Annual Audit Report

Loch Lomond and the Trossachs National Park Authority– year ended 31 March 2026

August 2026

forvis mazars

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

20 August 2026

I am pleased to present our Annual Audit Report (“AAR”) for Loch Lomond and the Trossachs National Park Authority (LLTNPA) for the year ended 31 March 2026. 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 the Audit Scotland’s Code of Audit Practice (“the Code”) and for the sole benefit of the Audit and Risk Committee. 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,

Forvis Mazars LLP

100 Queen Street,
Glasgow,
G1 3DN

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Executive Summary

Executive summary

Scope

We have been engaged to audit the financial statements of LLTNPA for the year ended 31 March 2026 which are prepared in accordance with the Government Financial Reporting Manual 2025-26 (the FReM).

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 ongoing.

Please refer to the *'Status of our audit'* section 2 for a list of significant audit matters outstanding at the date of this report. We will provide an update to you 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.

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 6.

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 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 LLTNPA has in place. Further details have been provided in the 'Wider scope and Best Value' section 7 of this report.

Best Value

We anticipate having no risks to report in relation to Best Value arrangements that the National Park has in place. Further details have been provided in the 'Wider scope and Best Value' section 7 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.

Executive summary (continued)

Performance Report and Governance Statement opinion

We anticipate that we will have no matters to report in respect of the Annual 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 noted from our reviews to date.

Qualitative aspects of LLTNPA's accounting practices

We have reviewed LLTNPA's accounting policies and disclosures and conclude that they comply with the Government Financial Reporting Manual (FReM) 2025/26, appropriately tailored to the National Park's circumstances.

Draft accounts were received from LLTNPA on 28 May 2026. There were several sections of the accounts that were omitted or incomplete including:

- Segmental analysis;
- Pension disclosures – Note 20 and in the Remuneration and Staff Report;
- Contingent liabilities; and
- Disclosures covering the new FReM reporting requirements for the valuation of non-investment assets and intangible assets.

We received a complete version of the annual report and accounts on 11 August 2026.

Significant matters discussed with management

During our audit, we communicated the following significant matters to management.

Valuation of non-investment assets. From 2025/26, the FReM requires bodies to value non-investment assets five-yearly, with indexation applied in the intervening years. During the audit, management advised that suitable indices could not be identified for assets held at existing use value. As a result, management has engaged its valuation expert to undertake a full revaluation of the affected assets as an alternative means of determining appropriate carrying values.

At the time of reporting, the revaluation exercise remains ongoing. We discussed the judgements supporting this approach with management and confirmed they were reasonable and in accordance with the approach the FReM requires when appropriate indices cannot be identified.

Significant difficulties during the audit

We draw the following matters to your attention and, where appropriate, explain how these matters were overcome:

- The initial accounts submitted to audit were incomplete. See "Qualitative aspects of LLTNPA's accounting practices".
- Key members of the finance team were absent during the fieldwork phase of the audit. This contributed to significant delays in responses to audit queries. See further details on the following page.

Executive summary (continued)

- We requested 11 accrual samples on 15 June 2026 and followed up on outstanding items on 30 June 2026. At the date of this report, supporting information remains outstanding for 5 samples.
- We were unable to reconcile the expenditure transaction listing to the financial statement disclosures on 8 June 2026. Management was requested to provide revised listings to support sample selection. As at the date of this report, the matter remains unresolved.
- On 12 June 2026, we requested supporting evidence for 13 post year-end expenditure cut-off testing samples. We experienced delays in receiving the majority of the requested documentation and, as at the date of this report, supporting evidence for 1 sample remains outstanding.
- On 8 July 2026, we made an initial request for supporting evidence for 20 pre-year-end expenditure cut-off testing samples, some of which related to expenditure items previously selected for testing. We experienced delays in receiving the requested documentation and, as at the date of this report, supporting evidence for 11 samples remains outstanding.
- In respect of deferred income, we requested supporting documentation for two samples on 23 June 2026. While there were delays in obtaining evidence for one sample, supporting documentation for one sample remains outstanding as at the date of this report.

Other matters of significance

We had no significant disagreements with management during our audit. Overall, there was effective co-operation and communication between Forvis Mazars, management, and the Audit and Risk Committee during our audit. As noted above there have been delays in officers providing requested information and explanations to audit queries. In our opinion, the finance team could improve how it responds to audit requests, but we acknowledge the capacity issues the team had over the course of the financial statements audit. We will arrange a lessons learned meeting with officers after the conclusion of the audit.

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 ongoing. 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.

Property, Plant and equipment As reported on page 6, management has engaged its valuation expert to undertake desktop valuations to comply with new FReM requirements. This work is still to be completed.	**High**
Accruals/ trade payables We await responses from officers to queries raised from our sample testing on classification. This affects five sampled items.	**Medium**
Expenditure Our work is ongoing. We have been unable to fully reconcile expenditure codes per the ledger to the expenditure disclosed in the unaudited accounts and to date have not received a satisfactory explanation from officers. We also await responses to queries raised on 12 samples.	**Medium**
Pension fund liability We await responses to assurances we have requested from the Strathclyde Pension Fund external auditor. The auditor has confirmed that they will issue a final letter on conclusion of the audit procedures, anticipated to be in early September.	**Medium**
Segmental analysis This disclosure was included in the third version of the accounts, received on 11 August 2026. Our audit work on this information is ongoing.	**Medium**
Payroll Work is ongoing to confirm the existence of a sample of employees. We also await information on salaries for temporary staff and those on hourly rates.	**Low**
Audit quality control and completion procedures Our audit work will undergo final stages of review. 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.	**Medium**
Annual Report and Accounts and letter of representation 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.	**Low**

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.

03

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 3 March 2026.

Materiality

Our provisional materiality at the planning stage of our audit was set at £305k using a benchmark of 2% of total operating expenditure as per the Annual Audit Plan. Our provisional performance materiality was set at £213k. In determining the overall 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 setting 2% of the chosen benchmark is consistent with the prior period and, 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; and
- the Audit and Risk Committee members demonstrate a good ability to scrutinise financial information at a high level.

In determining the performance materiality levels, we made the following significant judgements:

- that we are now in the fourth year of our audit appointment and therefore have a more mature and detailed understanding of LLTNPA's operations, risks, and financial environment;
- that the financial reporting process does not involve significant journal adjustments, which decreases the risk of misstatement;
- that the Authority has a strong control environment, which reduces the likelihood of pervasive misstatements;
- that the Authority's transactions are neither few nor straightforward;
- that errors identified in previous audits were not recurring in nature;
- that we have not identified significant errors in prior periods; and
- management has demonstrated a willingness to promptly identify, disclose, and correct errors.

Based on the final financial statement figures, the final overall materiality we applied was £298k (final performance materiality: £208K; final clearly trivial threshold: £9K).

Use of experts

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. This is consistent with the planned approach communicated in our Annual Audit Plan.

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	14
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	Yes	Risk remains to be addressed – we have outstanding queries on expenditure cut-off samples and expense code reconciliation. See section 2 'Status of audit' and page 39 for control recommendation	16
Valuation of property, plant and equipment	No	Yes	Yes	Yes	No	No	No	Risk remains to be addressed – external valuation to be performed for 30 fair value assets – See section 2 'status of audit'	17
Valuation of pension fund asset/ liability	No	Yes	Yes	Yes	No	No	No	Risk remains to be addressed – Awaiting requested assurances from the pension fund external auditor – See section 2 'status of audit'	18

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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 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. You should assess this risk as part of your oversight of the financial reporting process.
How we addressed this risk We addressed this risk through performing audit work over: • accounting estimates: by evaluating the methods and assumptions used by management to develop the estimate; • journal entries: testing journals that meet our fraud risk criteria and other adjustments made in preparing the financial statements; and • significant transactions: considering and testing and significant transactions outside the normal course of business or otherwise unusual.
Audit conclusion We identified 1,059 posted journals that met our fraud risk criteria. After investigation, we found no evidence that these were fraudulent. We also noted that all manual journals posted had a description attached as an identifier, this addresses our previous control recommendation where we identified journals at year end were posted without any text description. See page 43. 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. Please note that the work performed is still subject to review by the engagement manager and director.

Significant findings (continued)

Significant risks

Risk of fraud in income recognition
Description of 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 Scottish Government resource allocations. 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 this income. We consider that the risk of fraud in income recognition therefore only applies to LLTNPA's other material income streams, which are project income and other income, through incorrect recognition at year end. We have not extended the risk to trade and other receivables because these balances arise from routine, easily reconcilable invoicing and prepayments. We did not identify any errors from our prior year testing of these balances. There is also limited judgement involved, reducing the risk of misstatement. 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 over and understate income.
How we addressed this risk We addressed this risk by: • evaluating the design and implementation of controls over LLTNPA's income recognition; and • substantive testing of project and other income recognised pre and post year end to identify if it has been posted in the correct accounting period.
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. Please note that the work performed is still subject to review by the engagement manager and director.

Significant findings (continued)

Significant risks

Risk of fraud in expenditure recognition
Description of 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. Board members and staff costs is well forecast and agreeable to underlying payroll systems, so there is less opportunity to manipulate this expenditure stream. In addition, depreciation and amortisation 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 material non-pay expenditure including 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 over and understate non-pay expenditure. This would most likely occur through incorrect recognition of expenditure at year end and judgements made in accruing expenditure and recognising deferred income.
How we addressed this risk We addressed this risk by: • evaluating the design and implementation of controls LLTNPA's expenditure recognition; • substantive testing of project expenditure and other operating costs to identify if it has been posted in the correct accounting period; and • reviewing year end accruals and deferred income to verify that they have been completely and accurately recorded.
Audit conclusion Our work is ongoing. We have been unable to fully reconcile expenditure codes per the ledger to the expenditure disclosed in the unaudited accounts and to date have not received a satisfactory explanation from officers. We also await responses from officers on accruals and cut-off expenditure sample queries. See *Section 2 Status of our audit*.

Significant findings (continued)

Significant risks

Valuation of property, plant and equipment

Description of risk

LLTNPA held land and buildings with a net book value of £11.65 million at 31 March 2026. LLTNPA's policy is to use an external valuer to revalue its land and buildings every five years, with indexation being applied in the intervening years. There is an inherent risk of material misstatement in asset valuations as these are based on specialist and management assumptions and changes in these can result in material changes to asset values. We have also determined there is a significant risk of material misstatement from assumptions that are incorrect and/or not supported by relevant evidence being applied.

HM Treasury has made changes to its requirements for the valuation frequency, valuation methodology and classification of non-investment property assets. The changes are effective from 1 April 2025 as set out in the 2025-26 FReM (see page 42 for more details). The main change is that entities will be required to revalue assets on a quinquennial basis, i.e. every five years, supplemented by annual indexation in the intervening years. If local indices are used, management will need to have sufficient evidence to demonstrate these indices are appropriate and relevant to the entity's circumstances, and to provide this evidence to the auditor.

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;
- assessing 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
- reviewing LLTNPA's use of indexation to ensure it has used appropriate and relevant indices and these have been correctly applied.

Audit conclusion

Our work is ongoing. We await valuation reports for those assets revalued in year. See *Section 2 Status of our audit*.

Significant findings (continued)

Significant risks

Valuation of net defined benefit asset/ liability
Description of risk LLTNPA had a net pension fund liability of £0.045m at 31 March 2026. 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.
How we addressed this risk We addressed this risk by: • challenging the reasonableness of the actuary's assumptions that underpin the relevant entries made in the financial statements; • critically assess the competency, objectivity and independence of the actuary; • liaising with the auditors of the Pension Fund Administrator to gain assurance that the overall procedures and controls in place at the Pension Fund are operating effectively; • comparing assumptions to expected ranges; • reviewing the accuracy and completeness of the membership data used by the actuary in preparation of the actuary's valuation report; • independently obtaining confirmation of pension contributions, benefits paid and any material transfers from the Pension Fund Administrator and comparing with the data used by the actuary in its actuarial valuation report for accounting purposes; and • agreeing data in the actuary's valuation report for accounting purposes to the relevant accounting entries and disclosures in LLTNPA's financial statements.
Audit conclusion Our work is ongoing. We await responses to assurances we have requested from the Strathclyde Pension Fund external auditor. See *Section 2 Status of our audit*.

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 the LLTNPA.

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 LLTNPA and their officeholders have used their resources in discharging their functions.

We confirm no such reports have been prepared.

05

Summary of misstatements

Summary of misstatements

Unadjusted and adjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Annual Audit Plan, issued on 3 March 2026. Any subsequent changes to those figures are set out in the *'Executive summary'* section of this report.

We are finalising our audit work and will report on any misstatements in an update to this report. See *Ssection 2 Status of our audit* for details of areas where information and explanations are outstanding, which could result in potential misstatements being identified.

Summary of misstatements (continued)

Disclosure misstatements

We identified the following disclosure misstatements during our audit to date that have been corrected by management. We will report on any further misstatements we identify in an update to this report.

Details of disclosure adjustments
Performance report • Update to statistical data related to performance under key deliverables. • Update to reflect consistency in the reported size of Peatland restoration. • Update to Net Expenditure in the Financial Budget Performance to align with the Statement of Comprehensive Net Expenditure. • Correction of total revenue and cash underspend within the Financial Budget Performance.
Remuneration report • Update to include relevant pension disclosures.
Accounting policies • Update to accounting policies for Non-Current Assets to reflect FReM Application guidance on valuation of non-investment and intangible assets.
Property, plant and equipment • Reduction in additions by £18,384 to remove duplicated asset within the Fixed Asset Register.
Lease liability • Amendment to the split of obligations within Note 17 to move £12,079 of the liability disclosed from the “1-5 years” to “over 5 years” category.

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

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.

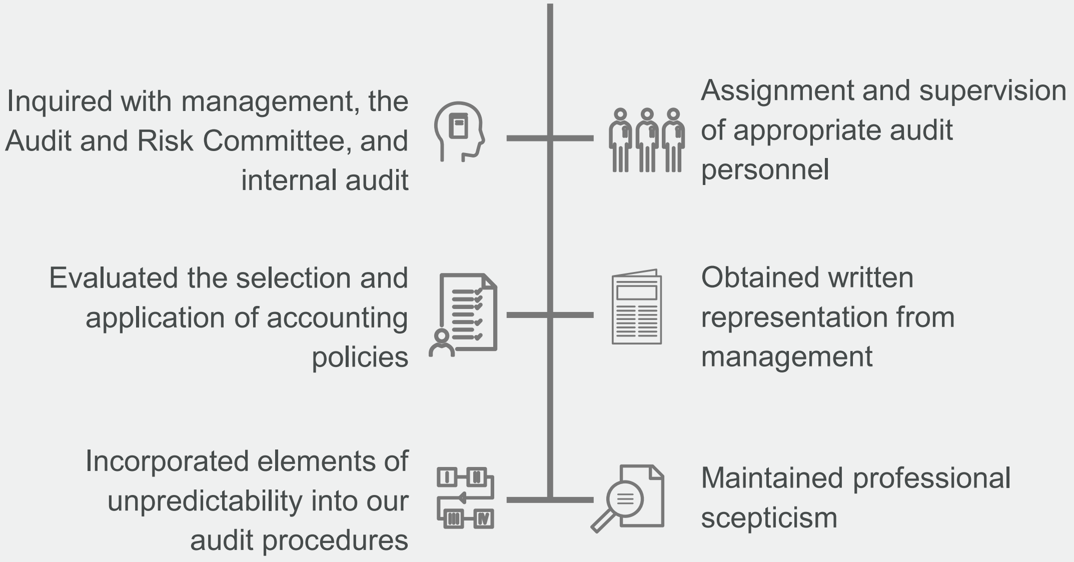
Our responsibilities

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 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 2025/26 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 the 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

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Possible significant risks?	Significant risks identified?	Other recommendations made?
Financial sustainability	28	No	No	Yes – see commentary on page 29-30
Governance statement	32	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

Our overall assessment

Significant risks

We have not identified any significant risks in arrangements as part of our continuous planning procedures.

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning	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 the Scottish Government's priorities, including the delivery of high-quality public services. LLTNPA's medium to long-term financial planning arrangements are based on: • scenario-based budget planning • identifying efficiency savings; and • ensuring budget decisions align with strategic priorities. 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. LLTNPA has well-established annual budget-setting arrangements, but it does not currently have a formal Medium Term Financial Strategy (MTFS). This has also been highlighted by its internal auditors. An MTFS provides a clear link between strategic objectives, anticipated resources, future funding assumptions and emerging financial risks, helping decision-makers understand the long-term affordability and sustainability of plans. In the absence of a formal MTFS, there is limited evidence demonstrating how medium-term financial planning aligns with and supports the delivery of strategic objectives over the longer term. While financial and strategic planning processes are individually robust, the relationship between projected financial resources, future financial pressures and strategic priorities is not clearly articulated within a single medium-term framework. This reduces transparency over how strategic ambitions will be funded and how potential financial challenges will be managed over the next three to five years.	We are satisfied that LLTNPA has appropriate arrangements for short-term financial planning. LLTNPA is in the process of developing its MTFS. It has held discussions with other non-departmental public bodies and park authorities as well as holding executive team meetings to agree scenarios and assumptions for the MTFP. This will be critical in helping the organisation assess potential funding gaps and plan how it will respond to these.	We have not assessed this as a significant risk. See page 31 for further information and our consideration of the progress made against prior years' recommendation.

Financial sustainability (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial planning (continued)	We have reviewed the progress against the internal audit recommendation raised regarding medium to long term financial planning where it was recommended that LLTNPA should integrate long term financial forecasting into their annual budget setting and planning process, including scenario modelling on funding scenarios and alignment with corporate objectives. Management has set a revised implementation date for March 2027. Discussions have taken place with other NDPBs and Park Authorities to gather data. The Scottish Government has previously commissioned LLTNPA on its ability to reduce corporate/administrative costs and public service reform remain high on the agenda of the new Government, when compared to the 2024/25 base. LLTNPA is exploring savings options and efficiency, including automation, shared services with similar bodies, and strategic divestment of property.		

Financial sustainability (continued)

Follow up of previously-reported recommendations

In September 2025 we reported one recommendation to LLTNPA to address risks identified from our Wider Scope audit for financial sustainability. As part of our work in 2025/26, we followed up the progress made by the LLTNPA against the recommendations made and determined whether the risk remained during the year.

	Financial sustainability finding as previously reported	Previous management response and implementation timeframe	Work undertaken and judgements made in 2025/26	Conclusions reached
1	**Corporate cost reductions – Level 2** 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.	**Management Response:** 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. 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. **Implementation timescale**: March 2026	LLTNPA has strong strategic and operational planning supported by a robust short term budgeting process. The lack of a formal Medium Term Financial Plan means that the link between these two processes is less clear across a longer timeframe. Reducing corporate costs to meet the Scottish Governments expectations without compromising service will be very challenging. This challenge is heightened by the absence of formal medium term financial planning which considers savings options, funding shortfalls and the associated effect on delivery of strategic priorities and provision of services **Updated management response:**	**Conclusions** We consider this risk to be ongoing, and we will continue to monitor progress against our recommendation.

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.

Governance statement(continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Governance statement	We confirmed that the Governance Statement: • is consistent with the financial statements; • includes the information required by the FReM and the Scottish Public Finance Manual (SPFM); • is consistent with our knowledge obtained through the audit; • does not contain any misleading information. No material amendments were made to the Governance Statement following our review.	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.	No significant issues identified

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 the 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 the 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 2026. 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 2025/26.

LLTNPA's Corporate plan 2025-30 was approved by the Board and Scottish Ministers in 2025 with no significant amendments. 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. We have been able to use the corporate plan in our wider scope work to measure and substantiate the pace and depth of improvement along with other strategic plans. 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

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

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 the LLTNPA'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 the LLTNPA'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.

As our audit is still in progress, there may be further control recommendations to management.

Appendix A: Internal control conclusions (continued)

Other recommendations in internal control

Accruals and trade payables – year end confirmation process
Description of deficiency During our testing of year-end accruals, we identified a number of instances where invoices were received significantly in advance of formal confirmation from the relevant service managers that the associated goods or services had been satisfactorily delivered or completed. As a result, when the finance team recorded year-end accruals as part of the financial statements close process, certain liabilities were recognised as accruals when sufficient evidence existed to classify them as trade payables. In several cases, the related invoices had also been settled prior to the year end and should therefore have been recognised as expenditure in the financial year rather than included within year-end accrual balances.
Potential effects This indicates a weakness in the process for assessing the appropriate accounting treatment of outstanding liabilities at year end and increases the risk of misclassification between accruals, trade payables, and expenditure within the financial statements.
Recommendation There should be enhanced oversight of invoices received around year end so that appropriate confirmations of good/ service delivery is made to the finance team so that accurate recording of liabilities can be made at year end.
Management response

forv/s mazars

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.

Potential effects

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

Recommendation

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

2025/26 update:

Ongoing. Management confirmed that LLTNPA were unable to retain Cyber Essentials Plus (CE+) accreditation in recent years due to one unresolved remediation issue, an outdated version of Python software required to support its planning function. As of the time of review, LLTNPA has not regained CE+ accreditation. The Cyber Essential review has not been carried out in 2025/26 due to migration of the 'idox' hosting service, a service which has since been removed. LLTNPA are in the process of review for the accreditation in the 2026/27 period.

Management response

Implementation date:

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.

Potential effects

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

Recommendation

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

2025/26 Update:

Ongoing – We performed a walkthrough in the year where we found that user access review process has not yet been developed. Whilst the Information Security Policy references periodic reviews, no formal procedure currently exists describing how reviews should be performed. Policy updates are planned during 2026 and the organisation is currently exploring suitable reporting capabilities to facilitate user access reviews. Consequently, the risk remains that inappropriate access rights may not be identified and removed on a timely basis. The finding should remain open.

Management response

Implementation date:

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.

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.

Potential effects

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

Recommendation

Officers should review depreciation policies to ensure they are appropriate.

2025/26 update:

Ongoing. The accounting policy for useful lives remains consistent with prior years. We continued to find instances from our testing where assets which have been fully depreciated remain in operational use.

Management response

Implementation date

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.

Potential effects

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

Recommendation

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

2025/26 Update:

Ongoing. We have confirmed from reviews of the fixed asset register that assets remain grouped and untagged.

Management response

Implementation date

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.

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.
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.
Recommendation Board members should be required to formally confirm the accuracy of their declarations at regular intervals, even when there are no changes.
2025/26 Update: **Complete**. We confirmed that emails were sent to each Board member prompting them to complete a Microsoft Form, and where necessary there were follow up communications for those who had not completed it. We confirmed all active Board members completed their declaration forms. Verbal communications of related parties are made during board and committee meeting as a mitigating factor which are considered as part of the review of related party transactions.

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.
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.
Recommendation Management should implement a process that generates unique, secure passwords for each new user and enforces a mandatory password change upon first login.
2025/26 Update: **Complete –** We performed a walkthrough in the year which evidenced the revised password management process. New accounts and password resets are assigned a randomly generated temporary password rather than a common default password. The temporary password is configured to expire at first login, requiring the user to create a new password. The control deficiency identified in the prior year 24/25 has been addressed. The use of a common default password has been removed and replaced with a process requiring unique temporary passwords and mandatory password changes upon first use. Accordingly, the recommendation has been implemented, and no further action is required.

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.

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

Potential effects

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

Recommendation

Management should ensure project managers submit notification forms promptly.

2025/26 Update:

Complete. There have been no changes made to the process in 2025/26. However, we did not identify any issues from our walkthrough of grant income. We are satisfied that the mitigating controls in place by management reduce the level of risk to a satisfactory level.

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 in 2024/25. 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.

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.

Recommendation

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

2025/26 Update:

Complete. We did not identify any journals with missing descriptions during our 2025/26 testing.

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 Year Ended 31 March 2026

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 2026 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 2025/26 Government Financial Reporting Manual (the 2025/26 FReM).

I have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which I are 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 there are no unadjusted misstatements

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 2026 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 2025/26 Government Financial Reporting Manual (the 2025/26 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 2026 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 2025/26 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.

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;

- 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. 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

100 Queen Street

Glasgow – G1 3DN

XX September 2026

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 remain available to the Audit and Risk Committee to discuss any matters relating to our independence, should such a discussion be required.

Confirmation of independence

We confirm that the firm, Forvis Mazars LLP, and all covered persons remain independent of LLTNPA in accordance with the requirements of the FRC Ethical Standard.

Relationships disclosure

A review of relationships between the firm, covered persons, and LLTNPA, including its directors, senior management, affiliates, and connected parties, has identified no matters that bear on our integrity, objectivity, or independence during the engagement period.

Appendix D: Confirmation of our independence

Fees for work as the LLTNPA'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 in March 2026. Having substantially completed our work for the 2025/26 financial year, we can confirm that our fees are as follows:

Area of work	2025/26 fees	2024/25 fees
Auditor remuneration	£33,180	£32,160
Pooled costs	(£110)	(£310)
Sectoral cap adjustment	(£15,870)	(£15,170)
Additional fees to review and test unscheduled property, plant and equipment valuation	TBC	£3,417
Total fees	**TBC**	**£20,097**

Non-audit and additional services

The firm has not provided any non-audit or additional services to LLTNPA or its affiliates during the relevant period, and no fees have been charged in respect of such services.

Appendix E: Other communications

Other communication	Response
Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. 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.
External confirmations	We did not experience any issues with respect to obtaining external confirmations.
Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	We have not identified any evidence to cause us to disagree with the Accountable Officer that LLTNPA 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. 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.

Appendix E: Other communications (continued)

Other communication	Response
Subsequent events	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. 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.
Matters related to fraud	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 '*Fraud considerations*' for our fraud considerations and conclusion. We will obtain written representations from management and, where appropriate, the Audit and Risk Committee, confirming that a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; 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; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. management; ii. employees who have significant roles in internal control; or iii. others where the fraud could have a material effect on the financial statements; and 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.

Appendix E: Other communications (continued)

Other communication	Response
System of Quality Management	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: • Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities • 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.) • Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality • Evaluating responses and remediating control gaps or deficiencies We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2025. Details of that assessment and our conclusion are set out in our 2024/2025 Transparency Report, which is available on our website here.

Appendix F: Wider scope ratings

We need to gather sufficient evidence to support our commentary on the LLTNPA'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 the LLTNPA 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
Level 1	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.
Level 2	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.
Level 3	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.

Contact

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