

# Lake District National Park Authority

Auditor's Annual Report for the  
year ended 31 March 2024

19 September 2024



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction



## Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Lake District National Park Authority (the Authority) during 2023-24 as the appointed external auditor. The core element of the report is the commentary on the Authority's value for money (VfM) arrangements.

All Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Authority's responsibilities are set out at Appendix A.

Authorities report on their arrangements, and the effectiveness of these arrangements as part of their Annual Governance Statement.

## Responsibilities of the appointed auditor

### Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local Authority accounting in the United Kingdom 2023-24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

### Value for money

We report our judgements on whether the Authority has proper arrangements in place regarding arrangements under the three specified criteria:

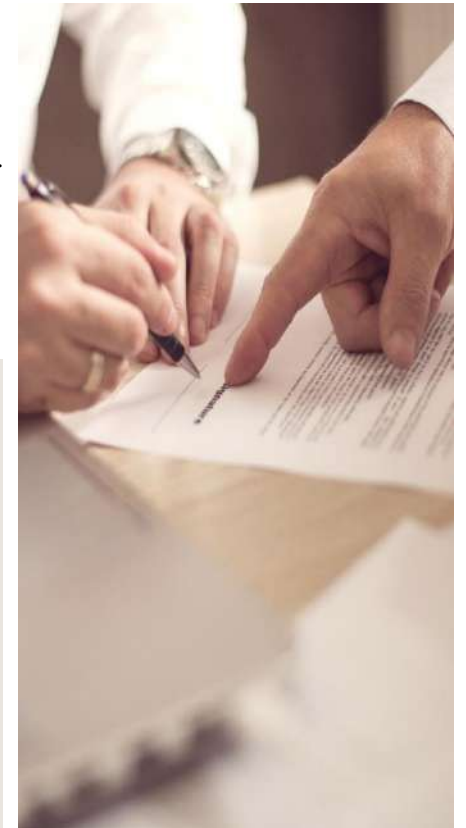
- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

The Value for Money auditor responsibilities are set out at Appendix B.

### Auditor powers

Auditors of a local Authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 9 with a commentary on whether any of these powers have been used during this audit period.



# Executive summary



# Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO, in its consultation of February 2024, has indicated that it will in future require auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year and for the audited body to publish the Report thereafter. The outcome of the NAO's consultation on the Code is dependent upon the decisions made by the new government elected on 4 July 2024. These decisions are awaited at the time of drafting this Report. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. We are therefore sharing this report with you in advance of the NAO's new Code being introduced. In the event that any new audit requirements are introduced when the Code is published, we will revisit these before finalising this report. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 17.



At the date of this Report, we have substantially completed our audit of your financial statements, with the exception of assurances over your share of the pension fund balance. We intend to issue an unqualified opinion upon receipt of all outstanding information. Our findings are set out in further detail on page 8.

## Financial sustainability



The Authority ensured financial sustainability through a combination of budget monitoring, in-year adjustments, and income and expenditure reviews. Despite challenges such as poor weather and flat core funding from Department for Environment, Food and Rural Affairs (DEFRA), the Authority managed to close the year in a better-than-expected position. The Medium-Term Financial Strategy (MTFS) for 2024-25 showed no savings requirement for that year but identified future savings targets. The MTFS also emphasised efficiency savings, financial resilience, and aligning capital spending with business plan objectives. Regular financial resilience assessments and scenario planning helped maintain a balanced budget and address financial risks. In conclusion and based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the Authority manages risk to its financial sustainability. Also, we have not raised any improvement recommendations.

## Governance



The Authority ensured proper governance through a comprehensive Risk Management Strategy, reviewed annually by the Governance Committee. The Authority conducted regular reviews of corporate and business plans, with high-risk areas reported quarterly to the Executive Board and Resources Committee. Directors and service managers were involved in budget-setting, aligning service plans with corporate priorities. The Authority maintained budgetary control, communicated financial positions clearly, and utilised reserves strategically. In conclusion and based on our areas of focus and evidence considered, we found no evidence of significant weaknesses in the Authority's arrangements for ensuring that it makes informed decisions and properly manages its risks. However, to strengthen ethical standards, improve understanding of responsibilities, and ensure effective and transparent governance, we have identified an area where the Authority could improve arrangements and as such, have raised an improvement recommendation in relation to Member Code of Conduct policy review and understanding which has been accepted by Management.

## Improving economy, efficiency and effectiveness



The Authority implemented a structured approach to ensure and improve efficiency, effectiveness, and economy. They conducted regular performance reviews using key performance indicators (KPIs) and benchmarking against external data sources like the Office for National Statistics (ONS). The Business Plans and National Park Partnership Plans were aligned with these performance measures. The Resources Committee received regular reports, utilizing RAG rating systems to track progress and identify areas needing improvement. This comprehensive strategy allowed the Authority to streamline operations, optimize resource use, and enhance overall performance, ensuring that conservation goals were met efficiently and economically. In conclusion and based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the Authority manages risk to its financial sustainability. Also, we have not raised any improvement recommendations.

# Executive summary (continued)

## Overall summary of our Value for Money assessment of the Authority's arrangements

Auditors are required to report their commentary on the Authority's arrangements under specified criteria and 2023-24 is the fourth year that these arrangements have been in place. The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below. There are no significant weaknesses in the Authority's arrangements based on our review. This is a good outcome for the Authority.

Criteria	2022-23 Auditor judgement on arrangements	2023-24 Risk assessment	2023-24 Auditor judgement on arrangements
Financial sustainability	G No significant weaknesses in arrangements identified. No improvement recommendations made.	We did not identify any risks of significant weakness from our initial planning work.	G No significant weaknesses in arrangements identified. No improvement recommendations made.
Governance	A No significant weaknesses in arrangements identified. But a prior year recommendation related to gifts and hospitality register was not implemented in 2022-23.	We did not identify any risks of significant weakness from our initial planning work.	A No significant weaknesses in arrangements identified, however, one improvement recommendation has been raised to support the Authority in enhancing arrangements for Governance. These relate to the Member Code of Conduct policy review and understanding. See page 14 for further details.
Improving economy, efficiency and effectiveness	G No significant weaknesses in arrangements identified. No improvement recommendations made.	We did not identify any risks of significant weakness from our initial planning work.	G No significant weaknesses in arrangements identified. No improvement recommendations made.

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

# **Opinion on the financial statements and use of auditor's powers**



# Opinion on the financial statements



## Audit opinion on the financial statements

At the date of this Report, our audit of the Authority's 2023-24 accounts is substantially complete with the exception of assurances from the auditor of Cumbria Pension Fund regarding the Authority's share of the pension fund balance.

We expect to issue an unqualified opinion on the Authority's financial statements upon receipt of all outstanding information, however, due to the timing of the pension fund audit, this is likely to be in early 2025.

The full opinion will be included in the Authority's Financial Statements for 2023-24, which can be obtained from the Authority's website.

## Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local Authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Authority's Ethical Standard.

## Findings from the audit of the financial statements

The Authority provided draft accounts in line with the national deadline – which was a continued significant achievement given the national challenges on the timeliness of local authority accounts.

Draft financial statements were of a good standard and supported by detailed working papers. Our work is substantially complete and is subject to satisfactory completion of outstanding matters detailed within the 'Headlines' section of our Audit Findings (ISA260) Report.

For our significant risks of management over-ride of controls, valuation of land, building and investment property and fraud revenue recognition we undertook the planned auditor procedures per our Audit Plan. We obtained sufficient appropriate audit evidence and concluded that there was no risk of material misstatement. Our work on the valuation of the Authority's share of the pension fund is still ongoing.

As part of our audit, we have identified two non-significant control deficiencies in relation to IT general controls and IFRS 16 leases. Further details are included in our Audit Findings (ISA260) Report.

## Audit Findings (ISA260) Report

We report the detailed findings from our audit in our Audit Findings Report. Our report will be presented to the Governance Committee on 3 October 2024. Requests for this Audit Findings Report should be directed to the Authority.

# Use of auditor's powers

We bring the following matters to your attention:

	<b>2023-24 situation:</b>
<p><b>Statutory recommendations</b></p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.</p>	<p>We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p>
<p><b>Public Interest Report</b></p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.</p>	<p>We did not issue a public interest report.</p>
<p><b>Application to the Court</b></p> <p>Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.</p>	<p>We did not make an application to the Court.</p>
<p><b>Advisory notice</b></p> <p>Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the Authority or an officer of the Authority:</p> <ul style="list-style-type: none"> <li>• is about to make or has made a decision which involves or would involve the Authority incurring unlawful expenditure,</li> <li>• is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or</li> <li>• is about to enter an item of account, the entry of which is unlawful.</li> </ul>	<p>We did not issue any advisory notices.</p>
<p><b>Judicial review</b></p> <p>Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an Authority, or of a failure by an Authority to act, which it is reasonable to believe would have an effect on the accounts of that body.</p>	<p>We did not make an application for judicial review.</p>

# **Value for Money Commentary on arrangements**



# The current landscape

**It is within this context that we set out our commentary on the Authority's value for money arrangements in 2023-24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.**



## National context

Local government in England remains a challenged sector. In recent years, generationally significant levels of inflation put pressure on Authority's general fund revenue and capital expenditure. The associated cost of living crisis drove an increase in demand for public sector services such as social care and homelessness, or impact on leisure time and possible visitor numbers at national parks. At the same time, the crisis impacted adversely on key areas of income that were needed to service the increase in demand, for example fees and charges that national parks rely on to support the financial position over and above the National Park Grant.

In January 2024, the UK government announced an additional £600 million for local government, but the Spring Budget for 2024 brought little in the way of any further support. Rising costs of delivering services, coupled with workforce shortages in key areas, supply chain fragility, and rising interest rates for servicing debt, brought a level of crisis to the local government sector perhaps never experienced before. Current warning signs of difficulty include:

- Seven authorities issuing eleven section 114 notices between 2019 and 2023, compared with two authorities issuing notices between 2001 and 2018, with an increasing number of other authorities publicly warning of a section 114 risk
- A total of 20 authorities awarded with government approval for exceptional financial support during 2024-25, totalling approximately £1.5 billion. Only six of these authorities had previously issued a section 114 notice
- The Local Government Association warning that authorities in England face a funding gap of £4 billion over 2023-24 and 2024-25.

Local government, including National Park Authorities, is coming under an increased spotlight in terms of how the sector responds to the financial challenge it faces. Since the start of 2024, the UK government has emphasised the need for increased productivity rather than increased funding. New plans were announced by the then Chancellor in March 2024 for public sector productivity to deliver up to £1.8 billion worth of benefits by 2029. Authorities have subsequently been asked to submit productivity plans, showing how they will improve service performance and reduce wasteful spend. National park authorities have two roles: to conserve and enhance the park, and to promote its use by visitors. These two objectives cause frequent conflicts between the needs of different groups of people. It is estimated that the national parks of England and Wales receive 110 million visitors each year. Most of the time it is possible to achieve both the original two purposes by good management. Occasionally a situation arises where access for the public is in direct conflict with conservation.

Following the outcome of the general election in July 2024 any changes to government policy relating to the sector are at present uncertain.



## Local context

Lake District National Park Authority (the Authority) is a National Park Authority covering 885 square miles over the county of Cumbria. The Authority conserves and enhances the natural beauty, wildlife and cultural heritage of the county of Cumbria and promotes opportunities for the understanding and enjoyment of the area by the public.

Slightly over half the members of each national park Authority are appointees from the principal local authorities covered by the park; the remainder are appointed by DEFRA. The Authority has 22 Members and meets every quarter to consider strategic reports and make key business decisions.

The Authority Plan covering the period 2020 to 2026 sets out the Authority's contribution to enabling communities to work together successfully. This Plan sets out the Authority's vision and strategic priorities: driving economic prosperity; Creating stronger healthier communities; creating sustainable development and housing; protecting our natural environment, climate and ecology; and becoming a more responsive, customer focused Authority.

# Financial sustainability



We considered how the audited body:	Commentary on arrangements	Assessment
ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;	Through a combination of budget monitoring, in-year adjustments, and reviews of income and expenditure, key pressures were identified, such as increased costs for fuel and wages, lower-than-expected income from visitor services due to economic conditions and poor weather, together with flat core funding from DEFRA. These pressures were built into short and medium-term plans by adjusting budgets, using reserves strategically, and revising operating models, particularly within Visitor Services. This approach helped the Authority manage financial challenges and close the year in a slightly better-than-expected position with a surplus against budget of £8,158k.	G
plans to bridge its funding gaps and identifies achievable savings	The 2024-25 budget and Medium Term Financial Strategy (MTFS) approved by the Full Authority in March 2024 showed no savings requirement for 2024-25 but identified savings targets for subsequent years. For the years 2025-26 and 2026-27, savings of £100k is needed each year. This increases to £250k for the years 2027- 8 and 2028/29. A change in VAT treatment of sports and leisure supplies are expected to cover the remaining savings of £200k needed for 2025-26 and 2026-27. The budgeting process remains unchanged, with various stakeholders involved in the savings plan development. Savings against schemes are regularly monitored and reported at Resources committee. For example, significant savings related to Lakeshore Phase 2 were reported, resulting in a reduced total budget for the scheme.	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The MTFS outlines the Authority's financial management approach to support its business plan objectives, with a focus on aligning capital spending, investment, and borrowing decisions with the Authority's goals. The strategy also emphasises the use of project management methodology for all capital projects to manage risks and ensure objectives are met. In 2023-24, the Authority enhanced its financial resilience through visitor services improvements to make Brockhole and information centres more financially sustainable, setting financial targets to ensure sufficient income. The MTFS provided clear analysis of expenditure by type and service, forecasting resources for service delivery based on fundamental assumptions and considering fluctuating visitor services income.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Authority's financial plan focuses on engaging the full organisation in service delivery. The MTFS addresses financial risks by increasing income-generating activities and maximising revenue. Funds are allocated for climate change initiatives, and the Authority has joined the UN Race to Zero. The Treasury Management Strategy controls risks and considers the potential need for any borrowing (although none has been required to date). The 2023-24 capital programme was fully financed, with spending funded through various sources. Changes in visitor services led to budget reviews and financial pressures. The Resources Committee regularly reviewed the affordability and risk of the capital budget.	G
identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	The Authority identifies and manages risks to financial resilience through assessments, scenario planning, sensitivity testing for income and expenditure, building reserves, and using planned underspends to manage variances. The 2023-24 financial resilience assessment showed that the Authority has financial risks but is resilient and aims to set a balanced budget for 2024-25 and beyond, subject to achievable savings – which it did. It addresses challenges to assumptions underlying its plans and maintains a satisfactory level of resilience to set a balanced budget for the upcoming years.	G

**G** No significant weaknesses in arrangements identified or improvement recommendation made.

**A** No significant weaknesses in arrangements identified, but improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendations made.

# Governance



## We considered how the Audited Body:

### Commentary on arrangements

### Assessment

<p>monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Risk Management Strategy outlines the Authority's approach to managing significant risks. It is annually reviewed and approved by the Governance Committee. The strategy includes a risk appetite statement and utilises a risk appetite map to monitor key risks. Corporate and Business Plan risks are regularly reviewed and updated, with high-risk scores reported to the Executive Board and Resources Committee quarterly. Internal Audit, follows the Public Sector Internal Audit Standards and found the Authority's risk management and controls to be effective. The 2023-24 Audit Plan covered 51 days, with six reviews conducted, showing mostly 'substantial' levels of assurance. The Authority has anti-fraud measures, with no significant fraud or corruption issues reported in 2023-24.</p>	<p>G</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The Authority involves directors and service managers in identifying growth areas, pressures, and potential savings in the budget-setting process. In 2023-24, it conducted spending analysis and ensured consistency through standardised templates and guidelines. Senior management and the leadership team reviewed and approved the 2024-25 budget before sharing with the Full Authority in March 2024. The budget is closely linked to the MTFs for long-term financial strategy alignment.</p>	<p>G</p>
<p>ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information; supports statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Authority ensures budgetary control and communicates relevant management information to Members. The 2023-24 budget monitoring reports provided clear summaries of financial positions and variances, highlighting significant risks like Visitor Services. The Authority remained debt-free and utilised reserves for partnership priorities. Non-financial data, such as sickness absences, were reported separately but consistently overseen by the Resources Committee. The 2023-24 Wellbeing Report noted a 2.3% sickness absence rate, below internal and national averages, with minor illnesses being the primary causes.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>Scrutiny from the Resources Committee and Executive Board supports key decisions like the Budget report and MTFs. The Authority Handbook and Local Code of Corporate Governance ensure compliance with legal standards. The Authority operates through various committees, governed by an updated constitution accessible to all. Annual self-assessments were undertaken by Resources and Governance committees to foster effective decision-making and constructive challenge. In 2023-24, the Authority welcomed ten new members, providing induction training.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.</p>	<p>The Authority and has adapted to new procurement regulations and improved its register of interests and gifts &amp; hospitality (following our previous recommendation) to include details such as Rationale, Source and Approval. In July 2024, the Governance Committee reviewed complaints data for 2023-24 (the Authority received 28 complaints in the year). This highlighted gaps in recording and consistency, but with corresponding plans to improve. There was one formal complaint reported against a member for a breach of the Code of Conduct, resulting in sanctions. The Member Code of Conduct was last revised in November 2021 and training logs showed one session was held in June 2023 on Complaints and Code of Conduct which was well attended by Members. However, we note a need to clarify the relevance of key elements of the Authority's handbook on a timely basis, and Members' explicit confirmation of their understanding. We have raised an improvement recommendation in relation to this - see page 14 for more details.</p>	<p>A</p>

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.

# Governance (continued)



## Areas for improvement

One formal complaint was made against a Member in 2023-24 regarding a member's behaviour on a planning application at a Parish Council meeting. The Monitoring Officer found there was a breach of the Code, as it could be perceived that the Member used their position improperly to the advantage of a third party.

The last review of the Member Code of Conduct was in 2021 and we understand no updates are currently planned. Whilst there is no mandatory frequency for updating the Member Code of Conduct, a periodic review every two to three years would help maintain its relevance and effectiveness, ensuring that all members are up-to-date with the latest standards and expectations.

At the start of 2023-24, the Authority welcomed ten new members, prompting extensive general and committee-specific training. The Member training schedule for April 2023 to November 2024 showed only one session specifically focused on "Complaints, Code of Conduct Training" was planned and conducted in June 2023 for Authority Members with 17 attending.

The motion of 'no confidence' passed by the Lakes Parish Council in June 2024 against the Authority highlighted: "There is a critical flaw in how seats on the DCC (development control committee) are allocated and not transparently elected, with too few members making crucial decisions without adequate local knowledge or accountability".

It is our view that the following improvement recommendations will help reinforce ethical standards, improve understanding of responsibilities, and enhance effective and transparent governance.

### Improvement recommendation 1: We recommend that the Authority:

- Clearly states to the Governance Committee on an annual basis that the Authority Handbook, incorporating the Member Code of Conduct, has been reviewed for relevance and updated where necessary.
- On an annual basis all Members should confirm they have read and understood the Authority's Complaints procedures and Code of Conduct.

# Improving economy, efficiency and effectiveness



We considered how the audited body:

## Commentary on arrangements

## Assessment

<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>Financial and non-financial performance is reported quarterly to the Resources Committee for review and oversight. The Business Plan includes 17 key actions with target dates, mapped to vision outcomes, and estimated financial costs, allowing for clear tracking of progress. Performance against these key actions is reported quarterly, using a RAG rating system for effective challenge. At the end of 2023-24, 14 out of 17 key actions were completed. The three remaining actions, originally planned for completion, were carried forward to 2024-25. These actions related to Carbon offsetting, Farming and Nature Recovery, and Digital Services, with plans for further work such as the launch of the new LDNPA website by July 2025. The quarter one 2024-25 performance report indicates that these actions were on track and rated green. The Authority benchmarks sickness absence management using external data sources like the Office for National Statistics (ONS) and participates in the national park indicator set to evaluate the effectiveness of its management strategies.</p>	<p>G</p>
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The Authority evaluates its services by monitoring performance against Business Plan and performance indicator targets, comparing with other national parks, and reviewing progress quarterly. Challenges in planning performance, particularly enforcement, were identified and addressed, leading to improvements. The latest performance report from 2023-24, showed that while there are still challenges, overall performance has improved. Decisions are supported by detailed reports and relevant information, informing decision-making. For example, the Authority's commitment to the UN Race to Zero initiative reflects its commitment to climate action. Also, to improve Visitor Centre services, in February 2024, the Authority opened a new centre in Hawkshead, creating jobs and an aim of enhancing visitor information and services.</p>	<p>G</p>
<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>The Authority ensures its role within partnerships by aligning its Business Plan with the Lake District National Park Partnership Plan and actively engaging with partner organisations such as Natural Trust. It involves partner representatives in monitoring the progress of actions through the Key Outcome Groups (KOGs), reporting to the Park Strategy and Vision Committee. At end of 2023-24, the Committee noted progress across the KOGs with actions being refined and aligned with current opportunities and realistic delivery goals. For example, Vibrant Communities &amp; Prosperous Economy - prioritised actions have been reworded for greater focus, with two new actions proposed related to climate resilience and affordable housing.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Authority evaluates the benefits of its procurement activities through monitoring and governance oversight. Updates to contract standing orders are ongoing and will be presented to the Full Authority in September 2024. Each service line manager is responsible for monitoring contract implementation and performance, ensuring accountability is distributed across the Authority. The Commercial Strategy Board (CSB) oversees strategic projects to increase income and improve efficiency. For example, Lakeshore Phase 2 Project budget was reduced in Q2 2023-24 following a revised business case presented to the CSB, demonstrating effective cost management and resource optimisation. Regular reports on capital project performance, budget adjustments, and resource allocation are provided to the Resource Committee and Full Authority.</p>	<p>G</p>

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.

**Value for Money  
Recommendations raised in  
2023-24**



# Recommendations raised in 2023-24

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>We recommend that the Authority:</p> <ul style="list-style-type: none"> <li>Clearly states to the Governance Committee on an annual basis that the Authority Handbook, incorporating the Member Code of Conduct, has been reviewed for relevance and updated where necessary.</li> <li>On an annual basis all Members should confirm they have read and understood the Authority's Complaints procedures and Code of Conduct</li> </ul>	Improvement	Governance	Review of Members Training log; Media reports; Members Code of Conduct and minutes of Governance Committee Meetings.	The lack of evidenced updates to the Member Code of Conduct and member awareness of this, could impact the Authority's ability to reinforce ethical standards, improve understanding of responsibilities, and ensure effective and transparent governance.	<p><b>Actions:</b> Management acknowledge the importance of member training on standards and ensuring codes of conduct are regularly reviewed. Management will obtain an annual declaration from Members that they understand the requirements of the Members code of conduct (to be integrated with existing year end declarations) and will ensure that a confirmation is made, as part of the annual updates to the authority handbook, that all sections have been reviewed and updated where necessary.</p> <p><b>Responsible Officer:</b> Financial Services Manager/Authority Solicitor</p> <p><b>Due Date:</b> To be implemented for 2024/25 accounts/handbook review cycle</p>

\* Explanations of the different types of recommendations which can be made are summarised at Appendix B.

# Appendices

# Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Head of Resources (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Head of Resources (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Head of Resources (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on Authority accounting in the United Kingdom. In preparing the financial statements, the Head of Resources (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money Auditor responsibilities



## Value for Money arrangements work

All Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Authority's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

### Financial Sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

### Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Authority makes decisions based on appropriate information.

### Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023-24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

## Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Authority's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Authority's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at full Authority and a public response.
- **Key recommendations** – actions which should be taken by the Authority where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Authority's arrangements.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>Gifts and Hospitality Register:</b> Prepare more robust gifts and hospitality register that includes clear reporting on the following:</p> <ul style="list-style-type: none"> <li>perceived or real threat</li> <li>rationale for acceptance</li> <li>who it is from and any related service provisions to the Authority</li> <li>approvals where appropriate including what safeguards are in place to protect independence, objectivity and integrity of the recipient.</li> </ul>	Improvement	2021-22	The Authority's gifts and hospitality register includes the following details: Perceived or Real Threat; Rationale for Acceptance; Source and Line manager approvals are noted.	Yes	No

\*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

