

Lake District National Park Authority

Audit progress and sector update report

29 July 2026



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Audit Progress Report

Introduction

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This paper provides the Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress as at July 2026

Financial Statements Audit

Regular liaison meetings have been held with management to discuss key developments, emerging risks and to ensure alignment throughout the audit process.

We have completed our initial risk assessment procedures and updated our documentation on the design effectiveness of key systems and controls, which has informed the development and issue of our Audit Plan.

In addition, we have selected and undertaken substantive testing on advanced samples across a number of audit areas. This approach is intended to reduce the amount of year-end testing and therefore help to ease the operational burden and reduce time pressures during the final audit phase.

Value for Money

We have made good progress in respect of our value for money work to date. An initial planning meeting has been held with management to discuss our proposed approach and areas of audit focus, including obtaining an update on progress made in addressing the improvement recommendation raised in 2024/25.

Our planning procedures have been completed, incorporating consideration of the Authority's strategic context and relevant risks. Fieldwork has begun and is well advanced, supported by further structured engagement with management and detailed review of key Authority documentation, including the business plan, medium-term financial strategy and budget monitoring reports, alongside other supporting evidence.

Progress as at July 2026 (continued)

Meetings

Since commencement of our work in respect of the audit year 2025/26 we have met with Peter Notley (Head of Resources) and Serena Armstrong (Financial Services Manager).

We have

- agreed a timetable and deliverables with Management;
- issued the Audit Plan to Management and presented it to the Governance Committee;
- documented the design effectiveness of systems and processes;
- held progress meetings with Management;
- undertaken planning risk assessment procedures; and
- selected and tested advanced samples

Audit Fees

PSAA published their scale fees for 2025/26: [2025/26 audit fee scale - PSAA](#)

For Lake District National Park Authority these fees are £58,455 for the Authority audit. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Events

We provide a range of workshops and network events.

Events that have taken place recently include a webinar exploring the roles and responsibilities of Audit Committee Chairs and members, and how the Audit Committee functions within a wider governance landscape.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.	Issued to management on 23 March 2026 and presented to the Governance Committee on 15 April 2026.	Issued.
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	September 2026	Not yet due.
Auditor's Report This includes the opinion on your financial statements.	September 2026	Not yet due.
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	September 2026	Not yet due.

Sector Updates

Latest changes to laws and regulations

For information: Recent legal and regulatory changes that Audit Committees need to be aware of.

Changes that Audit Committees need to be aware of:	Dates	Further information
English Devolution and Community Empowerments Act	29 th April 2026 – Royal Assent	Enhanced powers and responsibilities for local government, and new local audit arrangements
Renter Rights Act	1 st May 2026 – Officially took effect	Introduces new duties for local authorities to take enforcement action for beaches and tenancy law by private landlords
Social Housing Renewal Bill	13 th May 2026 – King’s Speech	Changes to eligibility requirements, discount rules and exemptions planned for Right to Buy
Overnight Visitor Levy Bill	13 th May 2026 – King’s Speech	Mayors and potentially other local leaders to be able to change new tourist taxes
Education for All Bill	13 th May 2026 – King’s Speech	Planned changes to arrangements for young people with Special Educational Needs and Disabilities
Public Office (Accounting Bill)	13 th May 2026 – King’s Speech	Introduces new duties of candour for local authorities and other public bodies
Town and Country Planning (local Planning) (England) Regulations 2026	25 th March 2026 – Statutory Instruments	New system introduced for Local Plans
Combined Authorities (overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Order 2026	14 th May 2026 – Statutory Instruments	Provides a formal mechanism for setting commissioner allowances in Combined Authorities and Combines County Authorities
Sporting Events Bill	14 th May 2026 – Impact Assessment and DCMS Memorandum	Proposes new enforcement powers for local authorities in ticketing protection

CIPFA Bulletin 23 – Closure of the 2025/26 financial statements

CIPFA has issued Bulletin 23 (April 2026) to support authorities in preparing the 2025/26 Statement of Accounts. The bulletin covers key areas that authorities should consider for 2025/26.

Indexation of non-investment assets

The bulletin includes a useful list of answers to frequently asked questions on indexation for preparers of accounts.

Key reminders include:

- ❖ Authorities need to adopt a five-year revaluation cycle, with indexation in intervening years, replacing more frequent revaluations.
- ❖ It applies to most property, plant and equipment, excluding council dwellings, along with leased assets if measured at valuation.
- ❖ Indexation maintains asset values in line with market changes, and authorities should continue to review asset lives and indicators of impairment.
- ❖ CIPFA do not prescribe which indices authorities may use - authorities must select appropriate indices, justify choices, and use the latest available data.
- ❖ In rare cases where no index is available a desktop valuation is required in year three.

For a full copy of Bulletin 23, see [CIPFA Bulletin 23 – Closure of the 2025/26 financial statements | CIPFA](#)

More detailed guidance on indexation is available in CIPFA's [CIPFA Bulletin 22 Indexation application guidance | CIPFA](#)

Audit Committees can help by asking:

- ❖ What assurance is available that the indexation applied is appropriate for the authority's various assets within the scope of indexation, and is supported by sufficient external evidence and professional input?

Valuing people

For information: Audit Committees need to be mindful of workforce and people-related challenges facing the sector.

The Public Services People Manager's Association held their latest Annual Conference in Birmingham in April this year and heard thoughts on whether the time is right for Chief People Officer to become a statutory role, equivalent to Monitoring and s151 Officer.

With challenges around skills retention, and with local government reorganisation creating uncertainty and instability for those employed across the sector, the timing for this debate could perhaps never be better.

Local Government Association workforce data shows that:

- ❖ More than 1 million people are directly employed by councils across England, at a cost of £35.8 billion per annum; and
- ❖ More than one million additional people are employed in council-commissioned Adult Social Care through the private sector.

In addition to those formally employed across the local government sector, the Health Foundation recently estimated that 1 in 6 adults in the UK carry out unpaid care work, providing essential top up for public services that are the statutory responsibility of local authorities.

CQC is currently consulting on proposed changes to its regulatory process. The intention is to replace 34 “Quality Statements” with 24 “Key Lines of Enquiry”, looking at how local authorities deliver care and, amongst other things, lending greater weight to how local authorities work professionally with the unpaid carers whose work supports statutory provision.

Carers UK held an inaugural State of Caring conference in May 2026 hearing, amongst other things, about the tipping point unpaid carers can reach if not given the right support. CQC’s change of emphasis seems a well-timed recognition of the reality of how significant elements of social care are provided across England today.



Fit for purpose - partnerships and procurement

Audit Committees need to ask their authorities how robust their leisure partnerships and procurement are.

Whilst high profile government announcements in May on the Olympics and stadium regeneration highlighted the economic importance of sport for regeneration in local areas, councils are already doing an excellent job using leisure contracts to deliver health and social care impacts in their areas.

SOLACE and Alliance Leisure held a roundtable in April 2026 highlighting the role that local authority leisure centres are starting to play in the NHS ten-year plan's health prevention agenda, including:

- ❖ Co-locating libraries and community services with leisure centres; and
- ❖ Providing clinical deliveries such as health checks and rehabilitation at leisure centres.

To make the most of the opportunities their leisure estate provides, councils need to develop and maintain effective relationships not only with the NHS and community and voluntary groups, but also with the commercial contract partners that manage and operate the centres.



In April, one of England's largest outsourced leisure centre operators (Fusion Lifestyle), appointed administrators following multiple financial distresses built up in the wake of the Covid-19 pandemic; rising energy costs; and reduced government funding. Affected councils have had to take their leisure services back in house while they look for alternative providers.

Financial pressure is common across the sector, and there is a risk of disruption elsewhere in England.

Audit Committees can help by asking officers:

- ❖ Are our services for residents and schools at risk?
- ❖ When was the last time we checked the financial health of our contract operators?
- ❖ Do we have a register of community and voluntary sector partners that we are co-delivering social and health prevention impacts with?
- ❖ When was the last time our leisure estates strategy was updated? Are we optimising the use of the estates that we have?
- ❖ How are we measuring the performance of our leisure estates and leisure contracts?
- ❖ Where applicable, what oversight is the health scrutiny committee exercising?

Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>



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