



Annual governance review for 2025 / 26

Summary

1. This report presents the findings of the review of our governance arrangements for 2025/26 with reference to the CIPFA/SOLACE governance framework. A draft Annual Governance Statement is also presented for member consideration and approval.

Recommendations:

- a Members approve the 2025/26 Local Code of Corporate Governance set out in Annex 2;**
- b Members note progress in the delivery of actions from previous governance reviews in Annex 3;**
- c Members approve the draft Annual Governance Statement in Annex 4 and delegate 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.**

Background

2. Good governance is the means by which local authorities ensure that they are providing the right services to the right people in a timely, open, honest and accountable manner.
3. Under the Accounts and Audit Regulations 2015, all authorities are required to undertake a review of their governance arrangements each year. This culminates in the production of an Annual Governance Statement (AGS) in accordance with “proper practices”. The Annual Governance Statement is published with the Authority’s financial statements. “Proper practice” for the purposes of the Annual Governance Statement is set out in the CIPFA / SOLACE framework document “Delivering Good Governance in

Local Government: Guidance Note for English Authorities 2016 edition” [The Framework]. CIPFA’s bulletin 6, Application of the Good Governance Framework 2020/21, provided subsequent guidance on the AGS process.

4. In addition, CIPFA / SOLACE issued an addendum with further guidance on preparation of the AGS in May 2025. This addendum replaces chapter 7 of The Framework and “provides the opportunity for all those with a responsibility for good governance to reconnect with the principle they and their organisation should be striving to meet”. A review of the draft addendum has not flagged any weaknesses in the current approach.
5. The Framework recommends that the outcomes of the annual governance reviews are reported internally to the Governance Committee, and externally with the published accounts. This provides assurance that our governance arrangements are operating effectively and that any gaps have specific actions identified against them.
6. As the delegated Committee charged with governance, Governance Committee are required to approve the AGS. The AGS is then signed by the Chief Executive and Chair of the Authority. They will take assurance from this review that the AGS reflects the arrangements in place and that these are effective.
7. The Governance Committee is asked to approve the draft findings of this year’s annual governance review as set out in this paper. This report:
 - summarises the requirements of the CIPFA / SOLACE framework **(Annex 1)**;
 - presents our Local Code of Corporate Governance (LCoCG) for information and results of review of the Code for 2025/26 **(Annex 2)**;
 - presents an update against the significant actions identified in the 2024/25 review **(Annex 3)**; and
 - presents a draft Annual Governance Statement and updated action plan for Member approval **(Annex 4)**.

8. Overall, there have been few changes to the overall governance framework in year or any reduction in its effectiveness. The LCoCG has been reviewed with a small number of minor changes proposed. The level of assurance over effectiveness of the governance framework has not changed significantly. The action plan for implementation during 2026/27 includes:

- Continue to embed high standards of data management practices in the Authority and deliver the recommended actions from the internal audit findings
- Review financial forecasting arrangements to capture more accurate estimates of vacancy underspends and staff charges to grants throughout the year
- Post implementation review of new governance arrangements
- Review of Conservation Covenants Board, to ensure appropriate governance arrangements are in place
- Cyber training for staff to be closely monitored and reported on
- Review use of AI following trial being undertaken by staff

Policy Context

9. The Authority is committed to high standards of corporate governance. This is a key feature of our Organisational Strategy, aiming to lead by example and to be innovative and agile in our approach as an organisation.

Options

10. Members can approve the findings of the annual governance review and the consequent Annual Governance Statement or make changes as required. Members can delegate the amendment of the annual governance review and Annual Governance Statement to the Section 151 Officer.

Proposals

- The proposals are as set out in the recommendations.

Demonstrating best value

11. All authorities are required to undertake a review of their governance arrangements each year. This annual governance review is a self-assessment of those processes and procedures that identifies where improvements are required.
12. The annual governance review supports the Authority's challenge processes and includes consideration of whether the Authority has the appropriate frameworks in place to obtain best value in the use of its resources.

Finance considerations

13. There are no direct financial implications as a result of this report.

Risk

14. The annual review of governance supports the Authority's risk management processes by identifying weaknesses in our governance arrangements and putting in place an action plan for their improvement.

Legal considerations

15. The annual review of governance and the publication of an Annual Governance Statement is required of the Accounts and Audit Regulations 2015 and is based on "proper practice" set out in the CIPFA/SOLICE Framework.

Human resources

16. There are no human resources implications as a direct result of this report.

Diversity implications

17. There are no diversity implications as a direct result of this report.

Sustainability

18. There are no sustainability implications as a direct result of this report.

Background papers	CIPFA/SOLICE Framework 2016 and 2025 addendum
Author / Post	Serena Armstrong, Financial Services Manager
Responsible Officer	Peter Notley, Head of Resources (S151)
Date written	27/03/2026

Annex 1: Key requirements of the framework

'Governance' is the term for the way in which the Authority ensures it does the right things for the right people in a timely, inclusive, open, honest and accountable manner. The governance framework operated by a local authority comprises its systems and processes, the way it is organised and led, its culture and values and the way that it engages and leads its communities.

All local authorities operate through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes.

The CIPFA / SOLACE Governance Framework defines the principles that should underpin good governance in local authorities, and it provides some structure to help in undertaking the annual review of governance. Authorities are urged to test their structures and systems using the guidance in the Governance Framework through the following key requirements:

- Developing and maintaining an up-to-date Local Code of Corporate Governance. This includes arrangements for ensuring its ongoing application and effectiveness
- Reviewing their governance arrangements against the Local Code and the wider Framework
- Preparing an Annual Governance Statement to report:
 - the extent to which they comply with their code
 - how they have monitored its effectiveness
 - any planned changes in the coming year

Preparation of the Annual Governance Statement is a statutory requirement in order to comply with Accounts and Audit Regulations 2015.

Our Review

In our review of current arrangements, we must:

- Review our Local Code of Corporate Governance and update this as necessary

- Evaluate the extent to which we currently comply with the Code Framework
- Demonstrate the systems, processes and documentation that provide or ensure compliance
- Identify individuals and committees responsible for reviewing the governance systems, processes and documentation
- Identify any issues that have not been addressed adequately and formulate a plan of actions to be taken in response
- Identify the individuals responsible for undertaking the actions in the plan.

Annex 2: Review of local code of corporate governance

This Annex includes our proposed Local Code of Corporate Governance. For 2025/26 year-end, the provisions within the Local Code were reviewed in detail to ensure these remained relevant and were working as expected. A small number of provisions were queried further with the relevant senior officers, with some small amendments and further actions proposed. The amendments have been actioned in the proposed Local Code, and the actions have been included on the Annual Governance Statement action plan.

These are summarised below:

Provision in Local Code	Amendment or action
Section 1: introduction	Added reference to 2025 addendum to guidance
Section 2: core principals in summary	Bullet list of the seven core principals replaced with A-G to reflect labelling in section 3.
Core Principal A: Ensure legal input feeds into all corporate decision making via the Executive Board and Committee Structure in line with our Scheme of Delegation	Executive Board replaced by Strategic Leadership Team Amend to Strategic Leadership Team.
Core Principal B: Continue to have bilateral agreements with constituent authorities as appropriate on how we contribute to their performance targets including activity previously delivered through LEP.	Amend reference to “bilateral agreements” to “working closely together”.
Core principal F: Our Data Management arrangements are currently adequate, but will need	Replace with: We are committed to strong data management. We have put the resources in place to

to be strengthened in future in order to fully comply with forthcoming legislation	improve our data management and progress is being made to implement the changes required.
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Local Code of Corporate Governance April 2025/26

1. Introduction

1.1 The Lake District National Park Authority is responsible for ensuring that its business is conducted according to the law and with proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and that it is used efficiently and effectively. In order to meet these responsibilities, the Authority needs to put in place proper arrangements for the governance of its business and for the stewardship of its resources. This Local Code of Corporate Governance sets out how the Authority will address these challenges.

1.2 For the purpose of this local code, the Authority has adopted the definition of Corporate Governance as stated in the CIPFA/SOLACE framework document “Delivering Good Governance in Local Government - 2016” (and Addendum May 2025):

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

To deliver good Governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times.

Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.”

1.3 Governance is more than making sure that things do not go wrong or fixing them if they do. Good governance adds value; it ensures effectiveness in ever

changing circumstances. The Authority recognises that effective governance is essential if it is to establish and maintain public confidence in the organisation and if the Authority is to provide effective leadership and engage successfully with its partners.

1.4 The principal objective of a code is to increase credibility, accountability and public confidence in local authorities and all public bodies are encouraged to adopt a local code. A local code helps us:

- To develop a framework for Corporate Governance for the National Park Authority based on good practice and external guidance
- To demonstrate compliance with the principles of good governance
- To continuously improve our effectiveness through an annual review of performance against the framework with an action plan to address weaknesses
- To feed the results of the above into our annual governance statement

1.5 The Lake District National Park Authority is responsible for ensuring that its business is conducted according to the law and with proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and that it is used economically, efficiently and effectively. The Authority also has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In order to meet these responsibilities, the Authority needs to put in place proper arrangements for the governance of its business and for the stewardship of its resources. This Local Code of Corporate Governance sets out how the Authority will address these challenges.

1.6 In preparing this local code the Authority has had regard to the CIPFA / SOLACE framework and guidance note which is intended to be followed as best practice for developing and maintaining a local code of governance.

2. Core Principles in Summary

2.1 The main body of this Code is structured around the seven key principles of the CIPFA/SOLACE publication Delivering Good Governance in Local Government.

It is designed to reflect the assurance gathering process for the Annual Governance Statement. The core principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical value, and respecting the law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

2.2 Through these principles, the Authority will seek to deliver good corporate governance combining the 'hard' factors (robust systems and processes) with the 'softer' characteristics of effective leadership and high standards of behaviour. Community leadership will be provided through a Vision for the National Park. Members and officers will also lead by exhibiting high standards of conduct and by displaying behaviours reflective of a shared set of values.

3. Core Principles and sub principles of good governance.

The actions we will demonstrate to support each sub principle are listed beneath them.

Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.	Behaving with Integrity. <ol style="list-style-type: none">1. Have in place arrangements to ensure that Members and staff are not influenced by prejudice, bias or conflicts of interests in carrying out their roles for the Authority2. Ensure our committee structure and decision-making processes are efficient and effective with the different roles of Members and staff being clear and understood through our Member/Officer protocol and our scheme of delegation3. Have in place appropriate systems and guidance to support such structures and ensure effective communication between Members and staff in their respective roles4. Have structures in place, including membership of programme boards, which enable Members to use their skills and experience to help achieve outcomes
	Demonstrating strong commitment to ethical values. <ol style="list-style-type: none">1. Foster a culture that embeds our Values2. Ensure that standards of conduct and personal behaviour expected of members and staff are defined, communicated and monitored through codes of conduct, protocols and advice

	<p>3. Embed our values for the Place, the People and the Way We Work in all that we do and link these with our Performance Appraisals</p>
	<p>Respecting the rule of law.</p> <p>1. Ensure our confidential reporting policy is clearly accessible to all employees on our intranet and as part of the material given to staff during their induction</p> <p>2. Achieve our priorities and outcomes in the delivery of the Business Plan and Lake District National Park Partnership Management Plan through full use of our powers, identifying any risks of legal challenge as appropriate</p> <p>3. Ensure operational managers take legal advice on case work and policy/procedure development as appropriate</p> <p>4. Immediately respond to any external or internal advice or comment received on the legality of our Policies, processes and procedures including from the Chief Finance Officer and Monitoring Officer</p> <p>5. Implement our Audit processes and monitor their success as an effective fraud detection, challenge and performance improvement tool</p> <p>6. Ensure legal input feeds into all corporate decision making via the Strategic Leadership Team and Committee Structure in line with our Scheme of Delegation</p>

	<p>Openness.</p>
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Core Principle B - Ensuring openness and comprehensive stakeholder management.	<p>1. Ensure our committee and decision-making processes are open, transparent and free from bias and conflicts of interest and our Scheme of Delegation is regularly reviewed and updated</p> <p>2. Encourage the establishment of effective staff and union consultation and negotiation structures to facilitate good dialogue and working together through formal structures as well as informal networks</p>
	<p>Engaging comprehensively with institutional stakeholders.</p> <p>1. Work with partners to deliver outcomes, being clear about what the National Park Authority (NPA) and Lake District National Park Partnership Management Plan (NPP) is delivering and what our partners are contributing</p> <p>2. Produce an annual monitoring report</p> <p>3. Continue to work with others on understanding the relationship between what we do and what others do to avoid duplication of effort and to seek opportunities to work more effectively together</p> <p>4. Continue to work closely with constituent authorities as appropriate on how we contribute to their performance targets including activity previously delivered through LEP.</p> <p>5. Contribute to the Local Nature Partnership and other formal and informal partnerships important to the delivery of the Vision for the National Park</p>
	<p>Engaging with individual citizens and service users effectively.</p> <p>1. Develop Distinctive Area Ways of Working to better understand and support the delivery of community needs</p>

	<p>2. Ensure our strategies, which support achievement of the Partnership Plan, and feed through to our Business Plan and Service Plans, are based on evidence and feedback from local, regional and national communities and stakeholders</p>
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<p>Core Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits.</p>	<p>Defining Outcomes.</p> <ol style="list-style-type: none"> 1. Clearly communicate the Vision and outcomes for the National Park through the Lake District National Park Partnership’s Management Plan, and National Park strategies and Local Plan 2. Periodically refresh the Vision in collaboration with our partners
	<p>Sustainable economic, social and environmental benefits.</p> <ol style="list-style-type: none"> 1. Reduce the carbon footprint of our own operations 2. Work with partners to achieve a reduction in carbon footprint across the National Park 3. Implement the Lake District National Park Partnership Management Plan and action plans and measure success against agreed actions and performance indicators

<p>Core Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.</p>	<p>Determining interventions.</p> <ol style="list-style-type: none"> 1. Consult with our partners to regularly refresh the Partnership Plan and use this to inform the compilation of our Business Plan for the Authority 2. Implement a Performance Management system with identified measures of success and targets with quarterly
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	<p>monitoring of progress and annual reporting of performance</p> <p>3. Use the Performance Appraisal Process and Organisational Development programme to maximise the contribution and development of staff</p> <hr/> <p>Planning interventions.</p> <p>1. Involve staff in our service planning and decision-making processes so that ideas on how to work better can be harnessed</p> <p>2. Work with Volunteers to ensure we provide a seamless service to the public in terms of our values, culture and behaviours</p> <p>3. Continue to engage with local communities through our distinctive area working teams</p> <hr/> <p>Optimising achievement of intended outcomes.</p> <p>1. Work with partners in delivering the Lake District National Park Partnership Plan outcomes, monitoring achievements through the Lake District National Park Partnership chaired by an independent external person and reporting quarterly on progress</p> <p>2. Map and prioritise how we work with constituent authorities, regional and national bodies and encourage staff and Members along with the community to undertake Distinctive Area representation</p> <p>3. Continue to have agreements with partners particularly the Lake District National Park Partnership as appropriate on how we contribute to their performance targets</p> <p>4. Continue to consult and involve interested parties in decisions on the direction of the Authority's services</p>
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<p>Core Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.</p>	<p>Developing the entity's capacity.</p> <ol style="list-style-type: none">1. Identify learning and development needs for all members, staff and volunteers at individual, service and corporate levels (as appropriate) providing ways of meeting these through a variety of means including upskilling where appropriate2. Identify learning and development needs of Members through member personal development plans and meet these needs through an annual programme and through development tailored to the needs of individuals3. Offer an Induction Programme for both members and officers into the work of the Authority and what is required of them4. Widely circulate opportunities to join the Authority as a member when a vacancy arises and trying to ensure that a mix of skills is available to the Authority5. Brief appointing authorities about the role (including time commitment) of the NPA members when appointments are due to be made6. Use our decision making and governance structures to best use and develop the skills of our Members e.g. through Member representative roles, outside body appointments, chair and vice chair appointments, task teams and scrutiny teams7. Conduct a staff survey every year and respond to feedback
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	<p>8. Implement the Organisational Development Strategy to develop Leadership capacity across the organisation</p> <p>Developing the capability of the entity’s leadership and other individuals.</p> <p>1. Use the Member Training and Development Strategy to help Members develop appropriate skills to carry out their work</p> <p>2. Use our Appraisals process and our Organisational Development programme to appraise and improve the performance of individual staff</p> <p>3. Implement the Member review process for all Members</p> <p>4. Strive for continuous improvement, identifying any areas for further improvement</p> <p>5. Use our skills audit to identify areas for further improvement</p> <p>6. Complement our core staff with expert advice when needed</p> <p>7. Develop leadership and management competencies and provide appropriate support to ensure the development and evidence of these in all managers</p>
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<p>Core Principle F - Managing risks and performance through robust internal control and strong public financial management.</p>	<p>Managing risk.</p> <p>1. Agree the extent of delegation from Members to staff and periodically review the effectiveness of this</p> <p>2. Appoint to the four statutory roles of:</p> <ul style="list-style-type: none"> - Head of Paid Service
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	<ul style="list-style-type: none">- Chief Finance Officer- Monitoring Officer (supported by Deputy Monitoring Officer role)- Data Protection Officer <p>and develop appointees to fulfil their roles</p> <p>3. Put in place appropriate protocols and policies to support these roles including an Executive Performance Committee with responsibility for appraisal of the Chief Executive</p> <p>4. Operate a robust risk management process with Member oversight</p>
	<p>Managing performance.</p> <p>1. Be clear about our measures of success and standards of service delivery, both for the National Park and for the Authority</p> <p>2. Evaluate our performance annually both for the National Park and the Authority and put measures in place to address poor performance within our priorities</p> <p>3. Seek feedback from service users as part of evaluating performance and obtaining views on improvements to meet needs</p> <p>4. Ensure that a suitable set of employment policies are in place in order to support staff as our most valued asset. This will in turn help the Authority in achieving its outcomes</p> <p>5. Set individual performance objectives through the appraisal process</p>
	<p>Robust internal control.</p>

	<ol style="list-style-type: none">1. Operate our risk management strategy at all levels in the Authority (staff and Members) so that informed decisions can be made on what level of risk to accept and what mitigating action needs to be in place to reduce or remove risk2. Develop our policy framework pro-actively to anticipate issues and risk and address issues responsively to learn lessons when things go wrong3. Conduct risk-based programmes of Internal Audit reviews
	<p>Managing data.</p> <ol style="list-style-type: none">1. Gather performance data against a range of indicators2. Report on national indicators where necessary3. Our Data Management arrangements are currently adequate, but will need to be strengthened in future in order to fully comply with forthcoming legislation. We are committed to strong data management. We have put the resources in place to improve our data management and progress is being made to implement the changes required.
	<p>Strong public financial management.</p> <ol style="list-style-type: none">1. Produce a rolling three-year Business Plan showing our contribution to the Partnership Plan; indicating our priorities and ensuring that our resources and those of our partners are used in the most effective and co-ordinated way2. Reduce reliance on Government grant and develop financial independence through increased net income on services where charges apply and pro-active review

	<p>of cost. The Authority may also consider other corporate structures to allow provision of services, if this could contribute to financial resilience overall and is within the Authority’s powers to do so.</p> <p>3. Show value for money in achieving our outputs and outcomes following a programme of service/activity reviews</p> <p>4. Benchmark our services and look for opportunities for business process improvement, smarter procurement, improved asset management, collaborative working and taking an entrepreneurial approach</p> <p>5. Continue to manage a proactive medium term financial strategy to support our medium-term financial health</p> <p>6. Senior managers and Members to agree and monitor the implementation of income generation and cost saving measures that meet the medium-term budget gaps.</p>
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<p>Core Principle G - Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p>	<p>Implementing good practice in transparency.</p> <p>1. Document evidence for decisions, recording criteria, rationale and data relied upon using processes proportionate to risk, impact and likelihood</p> <p>2. Ensure our Complaints procedures and reporting arrangements are accessible and transparent and monitor our response to complaints received to ensure the Authority learns from that feedback</p>
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	<p>3. Hold all meetings in public unless there are good reasons for confidentiality and implement a Public Participation Scheme for all committees</p> <p>4. Publish an annual business and performance plan giving information on achievements and the satisfaction of service users</p> <p>5. Increase accessibility to information and to engaging with the Authority through a variety of ways and access channels including through improvements to our website and distinctive area teams</p> <p>6. Continue with the video recording of all Committee meetings</p>
	<p>Implementing good practices in reporting.</p> <p>1. Present the relevant data/evidence and ensure expert advice is available and given for decision makers to make sound decisions</p> <p>2. Fulfil our obligations under the Freedom of Information/ Environmental Information legislation in accordance with our commitment to a culture of openness regarding decisions being made</p> <p>3. Seek feedback from customers on our services by continuing to utilise the ‘contact us’ mechanism which is incorporated on the Authority’s website and take action in response to any queries or feedback raised as appropriate.</p>
	<p>Assurance and effective accountability.</p> <p>1. Implement our Audit process and monitor its success as an effective challenge and performance improvement tool</p>

	<p>2. Be clear about our accountability and role in partnerships through having Partnership Agreements and Service Level Agreements in place where appropriate</p> <p>3. Along with general Member development, develop and maintain an effective Governance Committee and support its role in handling complaints against Members</p>
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4. Monitoring and Review

- 4.1 An annual review will be undertaken to ensure compliance with the code and with its requirements. The outcome of the review will be reflected in the Annual Governance Statement published each year with the Annual Accounts. The Statement is subject to review by external audit as part of the year end process.
- 4.2 The Annual Governance Statement will be signed by the Chair and the Chief Executive on behalf of the Authority. The Head of Resources (S151 Officer) has been given responsibility for overseeing the implementation and monitoring of the code and for reporting at least annually on compliance with the code. In fulfilling this responsibility, the Head of Resources will propose any necessary changes to ensure that the code is up to date and changes in circumstances are accommodated.

Annex 3: Progress against previous actions

As part of the 2024/25 year-end governance review, we identified a small number of actions necessary to improve our overall governance arrangements. These were noted in the 2024/25 Annual Governance Statement and are shown below along with an update on progress against each action.

Where the actions are not fully complete, these will be rolled forward into the 25/26 statement action plan (for implementation during 2026/27).

Ref	Action Plan Item	Progress	Target date	Who	Status
1	Adopt the new CIPFA/Solace good governance addendum, once finalised, and ensure our review and publication processes are compliant for the 2025/26 year-end cycle	Addendum has been reviewed and no specific changes are needed to the AGS.	February 2026	Financial Services Manager	Complete
2	Continue to embed high standards of data management practices in the Authority and deliver the recommended actions from the internal audit findings	Extensive work to review and update the Information Asset Register has been completed. Two further associated areas are ongoing with work expected to be completed by the end June 2026	June 2026	Authority Solicitor	Ongoing

Ref	Action Plan Item	Progress	Target date	Who	Status
3	Ensure 2025/26 Authority Handbook review captures the impact of all senior staffing changes and version controls for each section, as flagged in a number of internal audit reviews.	The Authority Handbook has been updated to reflect changes to staff and structure of the Authority	February 2026	Authority Solicitor	Complete
4	Ensure appropriate governance is put around the savings and income exercises which will be required to ensure medium term financial sustainability	An in year corporate savings projection was developed to identify savings and potential income to ensure confidence in the medium term and financial sustainability. The MTFS for 2026/27 to 2030/31 provides for a balanced budget in years 1 to 3	March 2026	Head of Resources	Complete
5	Use Governance Committee away hours as an informal opportunity to discuss upcoming reports and to address technical training needs.	Regular away hours have been used to discuss upcoming reports and provide background and highlight any associated issues. They have also provided a further opportunity for Members to ask detailed questions of Officers and for technical knowledge to be shared	March 2026	Head of Resources	Complete

Annex 4: Draft annual governance statement 2025/26

Annual Governance Statement – Lake District National Park Authority.

1. Scope of responsibility

Lake District National Park Authority (the Authority), is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Authority has approved and adopted a Local Code of Corporate Governance (LCoCG). This forms part of the Authority Handbook and is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* (and addendum May 2025). This statement explains how the Authority has complied with the LCoCG and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (1) (b), which requires all relevant authorities to prepare an annual governance statement.

2. The purpose of the Governance framework

The Governance Framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Authority to monitor the achievement of its priorities and to consider whether those priorities have led to the delivery of appropriate services and value for money. This is

brought together in the Authority's LCoCG; this review has been completed with reference to the detailed provisions set out in the LCoCG.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's Business Plan, policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

There are seven key principles to good governance highlighted in the CIPFA/Solace framework, the LCoGC is also structured around these:

- Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B Ensuring openness and comprehensive stakeholder engagement
- Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F Managing risks and performance through robust internal control and strong public financial management
- Principle G Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The following section summarises key elements of the Authority's Governance arrangements in place during the year ended 31 March 2026 and up to the date of approval of the statement of accounts. Section 4 sets out the review of effectiveness and section 5 contains the action plan for implementation during 2026/27.

3. Governance arrangements.

3.1 The Authority's vision – Purpose, outcomes and objectives

The Authority's Business Plan is a key document for the Authority, providing the framework for all Authority activity. The strategic outcomes and related Authority objectives set out in the Business Plan are drawn from the Lake District National Park Partnership's Plan, which is the Management Plan for the National Park. The Partnership Plan highlights strategic outcomes and key actions required to deliver the Vision for the National Park, which have been agreed by all of the partners on the Partnership, and the Authority's Business Plan identifies the key activities where we are leading or are substantively involved in delivery. It also details the key service objectives for the each of the Authority's services over the next three years.

The Business Plan gives a clear message to the public and our partners about the priorities for the Authority over the course of its 3 year term, setting out where the Authority will be focusing its resources and activity.

3.2 The Authority's vision – Implications for Governance arrangements

The Authority's direction of travel set out in the Business Plan is reviewed annually with Members to ensure that objectives and actions are still relevant and consistent with our strategic aspirations. Key objectives are reviewed and all of the specific actions forming part of the Authority's Business Plan have assigned owners.

The Business Plan is underpinned by a set of supporting strategies and detailed Service Plans that set out key activities and measures for each outcome theme in the Business Plan. The Business Plan forms the basis of quarterly performance reports received by the Resources Committee, and monthly reports received by Strategic Leadership Team.

3.3 Measuring the quality of services

Performance within services is measured monthly against performance indicators, which in turn feed into Service Plans monitored by the Strategic Leadership Team. Performance indicators are continually refined and reviewed to ensure their continuing relevance to our operations and to ensure high quality data for business decision making.

3.4 Roles and responsibilities

The Authority documents and defines roles and responsibilities in a number of ways. These are set out in the Scheme of Delegation and Terms of Reference for each Committee. The Authority's role in significant partnerships, such as the Lake District National Park Partnership, is defined and responsibilities within these are understood by relevant parties.

3.5 Governance and people

The Authority has adopted a suite of core policies, values and behaviours to complement our Vision and these have been agreed by Members and codified within the Authority Handbook.

The Authority's Vision, values and behaviours, form a key part of the staff appraisal process and provide staff with a clear definition of the standards of behaviour expected in the Authority. The framework is supported by the Authority's Officer Code of Conduct and staff induction programme.

To support internal communications, we have implemented Microsoft Teams and use the Authority intranet (Waymarker) as a platform to share information.

In 2025/26 Members have had access to training and away hours of relevance to their role. Our processes for induction and management of volunteers ensures a near seamless provision of services between staff and volunteers and they are integral to our visitor management activities in the National Park.

We continue to prioritise management arrangements around equalities legislation to ensure we fulfil our obligations to promote social inclusion as a public body. In our Partnership Plan and Business Plan we have identified a “Lake District for Everyone” as a strategic priority to ensure we continue to work to promote accessibility and inclusion in the delivery of our services and the management of the National Park.

3.6 Risk management

To support the need for continuous improvement, the Authority has developed an integrated assurance framework to contribute to the delivery of the objectives and actions set out in the Business Plan. This is embedded into service planning and day-to-day risk management processes. The risk management framework was awarded substantial assurance during the 2023/24 internal audit review and has not significantly changed for 2025/26.

Key corporate and business risks are discussed at monthly Strategic Leadership Team meetings, and all risk owners are clear of their roles and responsibilities within the risk management framework. Communication of risk as part of the quarterly Business Plan and Risk Update report ensures the Authority’s Members have an opportunity to comment and contribute.

3.7 Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

The Authority complies with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption. It has an Anti-Fraud Theft and Corruption Policy that remains appropriate and fit for purpose.

Employees are made aware of its requirements in detail as part of our induction arrangements including awareness of the Officer Code of Conduct. Employees must comply with our Financial Regulations and Contract Standing Orders and demonstrate high standards of probity when dealing with the Authority's affairs. We also operate a Disciplinary and Capability procedure for allegations of fraud and corruption by officers. Members must operate within our adopted Code of Conduct for Members of the Lake District National Park Authority and with Standing Orders. The Members Handbook sets out the relevant requirements.

The Authority operates a culture in which high standards of conduct and probity are expected, and this is supported by strong organisational policies and procedures. We deploy sufficient resources to the prevention and detection of fraud and our policies and procedures in this regard are sound. No material instances of internal fraud or corruption were reported in the 2025/26 financial year.

Managers ensure that staff are aware of the Authority's values, standards and behaviours. The internal control environment is regularly reviewed through the work of internal and external audit. Internal audit has reviewed our arrangements and resourcing for the prevention, detection of fraud, theft or corruption and are satisfied with our approach. Risks around fraud are discussed with the internal auditors (TIAA) as part of preparation of the annual internal audit plan. These arrangements were reviewed in detail by TIAA as part of the 2025/26 internal audit plan and given the highest rating of operational effectiveness.

3.8 Financial Management arrangements

The Authority's financial management arrangements conform to the Governance requirements of CIPFA's "Statement on the Role of the Chief Financial Officer in Local Government" as the Head of Resources (S151 Officer) has full access to the Strategic Leadership Team and reports direct to the Chief Executive. The Head of Resources is designated as the responsible officer for the administration of the Authority's financial affairs under Section 151 of the Local Government Act 1972. Responsibilities are defined in the Scheme of Delegation. The S151 Officer oversees the development and work of the financial management function at the Authority and is its responsible officer for matters of financial administration. The post holder is a professionally qualified as an accountant with suitable experience, supported by a finance team with 4 qualified accountants (3 of whom are CIPFA qualified) with extensive local government experience.

The Authority operates a Commercial Strategy Board (CSB), which comprises Members and senior officers. The Board considers appropriate investments that support delivery of National Park objectives and improve our financial resilience as outlined in our Medium-Term Financial Strategy.

CIPFA's Financial Management Code sets out good practice in financial management to assist local authorities in demonstrating their financial stability. The Authority is compliant with most major elements of the code and considerable work has been undertaken to strengthen compliance further including implementation of an annual Financial Resilience Assessment and ensuring compliance with the Prudential Code for Capital Finance for Local Authorities.

3.9 Financial monitoring and reporting

The Strategic Leadership Team receive monthly financial performance reports. Members receive quarterly reports including revenue monitoring and forecast

projections to the end of the financial year. Budget managers are allocated a business partner, and budgets are reviewed jointly on a monthly basis to inform the reporting to Strategic Leadership Team and Members.

3.10 Ensuring effective arrangements are in place to perform the Monitoring Officer function

The Director of Sustainable Development is the Authority's Monitoring Officer. This officer has a duty to report to the Authority where they are of the opinion that any proposal, decision or omission will give rise to unlawfulness or if any decision or omission has given rise to or would constitute maladministration. The Monitoring Officer provides a range of functions relating to the conduct of Members (for example maintaining the Register of Members' Interests, Code of Conduct complaints etc.) and advising the Governance Committee.

The Monitoring Officer is supported in their role by the Authority Solicitor (the Authority's Deputy Monitoring Officer) who advises on legal matters, attends Strategic Leadership Team and Committee meetings to support lawful decision making, and provides a legal commentary on reports to Members.

3.11 Ensuring effective arrangements are In place to perform the Head of Paid Service function

The Authority's Head of Paid Service is the Chief Executive who is responsible and accountable to the Authority for all aspects of operational management. The Chief Executive works closely with the Authority Chair and Deputy and Committee Chairs and Members in line with the principle contained within the Authority's Local Code of Corporate Governance about Members and officers working together to achieve a common purpose with clearly defined functions and roles.

The Chief Executive is supported in their role by the Director of Sustainable Development and has regular access to and contact with the Members through formal and informal meetings. The Strategic Leadership Team also supports this role,

and consists of the Director of Sustainable Development, Assistant Director of Sustainable Development, Authority Solicitor, S151 Officer and Heads of Service meeting every two weeks to discuss strategic developments and business performance.

3.12 Governance Committee

The Authority has established a Governance Committee to oversee the workings of the corporate governance arrangements of the Authority and to report to the Authority on these and related financial probity issues. The Governance Committee operates within CIPFA's "Audit Committees – Practical Guidance for Local Authorities". The committee completes a self-assessment of effectiveness annually. This concluded that the committee was operating effectively for 2025/26. Comments around training have been noted with this area remaining an important part of governance arrangements and Member engagement.

3.13 Internal Audit

The Authority maintains an independent Internal Audit Service, which operates within the principles set out within the Global Internal Audit Standards (previously Public Sector Internal Audit Standards). Internal Audit has carried out an annual programme of reviews as approved by the Governance Committee. The managers of the services and functions reviewed have each agreed actions and priorities arising from the review and the achievement of those actions is monitored on an ongoing basis by the Authority's Internal Audit service and Strategic Leadership Team. At the time of writing, the Head of Internal Audit has provided an interim written opinion to the Governance Committee based on the work undertaken on behalf of the Authority during the year that the Authority has reasonable and effective risk management, control and governance processes in place. Once the final review of the 2025/26 programme is complete, a final opinion will be issued.

3.14 Ensuring compliance with relevant laws

Systems are in place to ensure that appropriate legal and financial advice is provided at relevant points in the decision-making process. All reports to Members are reviewed by Strategic Leadership Team with attendance including the Head of Resources (S151 Officer), the Monitoring Officer and Authority Solicitor. This ensures that checks are made on the legal and financial consequences of any course of action prior to a decision being made.

The Authority has a variety of methods for receiving updates in legislative changes. In addition to departmental officers keeping up to date with legislative, regulatory and guidance changes, the Authority subscribes to a legislative update service. The usual method of direct notification of legislative changes by Central Government also occurs on an ongoing basis. This is supported by employees' membership of professional bodies and the associated requirement that they will remain up to date with changes to their area of expertise and responsibility. Employees are provided with training to maintain up to date professional competencies where applicable.

3.15 Complaints and whistle blowing

The Authority operates a formal complaints system in accordance with best practice, giving members of the public the ability to complain about aspects of the Authority's service with which they are dissatisfied. The Authority reviews any complaints received in order to assess their validity and learn for the future. The Authority's whistleblowing arrangements are set out in our Confidential Reporting Policy which is available to all staff on our intranet and externally on our website. Our Confidential Reporting Policy ensures there is a clear channel of confidential reporting for staff should this be required. There has been no use of the confidential reporting code during 2025/26 and nothing that has led to investigation of wider underlying governance issues.

3.16 Clear channels of communication.

All formal meetings are held in public, with the reports and minutes of those meetings being published on the Authority's website unless there are legal reasons for confidentiality. There are opportunities for members of the public to ask questions

at meetings of the Authority and committee meetings are now live streamed and recorded to allow greater public access.

Various channels of communication are available to ensure all stakeholders find information accessible. Internal communications are also delivered using a number of channels including Teams, Waymarker and email.

3.17 Enhancing the accountability for service delivery and effectiveness of other public service providers.

Whilst the Authority continues to deliver most of its services directly, there are a number of areas where the Authority has contractual arrangements in place for the delivery of services. Arrangements are in place to monitor the delivery, price and quality of these services and any significant issues would be reported back to Members through financial and performance reporting.

3.18 Commerciality and commissioning

The Authority recognises that a commercial and commissioning approach brings with it opportunities for introducing greater flexibility with regard to the delivery of services. Purchasing of services from third parties also demands that we receive assurance that the businesses delivering the goods and services are resilient, reliable and reputable. This work is governed by the regulations and guidance set out in our Contract Standing Orders.

3.19 Good Governance in respect of Partnerships

The Authority's governance arrangements and procedures ensure that partnerships are entered into for the delivery of strategic objectives and that partnership arrangements are clearly defined. The effective management of individual partnerships is the responsibility of the lead service area and significant partnerships, such as the Lake District National Park Partnership are subject to regular monitoring and review. The most recent Internal Audit review on partnership working (during 2023/24) concluded that our arrangements provide substantial assurance over this area of activity.

3.20 External Audit

A robust framework for external audit also provides Members with independent assurance over the financial statements and arrangements for Value for Money. The Authority prepared the unaudited 2024/25 accounts by the statutory deadline of 30 June 2025. The audited accounts were published in October 2025 before the statutory backstop date for 2024/25 accounts. There has been a national issue around backlogs in external audit of local authorities. The Authority is in a relatively good position for 2025/26 having no gaps in its assurance, having met all the previous deadlines with unqualified accounts opinions. The external audit plan for the 2025/26 accounts was presented to Governance Committee in April 2026.

4. Review of effectiveness

During 2025/26 assurance information has been collated using different means of independent review of effectiveness across the Authority's Services. These include:

4.1 Individual assurance reviews from the risk based internal audit plan (TIAA)

TIAA have reported on specific operational areas during the year. These reports have been presented to Governance Committee for their scrutiny and oversight. A number of areas were rated as substantial assurance during the year, the highest rating available.

4.2 Annual internal audit opinion issued by Internal Audit (TIAA)

TIAA also provide an annual audit opinion to give an overall assessment of the control environment at the Authority. At the point of writing this was an interim opinion pending completion of the final assurance review for 2025/26. Reflecting the individual assurance reviews completed, the interim opinion was that controls in place are judged to provide reasonable assurance.

4.3 Accounts opinion issued by the external auditor (Grant Thornton)

The statement of accounts for 2024/25 was prepared by the deadline then audited and published in October 2025 before the backstop date. The auditor concluded "We have not identified any adjustments which impact useable reserves, this is a good

outcome for the Authority”; this provides overall assurance on the arrangements for financial reporting and the supporting systems, people and processes.

4.4 Value for Money opinion issued by external audit (Grant Thornton)

The value for money opinion for 2024/25 was reported in September 2025 looking at Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness. There were no significant weaknesses. There was one minor improvement recommendations around strengthening financial forecasting arrangements to capture more accurate estimates of vacancy underspends and staff charges to grants throughout the year.

4.5 Volume and severity of governance issues reported through Committee and Senior Leadership Team.

There have been no significant occurrences of issues where the governance framework has been tested around standards, ultra vires activity or other fraudulent transactions.

4.6 Performance reporting against the business plan targets and financial budgets (Resources Committee)

Ongoing monitoring and reporting of performance against business plan targets and financial budgets has been in place during the year. The framework has proved to be effective at detecting and finding mitigations for events that threaten delivery of the business plan, within the available resources. For example, issues raised during the in-year budget monitoring were reflected in the Medium-Term Financial Strategy for 2026/27; the budget and MTFS for 25/26 were balanced and the budget for 2026/27 to 2028/29 is also balanced and approved. There are some potential risks around the final two years of the last approved version of the MTFS.

4.7 Committee self-assessment

Governance Committee has completed its self-assessment and concluded it was operating effectively for 2025/26. Resources committee is yet to be completed at the

time of this review; it is likely that it too will conclude that it operated effectively but this will be confirmed.

4.8 Review of arrangements in place during 2025/26 against the CIPFA / Solace framework by officers.

A full review of LCoGC against the CIPFA Solace framework was conducted in 2022/23. This produced a number of areas that were included for follow up in the 2022/23 action plan. An addendum to the Framework was issued in May 2025. A review of this addendum has not flagged any issues with the AGS.

4.9 Monitoring of implementation of the 2025/26 action plan

The governance issues that we identified in the 2024/25 review have seen considerable progress during the 2025/26 financial year. Further detail is provided below.

4.10 Significant Governance Issues

Five issues were flagged during the 2024/25 review (please see prior year AGS for details). Of these, 4 are judged to have been implemented and one is ongoing. The action around data management is carried forward as some of the actions are yet to be completed. Work is ongoing to address the issues recognised internally and subsequently by TIAA's assurance review during 2024/25.

In addition, there are a small number of new items that have been flagged from the 2025/26 annual review. These are not judged to be significant governance weaknesses but are opportunities for improvement and to ensure the financial issues facing the Authority are also given due prominence. The full action plan to be monitored during 2026/27 is as follows:

1. Continue to embed high standards of data management practices in the Authority and deliver the recommended actions from the internal audit findings

2. Review financial forecasting arrangements to capture more accurate estimates of vacancy underspends and staff charges to grants throughout the year
3. Perform a post implementation review of new governance arrangements – some changes are proposed to the running of Resources Committee and Park Strategy and Vision Committee during 2026/27. The effectiveness of these arrangements should be reviewed after an appropriate time post implementation.
4. The Authority has recently become a “Responsible Body” with governance arrangements introduced to manage the process of entering into conservation covenants. The effectiveness of these arrangements should be reviewed after an appropriate time post implementation.
5. Cyber crime is a serious threat to the authority. Completion of training by staff and members is to be closely monitored and reported on following the recommendation by TIAA.
6. Artificial Intelligence may have the potential to significantly improve productivity. A trial is underway looking at the potential use of Artificial Intelligence by staff. This should be assessed by Strategic Leadership Team and a clear business case be developed for any potential further investment.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements and will monitor their implementation and operation as part of our next annual review.

5. Opinion

We are satisfied that there are no significant governance issues and that the governance arrangements are fit for purpose.

Signed:

Signed:

(Chair)

(Chief Executive)

On behalf of the Lake District National Park Authority