Lake District National Park Authority

Auditor's Annual Report
Year ending 31 March 2026

September 2026



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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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01 Introduction and context

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Introduction

This report brings together a summary of all the work we have undertaken for Lake District National Park Authority (the Authority) during 2025/26 as the appointed external auditor. The core element of the report is the commentary on the Value for Money (VfM) arrangements. The responsibilities of the Authority are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

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 2026 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 2025/26
- 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.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Authority which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

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

During 2024/25, the NAO consulted on and updated the Code to align it with accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. The deadline requirement for 2025/26 AARs is 30 November 2026.

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02 Executive Summary

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Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Authority's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2024/25 Assessment of arrangements		2025/26 Risk assessment	2025/26 Assessment of arrangements	
Financial sustainability	A	No significant weaknesses in arrangements identified, but one improvement recommendation made relating to strengthening financial forecasting.	No risks of significant weakness identified.	G	No significant weaknesses in arrangements identified and no improvement recommendations made.
Governance	G	No significant weaknesses in arrangements identified. No improvement recommendations made.	No risks of significant weakness identified.	G	No significant weaknesses in arrangements identified and no improvement recommendations made.
Improving economy, efficiency and effectiveness	G	No significant weaknesses in arrangements identified. No improvement recommendations made.	No risks of significant weakness identified.	A	No significant weaknesses in arrangements identified. One improvement recommendation has been made which impacts improving economy, efficiency and effectiveness.

G No significant weaknesses or improvement recommendations.
A No significant weaknesses, improvement recommendation(s) made.
R Significant weaknesses in arrangements identified and key recommendation(s) made.

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Executive Summary

We set out below the key findings from our commentary on the Authority's arrangements in respect of value for money.



Financial sustainability

The Authority concluded 2025/26 in a strong financial position, delivering a £731k favourable General Fund outcome. Strong Visitor Services performance, higher investment income, staffing underspends and effective cost control strengthened reserves and improved financial resilience. Robust financial planning is supported by a well-developed MTFS, structured savings programme and regular financial resilience assessments. The previous improvement recommendation on forecasting vacancy savings and staff recharges has been addressed through enhanced in-year monitoring, with outturn performance broadly aligned to forecasts. No significant weaknesses were identified; however, continued focus on medium-term savings delivery, funding uncertainty, commercial income and green finance initiatives will be important to sustaining long-term value for money.



Governance

The Authority continues to demonstrate effective governance arrangements, supported by a robust risk management framework, comprehensive internal audit coverage and effective member oversight. Risk, performance and financial reporting provide timely information to support informed decision-making, while the Governance and Resources Committees provide effective scrutiny and challenge. Internal audit work and the Annual Governance Statement identified no significant governance weaknesses, and governance arrangements remain fit for purpose. No significant weaknesses or improvement recommendations were identified; however, continued focus on data management, cyber security and member development will support ongoing governance effectiveness and organisational resilience.



Improving economy, efficiency and effectiveness

The Authority continues to demonstrate effective arrangements for monitoring performance, managing resources and delivering its strategic objectives. Performance, financial and risk information is reported regularly to members, enabling timely identification of issues and corrective action where required. Delivery against the Business Plan remained strong in 2025/26, supported by effective partnership working, stakeholder engagement and clear governance arrangements. No significant weaknesses were identified. However, we have identified an improvement recommendation to strengthen the documentation of value for money assessment, procurement compliance and conflict of interest considerations when procuring specialist valuation services.

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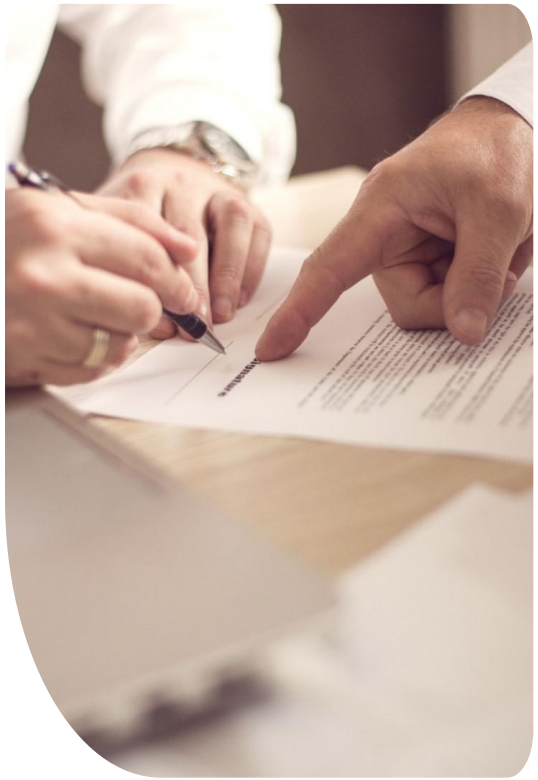
Executive summary – auditor's other responsibilities

This page summarises our opinion on the Authority's financial statements and sets out whether we have used any of the other powers available to us as the Authority's auditors.

Auditor's responsibility	2025/26 outcome
Opinion on the Financial Statements	We have nearly completed our audit of your financial statements and anticipate issuing an unqualified audit opinion , following Governance Committee meeting on 23 September 2026. Our findings are set out in further detail on pages 10 to 12.
Use of auditor's powers	We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



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

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Opinion on the financial statements

These pages set out the key findings from our audit of the Authority's financial statements, and whether we have used any of the other powers available to us as the Authority's auditors.

Audit opinion on the financial statements

We anticipate issuing an unqualified opinion on the Authority's financial statements on following the Governance Committee on 23 September 2026.

The full opinion is included in the Authority's Annual Report for 2025/26, 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 2026 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 2025/26
- 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 NAO Code of Audit Practice (2024), and applicable law. We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Authority provided draft accounts in line with the national deadline of 30 June 2026.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was presented to the Authority's Governance Committee on 23 September 2026. Requests for this Audit Findings Report should be directed to the Authority.

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Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.



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Use of auditor's powers

We bring the following matters to your attention:

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

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04 Value for Money commentary on arrangements

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Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

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

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether 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 budget management, risk management, and making 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.

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Financial sustainability – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority demonstrates strong and proactive arrangements to identify and manage short- and medium-term financial pressures through its Medium-Term Financial Strategy. Future funding gaps are clearly modelled, with quantified savings requirements supported by mitigating actions including delivery of the Commercial Strategy, service transformation and annual budget planning. Financial planning is further strengthened through sensitivity analysis and risk modelling, ensuring key uncertainties are reflected in decision-making. We identified no significant weaknesses or improvement opportunities. While continued focus on delivering future savings will be important as funding uncertainties develop, we are satisfied that sufficient arrangements are in place to support financial sustainability.	G
plans to bridge its funding gaps and identify achievable savings	We considered how the Authority develops plans to address future funding gaps and deliver achievable savings. The Authority maintains a structured savings and efficiencies programme embedded within its Medium-Term Financial Strategy (MTFS), with a phased approach to addressing projected funding gaps through to 2030/31. Savings proposals are developed across services, subject to regular Member scrutiny, and categorised according to delivery status and risk. This enables effective monitoring and provides a more systematic and forward-looking approach to financial sustainability, supported by a savings and investment reserve to help manage delivery risks and timing differences.	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	Financial decisions are aligned to the 2025–2028 Business Plan and its six organisational priorities, with growth proposals subject to formal approval and validation of planning assumptions by service and finance teams. Regular monitoring by the Strategic Leadership Team and quarterly scrutiny by the Resources Committee provide oversight of financial performance, resource allocation and delivery against strategic objectives, supporting accountability and responsiveness to changing circumstances.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
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	Capital investment is prioritised based on need, affordability and business case strength, in line with the Property Asset Management Strategy (PAMS), which is being updated to incorporate natural capital principles. Investment priorities are reviewed quarterly and adjusted as required. Treasury management complies with CIPFA standards, with borrowing undertaken only where necessary. Investment performance exceeded expectations in 2025/26, and the Authority's net zero commitment for 2030 is embedded within capital and revenue budgets. Workforce risks are managed through annual reviews aligning staffing needs with Business Plan delivery. Targeted recruitment supports skills development and workforce diversity.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Authority continues to demonstrate a mature approach to risk management, supported by regular Financial Resilience Assessments and arrangements aligned with CIPFA's Financial Management Code. Financial risks are reviewed through the MTFS, which includes sensitivity analysis of 1%–10% variations in key income and expenditure assumptions. Key risks, including pay inflation, fluctuations in commercial and visitor income, and uncertainty over future grant funding, are reflected within the MTFS. The strategy assumes the General Fund and Trading Reserve are maintained at target levels of £1.5m (minimum £1m) and £0.5m respectively, with reserve balances monitored through in-year financial reporting.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Governance – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	We considered how the Authority monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud. We found that the Authority has appropriate arrangements in place, including a formal risk management framework, risk-based internal audit programme, annual governance review, member oversight and whistleblowing arrangements, which together provide effective assurance over governance, risk management, internal control and fraud prevention and detection.	G
approaches and carries out its annual budget setting process	In 2025/26, the Authority's budget-setting process remained consistent with previous years, with established arrangements operating effectively. Service planning, budget holder challenge and strategic discussions informed budget development, while operational changes, including the Brockhole operating model, were managed through existing governance and financial monitoring processes. The Strategic Leadership Team regularly reviewed Service Plans and risks, and the draft budget and MTFS 2026/27–2030/31 were scrutinised by the Resources Committee before approval by the Full Authority in March 2026. The budget was developed in line with the MTFS, supporting medium-term financial sustainability.	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	Based on our work, we identified that the Authority has effective arrangements in place to support budgetary control, financial management and performance monitoring. Regular budget monitoring and outturn reporting provided members with timely and accurate information on revenue, capital and treasury performance, while separate performance and risk reporting ensured appropriate oversight of operational and workforce information, enabling informed scrutiny and corrective action where required.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Authority has effective governance arrangements in place to ensure decisions are informed by robust evidence, subject to appropriate scrutiny, and delivered transparently. We identified no significant weaknesses or material improvement opportunities and conclude that sufficient evidence has been obtained to support this assessment	G
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	We considered how the Authority monitors and ensures appropriate standards, including compliance with legislative and regulatory requirements, member and officer conduct, and procurement and commissioning activities. The Authority has established arrangements including governance oversight, codes of conduct, declarations of interest processes, mandatory training, and monitoring through the Governance and Resources Committees. Internal audit provided substantial assurance over procurement arrangements, and the Authority reported no significant breaches of legislation, regulatory requirements or governance standards during 2025/26. Based on our work, we identified no significant weaknesses or improvement opportunities and are satisfied that sufficient arrangements are in place.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Authority monitors performance through an integrated framework covering financial performance, Business Plan delivery, service outcomes and risk management. Performance and Risk Monitoring Reports are presented quarterly to Members, enabling oversight of progress against strategic objectives, service performance and key risks, supported by RAG ratings and mitigation plans where required. At Quarter 4, performance remained positive overall. Of 19 Business Plan actions, 15 (79%) were completed, with four rated not complete due to capacity constraints, vacancies, external dependencies and partner-led timescales. Four of six service areas were rated green, while Development Management and Strategy and Partnerships were rated amber due to workload pressures, resource constraints and external factors. Workforce performance continued to be monitored through measures including sickness absence, appraisal completion, staff satisfaction and volunteer engagement. Performance measures are reviewed regularly to ensure they remain relevant and support decision-making. Ongoing monitoring by the Strategic Leadership Team helps identify underperformance, understand underlying causes and implement appropriate corrective action. This supports continuous improvement, accountability and effective delivery of the Authority's strategic objectives.	G
evaluates the services it provides to assess performance and identify areas for improvement	We considered how the Authority evaluates the services it provides to assess performance and identify areas for improvement. The Authority has established arrangements for monitoring performance through quarterly Performance and Risk Monitoring Reports, which provide Members with oversight of Business Plan delivery, service performance, workforce metrics and risk management. Quarterly reporting and ongoing review by the Strategic Leadership Team enabled the Authority to identify underperformance, monitor key risks and implement mitigating actions where required. At year end, most Business Plan actions had been completed and planning performance continued to exceed Government thresholds, although some service areas remained subject to management action due to capacity pressures, enforcement caseloads and external dependencies. This demonstrated an active approach to identifying improvement opportunities and monitoring progress against them.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
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	We concluded that the Authority has established effective arrangements to deliver its role within significant partnerships and to engage with identified stakeholders in assessing whether it is meeting its objectives. The Authority actively leads and participates in a well-developed, system-wide Partnership Plan, which it shapes through broad multi-agency collaboration and public consultation, ensuring that strategic priorities reflect stakeholder needs and shared outcomes. It supports this with a clear governance and performance framework, including regular monitoring, structured reporting to Members and integration of partnership delivery into Business Plan priorities, enabling ongoing scrutiny of progress, risks and resource use. we are satisfied that the Authority's arrangements are sufficiently robust and operating effectively, with no significant weaknesses identified.	G
commissions or procures services, assessing whether it is realising the expected benefits	We considered how the Authority assesses whether it is realising the expected benefits from commissioned and procured services. The Authority has established arrangements to support procurement and contract management through formal procurement procedures; a comprehensive contract register and member oversight through the Resources Committee. During 2025/26, significant commissioning and procurement decisions, including the implementation of the Brockhole lease arrangement, were supported by external specialist advice, options appraisal, competitive procurement processes and due diligence, providing assurance that delivery models were informed by market evidence and expected outcomes. Contract performance, major procurement activity and capital programme delivery are monitored through regular reporting to Members, enabling oversight of progress and benefits realisation. We identified an improvement opportunity relating to the procurement of specialist valuation services, where the Authority did not fully document its consideration of alternative providers or how value for money, procurement compliance and conflict of interest risks were assessed. Whilst this does not represent a significant weakness, strengthening these arrangements would improve transparency and the Authority's ability to demonstrate that commissioned services achieve the optimum balance of economy, efficiency and effectiveness.	A

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Improving economy, efficiency and effectiveness

Area for Improvement: contract management

Key Finding: The Authority appointed a former employee to provide specialist valuation services; however, the absence of documented consideration of alternative providers and formal assessment of value for money, procurement compliance and conflict of interest risks limited its ability to demonstrate that the appointment achieved the optimum balance of economy, efficiency and effectiveness.

Evidence: The Authority appointed a former employee to undertake external valuation services, citing their familiarity with the Authority's asset portfolio and the relatively low cost of the engagement. The contract value was below the threshold requiring a full competitive tender. However, we were not provided with evidence that alternative providers had been considered or that value for money, procurement compliance and conflict of interest considerations had been formally assessed and documented as part of the appointment process. Whilst we identified no concerns regarding the quality or outcome of the valuation work undertaken, the lack of documented evidence limits the Authority's ability to demonstrate that the procurement process achieved best value and that actual or perceived independence risks were appropriately considered and managed.

Impact: The absence of documented procurement and conflict of interest assessments creates a risk that the Authority cannot demonstrate that appointments represent value for money or that actual and perceived independence risks have been appropriately considered and managed, potentially reducing transparency and assurance over procurement decisions.

Improvement Recommendation

IR1: The Authority should:

- The Authority should strengthen its arrangements for the procurement and management of specialist professional services by documenting the consideration of alternative providers, value for money assessments, procurement compliance requirements and any actual or perceived conflicts of interest. This will enhance transparency and provide assurance that procurement decisions are supported by robust evidence and achieve the optimum balance of economy, efficiency and effectiveness.

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05 Summary of Value for Money Recommendations raised in 2025/26

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR1	• The Authority should strengthen its arrangements for the procurement and management of specialist professional services by documenting the consideration of alternative providers, value for money assessments, procurement compliance requirements and any actual or perceived conflicts of interest. This will enhance transparency and provide assurance that procurement decisions are supported by robust evidence and achieve the optimum balance of economy, efficiency and effectiveness.	Improving economy, efficiency and effectiveness (pages 19 – 21)	**Management Response:** Management fully supports that compliance with procurement requirements is a key part of ensuring value for money. In this case we have followed our procurement procedures as set out in the authority handbook (part B) which, in turn, is consistent with the procurement act. The engagement of an external specialist who had knowledge of the Authority, having recently been an employee, ensured that we completed the necessary work to support year-end financial reporting around asset values. The Authority still has a vacant senior surveyor post. It is possible that we cannot attract a suitably qualified surveyor who can sign off internal asset valuations. In the case that we have to continue to rely on external support for year end valuation work, this would require a procedure involving at least three quotes." **Responsible Officer:** Head of Resources **Due Date:** Contingent

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06 Appendices

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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 Authority's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer 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.



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Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Authority's Value for Money arrangements

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.

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 – recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Authority where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Authority's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Authority
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Authority should strengthen its financial forecasting arrangements to capture more accurate estimates of vacancy underspends and staff charges to grants throughout the year.	2024/25	The Authority's previous improvement recommendation relating to the forecasting of vacancy savings and staff charges to grants can now be considered implemented. Staffing underspends and grant-funded staff recharges were clearly identified as key forecast drivers during the year, and the final outturn remained broadly consistent with the Period 9 forecast. The outturn report notes that the improvement beyond the Period 9 position was largely attributable to further Visitor Services improvements and the finalisation of staff time charged to grants and capital during the closedown process, demonstrating that these areas were being actively monitored and incorporated within in-year forecasting arrangements	Improvement recommendation closed.	No further action required.

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