



Loch Lomond and The
Trossachs National
Park Authority
Internal Audit Annual Report
2025/26

May 2026

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Table of Contents

Introduction	3
Overall internal audit opinion	4
Internal audit work performed	5
Planning process	6
Appendix 1 – Planned v actual days 2025/26	9
Appendix 2 – Summary of Quality Assurance Assessment	10
Appendix 3 – Definitions	12

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Introduction

The Global Internal Audit Standards (GIAS) state that:

“The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.

The results of internal audit services can include

- Engagement conclusions.
- Themes such as effective practices or root causes.
- Conclusions at the level of the business unit or organisation.”

To meet the above requirements, this Annual Report summarises our conclusions and key findings from the internal audit work undertaken at Loch Lomond and The Trossachs National Park Authority during the year ended 31 March 2026, including our overall opinion on Loch Lomond and The Trossachs National Park Authority’s internal control system.

Acknowledgement

We would like to take this opportunity to thank all members of management and staff for the help, courtesy and co-operation extended to us during the year.

Overall internal audit opinion

Basis of opinion

As the Internal Auditor of Loch Lomond and The Trossachs National Park Authority, we are required to provide the Audit and Risk Committee with assurance on the whole system of internal control. In giving our opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the whole system of internal control.

In assessing the level of assurance to be given, we have taken into account:

- All reviews undertaken as part of the 2025/26 internal audit plan;
- Any scope limitations imposed by management;
- Matters arising from previous reviews and the extent of follow-up action taken including in year audits;
- Expectations of senior management, the Audit and Risk Committee and other stakeholders;
- The extent to which internal controls address Loch Lomond and The Trossachs National Park Authority's risk management /control framework;
- The effect of any significant changes in Loch Lomond and The Trossachs National Park Authority's objectives or systems; and
- The internal audit coverage achieved to date.

In my professional judgement as Chief Internal Auditor, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions are based on the conditions as they existed at the time of the audit. The conclusions are only applicable for the entity examined. The programme of work undertaken and evidence gathered is compliant with the Global Internal Audit Standards and is sufficient to provide senior management with appropriate assurance from the work of internal audit.

Internal Audit Opinion

In our opinion, Loch Lomond and The Trossachs National Park Authority has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives.

Azets

May 2026

Internal audit work performed

Scope and responsibilities

Management

It is management's responsibility to establish a sound internal control system. The internal control system comprises the whole network of systems and processes established to provide reasonable assurance that organisational objectives will be achieved, with particular reference to:

- risk management;
- the effectiveness of operations;
- the economic and efficient use of resources;
- compliance with applicable policies, procedures, laws and regulations;
- safeguards against losses, including those arising from fraud, irregularity, or corruption; and
- the integrity and reliability of information and data.

Internal auditor

The Internal Auditor assists management by examining, evaluating and reporting on the controls in order to provide an independent assessment of the adequacy of the internal control system. To achieve this, the Internal Auditor should:

- analyse the internal control system and establish a review programme;
- identify and evaluate the controls which are established to achieve objectives in the most economic and efficient manner;
- report findings and conclusions and, where appropriate, make recommendations for improvement;
- provide an opinion on the reliability of the controls in the system under review; and
- provide an assurance based on the evaluation of the internal control system within the organisation as a whole.

Conformance with Global Internal Audit Standards

We confirm that our internal audit service conforms to the Global Internal Audit Standards. This is confirmed through our quality assurance and improvement programme, which includes cyclical internal and external assessments of our methodology and practice against the standards.

A summary of the results of our most recent external assessment is provided at Appendix 2. This EQA was undertaken in February 2023 against the 2017 GIAS.

Independence

GIAS require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We can confirm that the staff members involved in each 2025/26 internal audit review were independent of Loch Lomond and The Trossachs National Park Authority and their objectivity was not compromised in any way.

Planning process

Our strategic and annual internal audit plans are designed to provide the Audit and Risk Committee with assurance that Loch Lomond and The Trossachs National Park Authority's governance, risk management and internal control system is effective in managing the key risks. The plans are therefore informed by Loch Lomond and The Trossachs National Park Authority's risk management system and linked to the Corporate Risk Register.

The Strategic Internal Audit Plan was agreed in consultation with senior management and formally approved by the Audit and Risk Committee.

The Annual Internal Audit Plan is subject to revision throughout the year to reflect changes in Loch Lomond and The Trossachs National Park Authority's risk profile. No substantial changes were made to the plan in 2025/26.

We planned our work so that we have a reasonable expectation of detecting significant control weaknesses. However, internal audit can never guarantee to detect all fraud or other irregularities and cannot be held responsible for internal control failures.

Cover achieved

The 2025/26 Internal Audit Plan comprised 40 days of audit work and we completed the full programme. A comparison of actual coverage against the 2025/26 plan is attached at Appendix 1.

We confirm that there were no resource limitations affecting our ability to meet the full audit needs of the Loch Lomond and The Trossachs National Park Authority and no restrictions were placed on our work by management.





We did not rely on the work performed by a third party during the period.

Reports

We prepared a report from each review and presented these reports to the Audit and Risk Committee. The reports are summarised in the table below.

Where relevant, all reports contained action plans detailing responsible officers and implementation dates. The reports were fully discussed and agreed with management prior to submission to the Audit and Risk Committee. We made no significant recommendations that were not accepted by management.

Summary of reports by control assessment and action grade

Review	Overall audit rating	Control objective assessment	No. of issues per grading				
			4	3	2	1	Advisory
A1. Financial Sustainability	Minor improvement required		-	-	1	2	-
B1. Stakeholder Management	Minor improvement required		-	2	6	-	-
C1. Planning Authority	Minor improvement required		-	2	7	1	-
D1. Management Information/Information Security	Minor improvement required		-	-	3	-	-

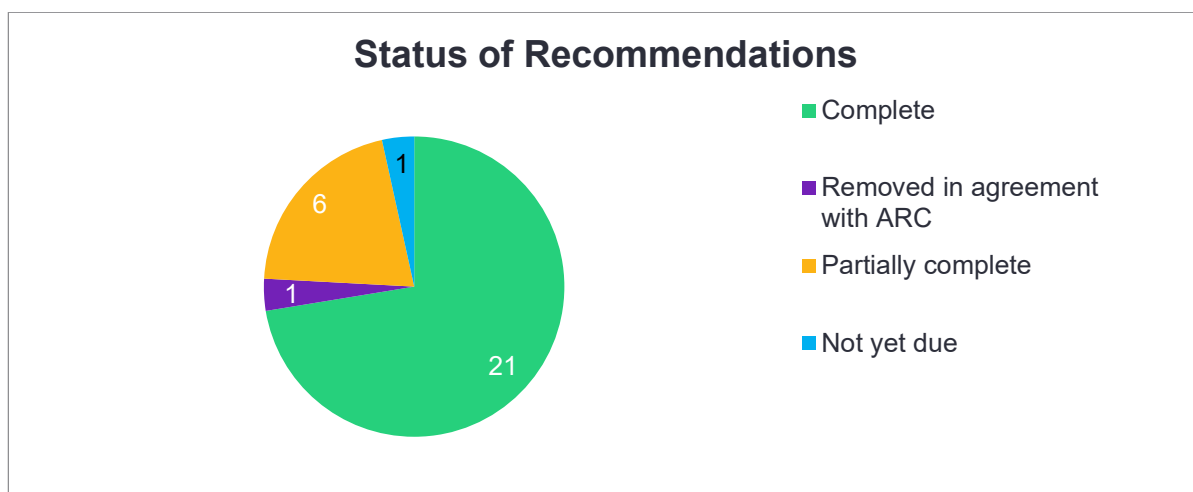
The audit definitions are outlined in Appendix 3.

Progress in implementing previous internal audit actions

During the course of 2025/26 we followed up 29 audit actions; of these we were able to close 21. In addition, one action was removed which was partially complete, due to the action not being able to be fully implemented by management, this removal was approved by the Audit and Risk Committee in September 2025.

Seven actions remained opened as at March 2026, six being partially complete and one not yet due.

Overall, we consider that management made good progress in implementing agreed actions during the course of 2025/26.



Key themes from audit work in 2025/26

Policy Development and Maintenance

Across the four substantive audits in our plan, we identified that the upkeep, and clarity of policy and procedural documentation is a key theme. We noted policies had not been updated to reflect current practices, or supporting guidance was either incomplete or absent. Specifically, within the Planning Authority review policy updates were overdue, and within the review of Management Information and Information Security, there were gaps in the documentation of controls and processes also due to overdue review and revision of policies.

In addition to the above, we noted there is a key reliance on individuals' knowledge and professional judgement rather than clearly documented and consistently applied procedures. This was observed within Stakeholder Management, where approaches were informed by historical knowledge rather than formal engagement frameworks, and within both the Planning Authority and Management Information/Information Security reviews, where the processes being carried out were not always supported by documented workflows.

Governance, Monitoring, and Oversight Arrangements

Our reviews identified opportunities to strengthen governance and monitoring arrangements to provide clearer oversight and assurance. In the Planning Authority review, monitoring arrangements and the consistency of document retention were not always sufficient to fully evidence decision-making and investigative activity. Within Stakeholder Management, a formal engagement plan was not yet in place and feedback mechanisms as a result were not fully developed; this limits the ability to systematically capture learning and inform future planning.

Capacity and Resource Constraints

Resource and capacity limitations were a consistent factor influencing many of the issues identified. Staffing constraints affected the organisation's ability to progress process enhancements, undertake extended financial modelling, and maintain policy documentation on a timely basis. This was particularly evident within Financial Sustainability and Management Information/Information Security reviews and also contributed to delays in documentation updates within the Planning Authority audit.

Cultural Observations

A consistent and positive culture was evident across all reviews undertaken, key contacts demonstrated a strong commitment to delivering on their roles and responsibilities and improving the control environment.

Across our reviews we noted a reliance on experience and knowledge, which has compensated for gaps in formal guidance and in other cases circumvented existing processes. Strengthening formal processes and documentation would help ensure that the organisation's positive culture is fully supported by resilient governance arrangements.

Appendix 1 – Planned v actual days 2025/26

Ref and Name of report	Planned Days	Actual Days
A.1 Financial Sustainability	6	6
B.1 Stakeholder Management	12	12
C.1 Planning Authority	8	8
D.1 Management Information/Information Security	6	6
F.1 Follow Up	3	3
G.1 Audit Needs Assessment / Annual Plan Preparation	2	2
G.2 Audit and Risk Committee Planning and Attendance/liaison meetings/contract management	2	2
G.3 Annual report and progress reporting	1	1
Total	40	40

Appendix 2 – Summary of Quality Assurance Assessment

As part of our regular quality assessment procedures, we commissioned an external quality assessment (EQA) against the Institute of Internal Auditors (IIAs) International Professional Practices framework (IPPF) and, where appropriate, the Public Sector Internal Audit Standards (PSIAS).

We are pleased to disclose the outcome of this assessment as we believe it is important to provide you with assurance that the service you receive is of a high quality and fully compliant with internal audit standards. Outlined below are extracts from our most recent external quality assessment undertaken in February 2023.

External Quality Assessment summary

Executive Summary

I am pleased to report that there are no material governance, methodology or practical issues that are impacting Azets Risk Assurance's overall conformance with the Institute of Internal Auditors (IIAs) International Professional Practices framework (IPPF).

Internal Audit have achieved the highest level of conformance with the Standards, as well as the Definition, Core Principles, and the Code of Ethics, which form the mandatory elements of the IPPF, the global standard for quality in Internal Auditing. The Institute describe this as "Generally Conforms".

This is an excellent result and is based on an extensive EQA covering the team's approach, methodology, processes, and an extensive sample of engagement files. The EQA assessor is an experienced, former Chief Assurance Officer and current Audit Committee Chair.

Conformance Opinion

The IPPF/PSIAS includes the Mission and Definition of Internal Auditing, the Core Principles, Code of Ethics, and International Standards. There are 64 fundamental principles to achieve, with 118 points of recommended practice.

I am delighted to confirm that Azets Risk Assurance generally conform with 62 of these 64 fundamental principles. This is an excellent result. Furthermore, there are no areas of 'partial' or 'non-conformance' with any of the remaining fundamental principles.

The overall assessment resulting from the EQA is that Azets Risk Assurance "generally conforms to the International Professional Practices Framework". The term "generally conforms" is used by the IIA to represent the highest level of achievement and performance.

I include a summary of Azets Risk Assurance's conformance to these fundamental principles below. Overall, I believe that Azets Risk Assurance has achieved an excellent performance given the breadth of the IPPF, and the diverse work and activity the team undertakes.

Summary of IIA Conformance	Standards	N/A	Does not Conform	Partially Conforms	Generally Conforms	Total
Definition of IA and Code of Ethics	Rules of conduct				12	12
Purpose	1000 - 1130				8	8
Proficiency and Due Professional Care	1200 - 1230				4	4
Quality Assurance and Improvement Programme	1300 - 1322	1			6	7
Managing the Internal Audit Activity	2000 - 2130				12	12
Engagement Planning and Delivery	2200 - 2600	1			20	21
Total		2	0	0	62	64

Our response

The review identified a number of areas for future consideration to further enhance our internal audit practices. We welcome these findings and as such, a detailed action plan will be put into place to address the areas for further development.

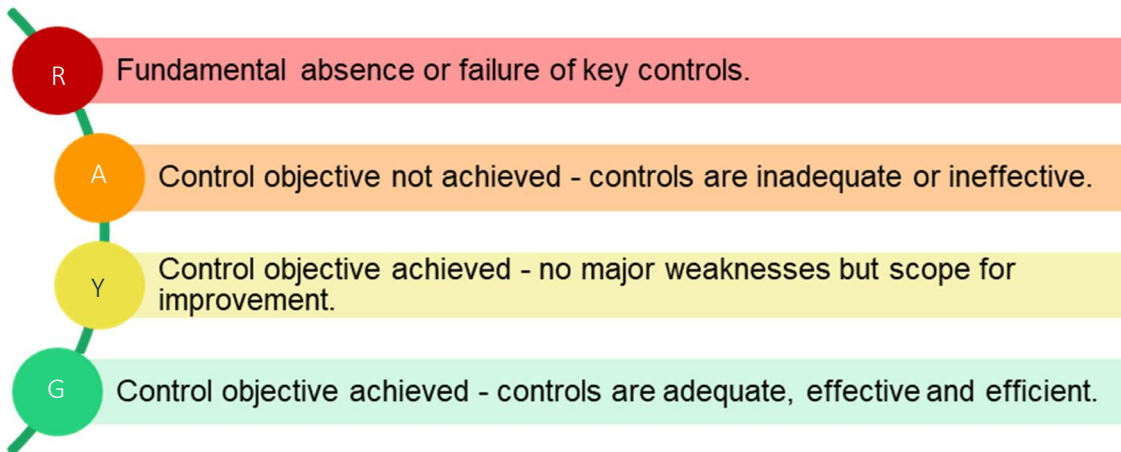
Update: we are pleased to confirm we have taken forward actions arising and make continuous improvements in relation to our quality assurance arrangements, both from the above EQA and subsequent internal quality assessment reviews.

Appendix 3 – Definitions

Audit Ratings

Immediate major improvement required
•Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.
Substantial improvement required
•Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Minor improvement required
•A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Effective
•Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

Control Objective Assessment Definitions



Management Action Prioritisation Definitions

4	•Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
3	•High risk exposure - absence / failure of key controls that create significant risks within the organisation.
2	•Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
1	•Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

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