the '*Status of our audit*' section for a list of significant audit matters outstanding at the date of this report. We will provide an update to the Audit and Risk Committee on completion of those outstanding matters by way of a follow-up letter.

## 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.

## 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 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.

## Executive summary (continued)

### 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 Loch Lomond and the Trossachs National Park Authority has in place. Further details have been provided in *section 'Wider scope and Best Value'* of this report.

### Best Value

We anticipate having no risks in arrangements to report in relation to the Best Value arrangements that Loch Lomond and the Trossachs National Park Authority has in place.

Further details have been provided in *section 'Wider scope and Best Value'* 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.

### Performance Report and Governance Statement opinion

We anticipate that we will have no matters to report in respect of the 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 identified and we have issued an unmodified opinion in this respect.

## Executive summary (continued)

### **Qualitative aspects of Loch Lomond and the Trossachs National Park Authority's accounting practices**

We have reviewed Loch Lomond and the Trossachs National Park Authority's accounting policies and disclosures and conclude that they comply with the Government Financial Reporting Manual (FRoM) 2024/25, appropriately tailored to Loch Lomond and the Trossachs National Park Authority's circumstances.

Draft accounts were received from Loch Lomond and the Trossachs National Park Authority on 6 June 2025 and were of a good quality.

### **Significant matters discussed with management**

During our audit, we did not communicate any significant matters to management.

### **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 encountered no significant difficulties during our audit and had no significant disagreements with management. There was effective co-operation and communication between Forvis Mazars, management, and the Audit and Risk Committee during our audit. All requested information and explanations 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.

# 02

Status of our audit

## Status of our audit

Our audit work is substantially complete and 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.

Audit area	Risk of material adjustment or significant change	Description of the outstanding matters
<b>Defined benefit pension liability</b>	Medium	We require assurances from the Strathclyde Pension Fund external auditor to complete our audit procedures in this area. We have been advised that these will be provided week commencing 18 <sup>th</sup> August.
<b>Audit quality control and completion procedures</b>	Low	Our audit work is undergoing final stages of review by the Engagement Lead and further quality and compliance checks. 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. This includes consideration of the latest position for ongoing legal cases.
<b>Annual Report and Accounts and letter of representation</b>	Low	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.

### 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 2025.

## Materiality

Our provisional materiality at the planning stage of our audit was set at £262k using a benchmark of 2% of total operating expenditure as per the Annual Audit Plan. Our performance materiality was set at £184k. In determining the overall and performance 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, various Partners, Local Community, and other Stakeholders;
- that the primary aggregate that users tend to focus on is gross operating expenditure, as it reflects the extent of services delivered by Loch Lomond and the Trossachs National Park Authority (LLTNPA);
- that LLTPA'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 as part of our audit, we have gained an understanding that LLTNPA has a well-established and experienced finance team capable of applying the relevant Accounting Standards. Additionally, the Audit and Risk Committee members demonstrate a good ability to scrutinise financial information at a high level.

Based on the final financial statements figures, other qualitative factors and due to the adjusted misstatements identified during our audit (see page 22), the final overall materiality we applied was £305k (final performance materiality: £213k; final clearly trivial threshold: £9k).

## Use of experts

As outlined in our Annual Audit Plan, management at LLTNPA engaged Hymans Robertson to provide expert valuation of the Pension Scheme Liability, and Ryden LLP to carry out the valuation of property, plant and equipment.

In line with our audit methodology, we utilised the actuarial services of PwC, commissioned by the National Audit Office, to assess the national analysis of pension trends and assumptions adopted by various Local Government Pension Scheme actuaries.

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

## Service organisations

There have been no changes to LLTNPA's use of service organisations outlined in our Annual Audit Plan, with no issues arising we are required to report to you.

## 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	No	Yes	No	No	No	Risk satisfactorily addressed.	15
Risk of fraud in income recognition	Yes	Yes	No	Yes	No	No	No	Risk satisfactorily addressed.	15
Risk of fraud in expenditure recognition	Yes	Yes	No	Yes	No	No	No	Risk satisfactorily addressed.	16
Valuation of property, plant and equipment	No	Yes	Yes	Yes	No	No	No	Risk satisfactorily addressed.	17
Valuation of net defined benefit asset/ liability	No	Yes	Yes	Yes	No	No	No	Information outstanding, see section titled ' <i>Status of our audit</i> '.	18

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 the 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.

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#### How we addressed this risk

We addressed this risk by:

- Reviewing the key areas within the financial statements where management had used judgement and estimation techniques and considered whether there was evidence of unfair bias;
- Examining any accounting policies that vary from the Government Financial Reporting Manual;
- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements; and
- Considering and testing any significant transactions outside the normal course of business or otherwise unusual.

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#### Audit conclusion

Our work has provided the assurance we sought in each of these areas and has not highlighted any material issues to bring to your attention.

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# Significant findings

## Risk of fraud in income recognition

### Description of the 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.

LLTNPA receives grant in aid funding through resource allocations direct from the Scottish Government. 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 the revenue resource allocation.

We consider that the risk of fraud in income recognition therefore only applies to LLTNPA's other income streams, which are planning fees, programme income, project income and other income. LLTNPA's financial performance targets are primarily set based on its year end outturn position, so we consider the risk to apply to year end revenue transactions and receivable balances.

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### How we addressed this risk

We addressed this risk by:

- Evaluating the design and implementation of controls and procedures over LLTNPA's income streams;
- Focussed substantive testing of non grant in aid income recognised pre and post year end to identify if it has been posted in the correct accounting period; and
- Sample testing of receivable balances held at year end through agreement to invoices and/or other supporting records.

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### Audit conclusion

Our work has provided the assurance we sought in each of these areas and has not highlighted any material issues to bring to your attention.

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# Significant findings

## Risk of fraud in expenditure recognition

### Description of the 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.

Payroll expenditure is well forecast and agreeable to underlying payroll systems, so there is less opportunity to manipulate this expenditure stream. In addition, depreciation 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 non-pay expenditure including programme expenditure, project expenditure and other operating costs.

LLTNPA, 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 misstate the level of non-pay expenditure. This would most likely occur through incorrect recognition of expenditure at year end and manipulating accruals.

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### How we addressed this risk

We addressed this risk by:

- Evaluating the design and implementation of controls LLTNPA has in place to mitigate the risk of expenditure being recognised in the wrong year;
- Testing payments in the pre and post year end period to ensure they have been recognised in the correct accounting period; and
- Reviewing accruals and payables, where material, around the year end to verify that they have been completely and accurately recorded.

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### Audit conclusion

Our work has provided the assurance we sought in each of these areas and has not highlighted any material issues to bring to your attention.

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## Significant findings (continued)

### Valuation of property, plant and equipment

#### Description of the risk

LLTNPA held land and buildings with a net book value of £8.6 million as at 31 March 2024. LLTNPA's policy is to use an external Valuer to revalue its land and buildings every five years, with an interim valuation in year three. For 2024/25, LLTNPA has commissioned a revaluation of six buildings where there has been significant capital expenditure.

Valuations are based on specialist and management assumptions and changes in these can result in material changes to asset values. Due to the high degree of estimation uncertainty associated with valuations we have determined there is a significant risk.

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#### How we addressed this risk

We addressed this risk by:

- Assessing the scope and terms of engagement with the Valuer;
- Assessing the competence, skills and objectivity of the Valuer;
- Assess how management use the Valuer's report to value land and buildings included in the financial statements;
- Testing the accuracy of the data used in valuations;
- Challenging LLTNPA and the Valuer's assumptions and judgements applied in the valuations;
- Reviewing the valuation methodology used, including the appropriateness of the valuation basis;
- Considering the reasonableness of the valuation by comparing the valuation output with market intelligence; and
- Confirming the reasonableness of the indexation rates applied to assets valued on a Depreciated Replacement Cost basis and checking rates have been accurately applied.

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#### Audit conclusion

Our work has provided the assurance we sought in each of these areas and has not highlighted any material issues to bring to your attention.

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## Significant findings (continued)

### Valuation of net defined benefit asset/ liability

#### Description of the risk

LLTNPA had a net pension fund liability of £0.05m at 31 March 2024. Estimation of the net pension asset or liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy.

Due to the high degree of estimation uncertainty associated with pension valuations, we have determined there is a significant risk in this area.

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#### How we addressed this risk

We addressed this risk by:

- Reviewing the controls that LLTNPA has in place over the information sent to the scheme actuary by the fund administrators (Strathclyde Pension Fund);
- Assessing the skills, competence and experience of the fund's actuary;
- Challenging the reasonableness of the assumptions used by the actuary as part of the annual IAS 19 valuation, including on asset ceiling calculations if required; and
- Carrying out a range of substantive procedures on relevant information and cash flows used by the actuary as part of the annual IAS 19 valuation.

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#### Audit conclusion

We require assurances from the Strathclyde Pension Fund external auditor to complete our audit procedures in this area. We have been advised that these will be provided week commencing 18<sup>th</sup> August.

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## 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 Loch Lomond and the Trossachs National Park Authority.

We confirm 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 Loch Lomond and the Trossachs National Park Authority and their officeholders have used their resources in discharging their functions.

We confirm no such examinations have been initiated.

# 05

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 2025. Any subsequent changes to those figures are set out in the 'Executive summary' section of this report.

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to the Audit and Risk Committee unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of adjustment	Nature	CIES		Balance Sheet	
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Accruals  Cr: Trade Payables (Current)  We identified one invoice received pre year end with a value of £21,840 which was incorrectly recorded as an accrual rather than a trade payable. We have extrapolated this error across the untested population resulting in a non-material uncertainty of £49,572. Our audit methodology requires us to extrapolate errors to quantify the potential impact of the error on the entire account balance.	Judgemental			50	50
Cr: Accruals  Dr: Other Operating Costs  We identified understated expenditure of £7,076 in one expenditure item we sample tested. We have extrapolated this error across the untested population resulting in a non-material uncertainty of £76,758.	Judgemental	77	77		
<b>Aggregate effect of adjusted misstatements</b>		<b>77</b>	<b>77</b>	<b>50</b>	<b>50</b>

We will obtain written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

## Summary of misstatements (continued)

### 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	Nature	CIES	CIES	Balance Sheet	Balance Sheet
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Accumulated Depreciation	Factual			141	
Cr: Impairment Charge			141		
Adjustment to reverse excess impairment charge on Carrochan Headquarters building recognised in the Statement of Comprehensive Net Expenditure.					
Dr: Trade Payables	Factual			812	
Cr: Accruals					743
Cr: Deferred Income					69
Reclassification of accruals and deferred income incorrectly disclosed as trade payables. The prior year comparators have also been restated on the same basis.					
<b>Aggregate effect of adjusted misstatements</b>			<b>141</b>	<b>953</b>	<b>812</b>

# Summary of misstatements (continued)

## Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Performance Report
  - Inclusion of additional information to cover disclosures required as per the Financial Reporting Manual.
- Remuneration and Staff Report
  - Updating the rounding of values for non-cash and accrued pension benefits in line with the Financial Reporting Manual.
  - Updating disclosures to clearly identify areas which are not subject to audit.
- Annual Accounts
  - Trade Receivables and Other Assets note updated to separately recognise the Prepayments and Accrued income balances. The prior year comparators have also been restated on the same basis.

There were also adjustments to the annual report and accounts for other minor disclosure, page numbers, consistency or presentational matters.

# 06

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 in management override of controls were identified as significant risks.

### Our overall approach to fraud



### Our overall conclusion

**We did not identify any actual or suspected fraud involving management, employees with significant roles in internal control or others, where the fraud resulted in a material misstatement in the financial statements.**

07

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 2024/25 audit and allow us to use a risk-based approach to report on our consideration of the LLTNPA's performance and make recommendations for improvement and, where appropriate, conclude on LLTNPA'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 LLTNPA 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 LLTNPA 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	29	No	No	Yes – see recommendation 1 on page 32
Governance statement	33	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 (continued)

### Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning	<p>LLTNPA's Corporate Plan 2025–2030 and the National Park Partnership Plan 2024–2029 set the strategic context for its financial planning and operational decision-making. These guide LLTNPA's budgeting and spending and ensure alignment with Scottish Government's priorities, including the delivery of high-quality public services.</p> <p>LLTNPA's medium to long-term financial planning arrangements are based on:</p> <ul style="list-style-type: none"> <li>• scenario-based budget planning</li> <li>• identifying efficiency savings; and</li> <li>• ensuring budget decisions align with strategic priorities.</li> </ul> <p>LLTNPA's financial forecasts include sensitivity analysis to assess the impact of changes in key variables such as Scottish Government funding levels. Long-term pressures such as pension costs and visitor management challenges are also built into these forecasts.</p> <p>The Scottish Government has commissioned LLTNPA on its ability to deliver a 20% reduction in corporate/administrative costs by 2029/30, when compared to the 2024/25 base. Officers have calculated that this is approximately £170k annually or the equivalent of three to five full-time equivalent staff. LLTNPA's strategy to meet this target would rely on staff attrition, due to a policy of no compulsory redundancies.</p>	<p>LLTNPA has a strategic and well-structured approach to financial planning, with clear links to its corporate and partnership plans. The organisation is committed to delivering efficiencies.</p> <p>Reducing corporate costs to meet the Scottish Government's expectations, without compromising service delivery, will be very challenging for LLTNPA.</p>	<p>We have not assessed this as a significant risk as the Scottish Government commitment has not yet been confirmed in reduced budget allocations. However, see page 32 for our recommendation.</p>

# Financial sustainability (continued)

## Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning (continued)	<p>LLTNPA has identified that it already does not have sufficient capacity in most of its corporate teams. Officers believe the loss of a single staff member with specialist skills could significantly impact its ability to deliver core functions and maintain service quality. This is a particular risk in areas where technical expertise is critical and not easily replaced.</p> <p>LLTNPA is exploring alternative savings options, including automation, shared services with similar bodies, and strategic divestment of property. However, in officers' view, this is unlikely to fully address the 20% cost reduction.</p>		

## Financial sustainability (continued)

### Identified risks in financial sustainability arrangements and recommendations for improvement

As a result of our work, we have identified risks in the LLTNPA's financial sustainability arrangements. This identified risk has been outlined in the table below. We have assigned priority ranking to reflect the importance that we consider it poses to your organisation and, hence, our recommendation in terms of the urgency of required action; see Appendix F for further details

	Financial sustainability risks identified	Recommendation for improvement	LLTNPA's response and implementation timescale
1	<p><b>Corporate cost reductions – Level 2</b></p> <p>The Scottish Government has commissioned LLTNPA on its ability to deliver a 20% reduction in corporate/administrative costs by 2029/30, when compared to the 2024/25 base. Reducing corporate costs to meet the Scottish Government's expectations, without compromising service delivery, will be very challenging for LLTNPA.</p>	<p>Management should develop a clear plan for reducing its corporate costs. This includes continuing to explore and develop savings options.</p>	<p><b>Management's response</b></p> <p>We note we receive numerous commissions relating to the Scottish Governments commitment to ensuring high quality and sustainable public services across any one financial year. These ask us to model various scenarios relating to efficiencies and Public Sector Reform.</p> <p>We have embedded the achievement of efficiencies into our new Corporate Plan for 2025-30. Each year when we set our Annual Operational Plan achieving the current savings targets forms part of the rationale for the selection and prioritisation of activities. We will continue to focus on this whilst responding to specific asks from Scottish Government if and when the scenarios we have modelled in various commissions become firm requirements.</p> <p><b>Responsible officer</b> Head of Governance and Performance</p> <p><b>Implementation date</b> 31 March 2026</p>

# 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.



## Vision, leadership and governance (continued)

### Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Governance statement	<p>We confirmed that the Governance Statement:</p> <ul style="list-style-type: none"> <li>• is consistent with the financial statements;</li> <li>• includes the information required by the FReM and the Scottish Public Finance Manual (SPFM);</li> <li>• is consistent with our knowledge obtained through the audit;</li> <li>• does not contain any misleading information.</li> </ul> <p>No amendments were made to the Governance Statement following our review.</p>	<p>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.</p>	<p>No significant issues identified.</p>

# 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 recently 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 LLTNPA 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 LLTNPA.

## Best Value (continued)

### Best Value in central government bodies – overall conclusion

LLTNPA prepares an annual report on Best Value to demonstrate its compliance with Best Value guidance for Accountable Officers, issued by the Scottish Government. Officers presented the latest Best Value report to the Audit and Risk Committee in June 2025. This sets out LLTNPA's achievements against each of the Best Value themes. LLTNPA's monitors continuous improvement through quarterly reporting to the Board on its performance against its Annual Operational Plan. According to the Best Value annual report, LLTNPA achieved or partially achieved most of the deliverables within the Annual Operational Plan in 2024/25.

LLTNPA's Corporate plan 2025-30 has been approved by the Board and Scottish Ministers. This sets an ambitious strategic direction for the National Park Authority to deliver its National Park Partnership Plan. It includes details of each objective, the actions underpinning these, and sets out how LLTNPA will measure success against each objective. The Accountable Officer has appropriate assurance over LLTNPA's Best Value obligations from the corporate and operational plans, budget monitoring arrangements and performance reporting.

Overall, we have concluded that LLTNPA has appropriate arrangements in place for managing and monitoring performance and reporting on its efforts to secure Best Value. The new corporate plan provides LLTNPA and auditors with a framework to measure its pace and depth of improvement going forward. As we reported last year, there are opportunities for LLTNPA to strengthen its annual Best Value review by carrying out a more rigorous self-assessment against the Best Value themes.



# 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

G: Current year updates, forthcoming accounting & other issues

# 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 Loch Lomond and the Trossachs National Park Authority'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 Loch Lomond and Trossachs National Park Authority'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.

## Appendix A: Internal control conclusions (continued)

### Deficiencies in internal control

#### IT General Controls:- Periodic review of users

##### Description of deficiency

The authority does not conduct periodic reviews of user access rights to financial and other critical IT systems.

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##### Potential effects

Former employees or users with changed roles may retain inappropriate access to systems.

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##### Recommendation

A formal process should be established to periodically review and update user access rights, ensuring alignment with current roles and responsibilities.

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##### Management's response

With respect to financial and other critical IT systems (active directory, planning, Registration Gateway, HR, Payroll & Arcspeed which are considered to be critical for the purposes of the audit of the annual accounts) management believe we have adequate controls over terminating user accounts for leavers due to fact that accounts will be disabled when the main user profile is made inactive.

For internal movers, it is the responsibility of the previous line manager to ensure user accounts are appropriately updated. To ensure this responsibility is discharged on a timely basis operational managers will be reminded of what is required of them. In addition a new step will be added to the mover process which is overseen by HR.

##### Responsible officer

HR Manager

##### Implementation date

30 November 2025

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#### IT General Controls:- Password management

##### Description of deficiency

New user accounts are created with a generic default password that is the same for all users.

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##### Potential effects

This increases the risk of unauthorised access, as individuals aware of the default password could access new users' accounts before passwords are changed.

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##### Recommendation

Management should implement a process that generates unique, secure passwords for each new user and enforces a mandatory password change upon first login.

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##### Management's response

Management acknowledge that this is a potential weakness albeit low risk and have now implemented the recommendation.

##### Responsible officer

IT Manager

##### Implementation date

11 August 2025

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## Appendix A: Internal control conclusions (continued)

### Other deficiencies in internal control (Continued)

#### Key Business Process:- Income

##### Description of deficiency

LLTNPA relies on other teams to notify finance when grant income is received. We found that project managers often do not submit the required notification form when grant claims are completed. This means funding sometimes appears in LLTNPA's bank account unexpectedly, and finance officers have to email other teams asking what the funds relate to. If no one responds, the money is temporarily placed in a suspense account until a project manager confirms where it should be recorded.

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##### Potential effects

Income may be misclassified due to lack of timely and accurate information on what it relates to.

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##### Recommendation

Management should ensure project managers submit notification forms promptly.

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##### Management's response

In the opinion of management no additional steps need to be added to the current process. Items do not sit on suspense for more than a couple of days and are reviewed as part of the month end and cleared as appropriate. Items material for management accounts will always be cleared to ensure they do not impact the amounts reported.

##### Responsible officer

Finance Manager

##### Implementation date

N/A

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### Related Party Transactions:- Declaration of interests

##### Description of deficiency

Board members currently receive email prompts as reminders to declare any new interests, with any updates reflected in the public register on LLTNPA's website. However, if there are no changes to report members are not required to respond or confirm the absence of new declarations. This means LLTNPA does not have complete assurance that all interests have been considered and appropriately disclosed.

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##### Potential effects

Board members may fail to declare new or remove outdated related party relationships, leading to incomplete or inaccurate disclosures in the financial statements.

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##### Recommendation

Board members should be required to formally confirm the accuracy of their declarations at regular intervals, even when there are no changes.

---

##### Management's response

While it is the responsibility of individual members, not the National Park Authority, to ensure that members' interests are declared and kept up to date, it is accepted that requiring confirmation of no change would help to enhance good governance practice. The next requested update to members' register of interests will include a request for formal confirmation even when there are no changes to their declarations.

##### Responsible officer

Corporate Performance Manager

##### Implementation date

31 January 2026

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## Appendix A: Internal control conclusions (continued)

### Other deficiencies in internal control (Continued)

#### Property, Plant and Equipment:- Assets with nil net book values

##### Description of deficiency

We identified several assets within the asset classes of equipment, machinery, furniture and fittings, and information communication technology that were fully depreciated despite continuing to be used by LLTNPA.

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##### Potential effects

The useful lives assigned to assets may not appropriately reflect the actual usage of the asset.

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##### Recommendation

Officers should review depreciation policies to ensure they are appropriate.

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##### Management's response

Management will review the useful lives assigned to asset categories to ensure they continue to appropriately reflect the duration of active usage of the underlying assets.

##### Responsible officer

Finance Manager

##### Implementation date

31 March 2026

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#### Property, Plant and Equipment:- Asset tagging

##### Description of deficiency

Assets purchased in bulk, such as furniture, are not individually tagged. This makes it difficult for LLTNPA to identify and record individual disposals. We also identified assets no longer in use, with a nil net book value, which continue to be included in the fixed asset register.

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##### Potential effects

Discrepancies in asset records could affect the accuracy of the fixed asset register and by extension the financial statements.

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##### Recommendation

The authority should implement a tagging system for individual assets purchased in bulk to enable proper identification, tracking, and disposal recording.

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##### Management's response

Management acknowledges that the existing process for recording fixed assets for accounting purposes does not list items at the individual asset level. As part of the implementation of the new Estates Database, opportunities to link data will be explored to address this deficiency for all new asset purchases.

##### Responsible officer

Finance Manager

##### Implementation date

31 March 2026

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## 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.

#### Information and Data Security

##### Description of deficiency

LLTNPA has not obtained Cyber Essentials Plus accreditation. Cyber Essentials is a Government backed scheme designed to help protect organisations against a range of the most common cyber attacks. Cyber Essentials Plus includes a hands-on technical verification. LLTNPA is working to address the recommendations of the review, however it is unlikely to be able to address these in time to achieve accreditation this year.

##### Current year update:

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##### Potential effects

LLTNPA may be exposed to attempts to harm or exploit its computer systems.

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##### Recommendation

LLTNPA should ensure that it addresses the findings of the assessment as soon as possible.

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##### 2024/25 update

**Incomplete.** Management confirmed that LLTNPA was unable to retain its Cyber Essentials Plus (CE+) accreditation due to one unresolved remediation issue, an outdated version of Python software required to support its planning function. Despite exploring possible solutions, the issue could not be addressed in time for the accreditation deadline. The outdated software is expected to be remediated by the end of the 2024/25 financial year, when the ePlanning environment will be migrated to the software vendor's hosted platform. This migration will include updating the relevant software to eliminate the identified vulnerability. As of the time of review, LLTNPA has not regained CE+ accreditation. This is mainly due to the pending data migration of its physical planning server, which has not yet been transitioned to a third-party cloud service in line with the migration of other servers.

##### Management's response

This remains outstanding due to the delayed completion of the eplanning migration. It is expected that the service will go live in Idox hosted environment on October 17th. However, due to continuing testing, the project will not be closed until end of December 2025 and the related servers will be switched off and decommissioned. We will be looking to regain CE+ in Q4 of 25/26

**Responsible officer:** IT Manager

**Implementation date:** 31 March 2026

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## Appendix A: Internal control conclusions (continued)

### Follow up on previous internal control points (Continued)

#### Journals with no description

##### Description of deficiency

As part of our testing to address the risk of management override of controls, we obtained LLTNPA's complete ledger and analysed the manual entries using our data analytics software. This included extracting any journal entries which did not have a description. We found 16 instances of journals posted without a description. This is a small proportion of the 31,457 journals processed during the year, however we identify this as a characteristic of a high-risk journal as having no description makes it very difficult to identify what the journal relates to and its appropriateness. Following further investigation, officers provided reasonable explanations for why these journals had been posted.

##### Current year update:

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##### Potential effects

Descriptions on journal 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 LLTNPA's financial records.

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##### Recommendation

Management should ensure all journal entries include a suitable description for why the entry has been made.

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##### 2024/25 update

**Incomplete.** During this year's audit we found 15 manual journal entries that were posted without descriptions. A total of 32,451 journals were processed during the year. Officers provided reasonable explanations for why these journals were posted, however the risk identified above continues to be present.

##### Management's response

The new check put in place following the 23/24 audit recommendation operated effectively throughout the financial year for periods 1 to 12. Management acknowledge that there were two manual year end accounting entries (representing 15 lines of data) that were posted without a header description. However, it should be noted that these entries did have a detailed description and as such there was adequate information in the ledger to identify the purpose of the entries. This is considered very low risk, but going forwards we will ensure the previous checking is carried out not just during the financial year but at each stage of management reconciliations during the final stages of year end accounting to minimise the risk of it happening again.

**Responsible officer:** Finance Manager

**Implementation date:** 30 April 2026

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# Appendix B: Draft management representation letter

Tom Reid  
Forvis Mazars LLP  
100 Queen Street  
Glasgow  
G1 3DN  
XX September 2025

Dear Tom

## **Loch Lomond and the Trossachs National Park Authority– Audit for the Year Ended 31 March 2025**

This representation letter is provided in connection with your audit of the financial statements of Loch Lomond and the Trossachs National Park Authority (“the Authority”) for the year ended 31 March 2025 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 2024/25 Government Financial Reporting Manual (the 2024/25 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 2024/25 Government Financial Reporting Manual (the 2024/25 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 2024/25 Government Financial Reporting Manual (the 2024/25 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 2024/25 Government Financial Reporting Manual (the 2024/25 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.

### **Actuarial assumptions**

I confirm that I have satisfied myself that the key actuarial assumptions used in valuing the pension scheme liability are reasonable.

### **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 2024/25 Government Financial Reporting Manual (the 2024/25 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 the effects of the unadjusted misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an appendix.

Yours faithfully

Gordon Watson

Chief Executive and Accountable Officer

# Appendix C: Draft audit report

## **Independent auditor's report to the members of Loch Lomond and the Trossachs 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 Loch Lomond and the Trossachs National Park Authority for the year ended 31 March 2025 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 2024/25 Government Financial Reporting Manual (the 2024/25 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 2025 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 2024/25 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](http://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

Forvis Mazars LLP

100 Queen Street

Glasgow – G1 3DN

XX September 2025

## 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 confirm that no new threats to independence have been identified since issuing our Annual Audit Plan and therefore we remain independent.

## Appendix D: Confirmation of our independence (continued)

### Fees for work as Loch Lomond and the Trossachs National Park Authority's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Annual Audit Plan presented to the Audit and Risk Committee on 4 March 2025. Having substantially completed our work for the 2024/25 financial year, we can confirm that our fees are as follows:

Area of work	2024/25 fees	2023/24 fees
Auditor remuneration	£32,160	£30,860
Pooled costs	(£310)	£330
Sectoral cap adjustment	(£15,170)	(£14,830)
Additional fees for audit of net defined benefit liability/surplus	£0	£4,208
Additional audit procedures to review and test unscheduled property, plant and equipment valuation	£3,417	£0
<b>Total fees</b>	<b>£20,097</b>	<b>£20,568</b>

### Fees for other work

We confirm that we have not undertaken any non-audit services for Loch Lomond and the Trossachs National Park Authority in the year.

## Appendix E: Other communications

Other communication	Response
 <b>Compliance with Laws and Regulations</b>	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>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.</p>
 <b>External confirmations</b>	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 <b>Related parties</b>	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none"> <li>they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li> <li>they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li> </ol>
 <b>Going Concern</b>	<p>We have not identified any evidence to cause us to disagree with the Accountable Officer that Loch Lomond and the Trossachs 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.</p> <p>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.</p>

## Appendix E: Other communications (continued)

Other communication	Response
 <b>Subsequent events</b>	<p>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.</p> <p>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.</p>
 <b>Matters related to fraud</b>	<p>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.</p> <p>We will obtain written representations from management and, where appropriate, the Audit and Risk Committee, confirming that</p> <ol style="list-style-type: none"> <li>a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li> <li>b. 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;</li> <li>c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:             <ol style="list-style-type: none"> <li>i. management;</li> <li>ii. employees who have significant roles in internal control; or</li> <li>iii. others where the fraud could have a material effect on the financial statements; and</li> </ol> </li> <li>d. 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.</li> </ol>

# Appendix E: Other communications (continued)

Other communication	Response
 <p><b>System of Quality Management</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>• Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership</li> <li>• Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities</li> <li>• 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.)</li> <li>• Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality</li> <li>• Evaluating responses and remediating control gaps or deficiencies</li> </ul> <p>We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2024. Details of that assessment and our conclusion are set out in our 2023/2024 Transparency Report, which is available on our website <a href="#">here</a>.</p>

# Appendix F: Wider scope ratings

We need to gather sufficient evidence to support our commentary on Loch Lomond and the Trossachs National Park Authority’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 Loch Lomond and the Trossachs National Park Authority 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
<b>Level 1</b>	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.
<b>Level 2</b>	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.
<b>Level 3</b>	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.

# Appendix G: Current year updates, forthcoming accounting & other issues

## Current and forthcoming accounting issues

### New standards and amendments

#### Effective for accounting periods beginning on or after 1 January 2023

##### **IFRS 17 *Insurance Contracts* (issued May 2017) and Amendments to IFRS 17 *Insurance Contracts* (Issued June 2020)**

- IFRS 17 *Insurance Contracts* (IFRS 17) is a new standard that will replace IFRS 4 *Insurance Contracts* (IFRS 4). The standard sets out the principles for the recognition, measurement, presentation and disclosure about insurance contracts issued, and reinsurance contracts held, by entities. The amendments, issued subsequently in June 2020, do not change the fundamental principles of IFRS 17 and are aimed at helping companies implement the standard and make it easier for them to explain their financial performance. The EU has endorsed the adoption of IFRS 17, although with some changes to the version issued by the IASB. In May 2022, the UK Endorsement Board (UKEB) adopted the standard and the associated amendments.

##### **Amendments to IFRS 17 *Insurance Contracts*: Initial Application of IFRS 17 and IFRS 9 (Issued December 2021)**

- The amendments address potential mismatches between the measurement of financial assets and insurance liabilities in the comparative period because of different transitional requirements in IFRS 9 *Financial Instruments* (IFRS 9) and IFRS 17. The amendments introduce a classification overlay under which a financial asset is permitted to be presented in the comparative period as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset in the comparative period. The classification overlay can be applied on an instrument-by-instrument basis. The amendments have been UK-adopted and endorsed by the EU.

##### **Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements: Disclosure of Accounting Policies* (Issued February 2021)**

- The amendments set out notable new requirements for accounting policy disclosures that change the requirements for entities to disclose material accounting policy information, rather than significant accounting policies, and not to disclose immaterial accounting policy information, explaining that accounting policy information taken in isolation is unlikely to be material, but it is when the information is considered together with other information in the financial statements that may make it material. Earlier application is permitted. The amendments have been UK-adopted and endorsed by the EU.

##### **Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates* (Issued February 2021)**

- The amendment introduces a new definition for accounting estimates and clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events. Earlier application is permitted. The amendments have been UK-adopted and endorsed by the EU.

## Appendix G: Current year updates, forthcoming accounting & other issues (continued)

### Current and forthcoming accounting issues (continued)

#### New standards and amendments (continued)

#### Effective for accounting periods beginning on or after 1 January 2023

##### *IFRS 18 Presentation and Disclosure in Financial Statements (Issued April 2024)*

- IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that replaces IAS 1 Presentation of Financial Statements. The new standard aims to increase the comparability, transparency and usefulness of information about companies' financial performance. It introduces three key new requirements focusing on the presentation of information in the statement of profit or loss and enhancing certain guidance on disclosures within the financial statements.

# Contact

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