Governance Committee

MINUTES of a meeting of the Governance Committee held at the National Park Office, Wayfaring House, Murley Moss Business Park, Kendal at 10.00 am on 15 April 2026.

Present

Ms J A Drake (Chair)
Mr W Clark
Mr M Kidd
Mr R G Minshaw
3 vacancies

Also in attendance

Chair of the Authority: Ms T Hunt MBE
Ms L Luddington, Engagement Lead, Grant Thornton UK LLP
Mr B Hall, Grant Thornton UK LLP
Mr M Derrick, Grant Thornton UK LLP
Mr T Taj, Audit Manager, TIAA (virtual)

Apologies

Mrs S Stolberg
Mr T Southorn
Mr D Tweddle

01/26 Apologies

Apologies were received from Mrs Stolberg, Mr Southorn (Independent Person), and Mr Tweddle (Independent Person).

02/26 Minutes

One Member noted that his name was spelt incorrectly in the Sub-Committee Minutes and this was agreed to be adjusted.

Decided: that the Minutes of the Governance Sub-Committee held on 6 August 2025, and the Minutes of the meeting held on 24 September 2025 be confirmed and signed by the Chair.

03/26 Chair's announcements

The Chair announced to the Committee and members of the public that the meeting was being livestreamed and that a digital recording of the meeting would be made.

04/26 Declarations of interest

There were no declarations of a registrable interest or disclosable pecuniary interest relating to any of the business of the Committee.

05/26 Questions

There were no questions relating to the business of the Committee.

06/26 Public participation

There were no questions, petitions or deputations of a general nature relating to the business of the Committee.

07/26 Risk Management Strategy

The Head of People and Organisational Development presented the report of the LDNPA Risk Management Strategy.

The Head of People and Organisational Development outlined that the Risk Management Strategy is reviewed annually and sets out the Authority's approach to identifying, mitigating and managing risk. The Committee was guided through the Authority's risk appetite statement (covering nine key areas of work) and the associated risk appetite map, which links risk appetite to tolerable risk scores. Following Strategic Leadership Team review, no significant changes were proposed to the risk appetite statement or risk appetite map. Minor updates to the Risk

Management Strategy included: updating the commercial strategy risk appetite to reflect delivery through the Commercial Strategy Board; the move to a one-year Business Plan; and the updating of the Organisational Strategy.

Members asked how risk scores are proposed and reviewed and were advised that risks are reviewed initially by the relevant Head of Service and then collectively by the Strategic Leadership Team.

Members also queried the higher tolerance for staff recruitment and retention. Officers explained this reflected the challenging recruitment market and the need for flexibility in approaches to recruitment, while noting that tolerable risk scores in that area remain low.

Decided:

a. Members reviewed and approved the Authority's Risk Management Strategy, as shown in Annex 2.

08/26 Corporate and Business Plan Risks Update

The Head of People and Organisational Development presented the report providing a summary of LDNPA key corporate and Business Plan risks at the end of February 2026.

Members were advised that nine corporate risks and six Business Plan risks were being monitored and that there were no risks rated critical or high, no risks with a score of 10 or above, and no risks with a red status. Five risks had an amber status: cyber risk and data security; external factors impacting the Authority; Development Management - enforcement; Special Area of Conservation planning reviews; and World Heritage inscription.

Four risk statuses and / or risk scores had improved since the last update in September 2025 including resource availability, reputation management, commercial

strategy and Brockhole. It was noted that the Brockhole risk had since been closed following site handover on 1 April 2026.

The cyber risk and data security score had increased since the previous update due to reduced completion of staff training modules, and work was underway with ICT to improve compliance, including consideration of making modules mandatory.

Members asked whether anything had changed at Greenside Mine since the last assessment and Officers advised that they were not aware of changes and that existing mitigations and checks remained in place.

Members welcomed the improved reputation management position, linking this to the Brockhole site handover and the positive impact of parish engagement events.

Members highlighted the importance of monitoring external political and economic factors that impact the Authority. Members also asked how Development Management enforcement would continue to improve and whether resourcing was sufficient. Officers highlighted historic backlogs and recent resourcing actions, noting that enforcement is now fully staffed with low attrition and limited reliance on agency staff.

Decided:

a. Members considered and noted the LDNPA key corporate and Business Plan risks as summarised in Annex 1 and detailed in Annexes 2, 3 and 4.

09/26 Accounting policies for the 2025 / 26 statement of accounts

The Financial Services Manager presented a report asking Members to approve the accounting policies to be used in the preparation of the Authority's Statement of Accounts for the financial year ended 31 March 2026.

It was explained to Members that the code of practice on local authority accounting ('the code') was quite prescriptive and only minor amendments were proposed.

Two updates were noted: a minor wording change to refer to both upward and downward revaluations and a change relating to the valuation and indexation of property, plant, and equipment.

Members asked for an outdated reference to be removed and queried how solar canopies would be classified. It was explained that these would be added to the asset register as a capital asset.

Decided:

a Members approved the accounting policies for the Statement of Accounts for 2025/26 as set out in Annex1; and

b Members delegated to the Section 151 Officer the ability to amend the accounting policies if required.

10/26 Annual Governance Review for 2025 / 26

The Head of Resources presented the findings of the annual review of governance arrangements for 2025 / 26 with reference to the CIPFA / SOLACE governance framework. A draft Annual Governance Statement was also presented for member consideration and approval.

Members were advised that the Local Code of Corporate Governance had been reviewed to ensure it remained current (with only minor updates such as terminology and names of bodies), and that there had been no significant governance changes during the year. Progress against actions from the previous governance review was reported, with all actions completed except the data management action, which would be carried forward.

Members discussed forward-looking areas for ongoing monitoring, including completion of data management improvements; continued work to address the prior value-for-money recommendation on financial forecasting and monitoring; a post-implementation review of proposed governance amendments affecting committees; oversight of the newly established Conservation Covenants Board; strengthening compliance with cyber training; and evaluation of business case and governance

considerations for the use of artificial intelligence. The Chair commented on the pace of AI development and supported the Authority's approach to keeping this under review.

Decided:

a Members approved the 2025/26 Local Code of Corporate Governance set out in Annex 2;

b Members noted progress in the delivery of actions from previous governance reviews in Annex 3;

c Members approved the draft Annual Governance Statement in Annex 4 and delegated to the Section 151 Officer the authority to make changes in the light of Governance Committee comments and any subsequent findings from internal or external audit.

11/26 External audit plan 2025-26

The Head of Resources introduced the report and Grant Thornton UK LLP presented the proposed External Audit Plan for 2025 / 26, outlining the scope, timetable, and planned approach for audit of the financial statements and value for money opinion 2025 / 26, for Members to note. This included early interim testing and an intention to complete fieldwork between July and September, ahead of statutory backstop deadlines.

Liz Luddington (the current Engagement Lead) from GT UK LLP introduced Mr M Derrick as the new Engagement lead who would be fulfilling her role moving forwards. The auditors highlighted the principal significant risks and their areas of intended work. It was noted that materiality would be revisited when draft accounts are received, and that, at the planning stage, no significant value-for-money risks had been identified.

Members sought clarification on what it means when a presumed fraud risk is "rebutted" under auditing standards and whether this reduces audit work. The auditors explained that rebutting a presumed risk means it does not meet the threshold of a "significant risk" requiring additional work over and above normal testing, although audit work is still undertaken on the balances.

Members also noted that audit fees had reduced slightly compared to the previous year; the auditors explained that the prior year included additional costs linked to IFRS 16.

The Committee welcomed the new Engagement Lead for the remainder of the audit.

Decided:

a. Members noted the External Audit Plan covering the 2025/26 financial year, at Annex 1.

12/26 External Audit Questions of Management 2025-26

The Head of Resources presented a report providing responses to the Auditor's enquiries on a number of areas to support their planning. Members were advised there had been no significant changes to the governance framework.

Officers highlighted matters flagged to the auditors for consideration, including the Code-driven introduction of indexation within valuations, the potential accounting implications of the Brockhole lease (effective 1 April 2026) for asset valuation / classification, and the proposed reclassification of woodland assets from investment property to operational land, which may affect valuation basis.

Members queried whether closure of the Keswick Tourist Information Centre required disclosure. Officers advised the operational impacts would be reflected through income and expenditure (as the service closed part-way through the year), and there was no expected asset impact as the property was leased.

Members also asked what would determine any change in valuation arising from the Brockhole lease and whether woodland reclassification could alter valuation. Officers advised Brockhole is expected to remain an operational asset due to restrictions on use meaning it would not meet the accounting definition of an investment asset, and that woodland reclassification would change the valuation basis (market value

versus value in current use) but may not alter the actual value very much; however, this will be verified through the valuation work currently underway.

Decided:

a. Members endorsed the responses to External Audit enquiries of management for 2025/26, at Annex 1.

13/26 Governance Committee self-assessment 2025/26

The Head of Resources presented the proposed Governance Committee self-assessment for 2025 / 26, completed against the CIPFA effectiveness framework. It was reported that the Committee continues to operate effectively and proportionately for the Authority's governance arrangements, with an ongoing emphasis on member training and support given the technical nature of business considered. It was noted that reviewing the forward plan and continuing Member development sessions can help identify items requiring additional briefing.

Members discussed whether there was any benefit in separating audit and standards functions into separate committees and concluded that, given the Authority's size and volume of business, the current combined arrangement is practical and effective.

Members reiterated the importance of maintaining training and development. The Authority Chair highlighted the potential value of completing a skills audit to inform future training and support recruitment of new Authority Members.

Decided:

a. Members commented on and endorsed the Governance Committee self-assessment for 2025/26 at Annex 1.

The Committee passed the following resolution:

Under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items. This was because exempt information, as defined in Schedule 12A of the Act, may be disclosed during discussions.

Part 2

14/26 Internal audit plan 2026/27

The Head of Resources and TIAA presented a report providing a proposed internal audit plan for 2026/27 for Members to consider and approve.

In response to member questions, it was noted that each year's plan sits within the context of a multi-year rolling plan and that, in the 2028 / 29 plan there were placeholders for aspects of LDNPA work that would have become embedded enough to require internal review.

Decided:

a. Members considered and approved the Internal Audit Plan for 2026/27 at Annex 1.

15/26 Internal audit update

The Head of Resources and TIAA provided an update on progress delivering the 2025 / 26 internal audit plan. The report also provided an update on the implementation of recommendations outstanding from internal audit reports previously issued. Any new internal audit reports were also presented for Members' attention. This work is delivered by TIAA with their reports attached as Annexes.

Five updates were presented – three with substantial assurance and two with reasonable assurance with controls considered reasonable and appropriate.

It was noted that one assurance report was outstanding (TICs) and this would be brought to the Governance Committee in July. This also meant that the Head of

Internal Opinion was also provisional, and a final HoIA opinion would also be brought back in July.

Decided:

a. Members noted the new assurance reports at Annex 1;

b. Members noted the feedback on implementation of prior recommendations at Annex 2; and

c. Members considered the Head of Internal Audit's annual opinion for 2025/26 at Annex 3.

(The meeting concluded at 11:31)