



# Fraud Risk Assessments

## Agenda Item 9

### Audit and Risk Committee Meeting

Tuesday 2 December 2025

Paper for information

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#### 1. Purpose

1.1. To provide members of the Audit and Risk Committee with an update on the Fraud Risk Assessments undertaken by staff and provide assurance on the level of risk identified across the organisation.

#### 2. Recommendation(s)

2.1. Members are asked to **note** the Asset Misapplication Risk Assessment (Appendix 1), Fraudulent Statements Risk Assessment (Appendix 2) and Bribery & Corruption Risk Assessment (Appendix 3) – collectively referred to as the Fraud Risk Assessments.

#### 3. Contribution to National Park Partnership Plan 2024-2029 and/or our Corporate Plan 2025-2030

3.1. An awareness of the fraud environment within which we operate supports good governance in the delivery of all Outcomes and Priorities of the National Park Partnership Plan and our Corporate Plan.

## 4. Background

- 4.1. The Fraud Risk Assessments were first developed as a result of an internal audit recommendation in 2017/18 and subsequently presented to Audit and Risk Committee and they were based on a template and toolkit provided by Scottish Government agencies.
- 4.2. The Fraud Risk Assessments were last presented to Audit and Risk Committee in late 2020 as a result of updated guidance from Audit Scotland during the Covid-19 pandemic.
- 4.3. Prior to the review which concluded in October 2025, the Fraud Risk Assessments were last reviewed internally in April 2023.
- 4.4. We do not have a fixed timetable for reviewing the Fraud Risk Assessments, they are instead considered periodically.
- 4.5. In the course of the presentation of the Annual Account and Report 2024/25, in which the *Those Charged with Governance* statement refers to the Fraud Risk Assessments, it was decided that five years was the maximum time that the Fraud Risk Assessments should go before the Audit and Risk Committee are once again sighted on their content.
- 4.6. It should be noted that had any internal review of the Fraud Risk Assessments flagged an increase of a risk to a 'medium' or 'high' rating, Audit and Risk Committee would be notified.

## 5. Findings

- 5.1. Scoring of the Fraud Risk Assessments was undertaken in accordance with our Risk Management Framework, with both likelihood and impact of risks being rated 1-5 and an overall score of 1-25 being generated. Any score up to 7 is considered 'low'. Any score above 8 is considered 'medium' and any score above 15 is considered 'high'.
- 5.2. Although there are a large number of potential fraud risks identified in the Appendices, all are rated as low, primarily due to either the nature of our business (e.g. low financial value) or the significant mitigating controls that we have in place.
- 5.3. There were no risks identified as being medium or high, with the maximum score for any risk being 6. This sees a reduction in overall risk, with the previous update to Audit and Risk Committee highlighting two 'medium' risks (and no high risks).

5.4. The two risks which have seen a decrease in their rating from 'medium' to 'low' – both in the Asset Misappropriation Risk Assessment (Appendix 1) - are:

- False Payment Requests - *Employee creating false payment instruction with forged signatures and submitting it for processing.* The additional mitigation bringing this risk down is mailbox delegation and ICT password controls.
- Inventory and Fixed Assets - *Theft of fixed assets, including computers and other IT related assets.* The additional mitigation bringing this risk down is that IT assets are tagged and controlled and the introduction of Arcspeed will streamline the process and assigning of assets for better tracking.

## 6. Next steps

6.1. We will continue to periodically review the Fraud Risk Assessments internally, bringing them again to Audit and Risk Committee when a risk is upgraded or in five years, whichever is sooner.

## 7. Appendices

Appendix 1 – Asset Misapplication Risk Assessment

Appendix 2 – Fraudulent Statements Risk Assessment

Appendix 3 - Bribery & Corruption Risk Assessment

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