

Inquiries of management and others

Prepared by Pete Notley, Head of Resources (S151), LDNPA, 30/1/2026

Agenda	Meeting notes	Consideration of impact on risk assessment	x-ref to section of LEAP
General inquiries			
<p>1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 25/26?</p>	<p>Probably non-current assets including:</p> <p>Impact of indices</p> <p>Possible recategorization of woodlands from investment to operational following change of management policy</p> <p>Consideration of Brockhole valuation with lease of site anticipated in near future.</p> <p>Slight change in approach where we will have an external valuer reviewing the work of our internal valuer, due to a vacant post.</p> <p>In relation to IAS19, the impact of the triennial review results on future contribution rates will need to be considered with reference to the ceiling calculation.</p>		
<p>2. Have you considered the appropriateness of the accounting policies adopted by Lake District National Park Authority?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	<p>There are no new events or transactions that would cause additional or amendment to policies.</p>		
<p>3. Is there any use of financial instruments, including derivatives? If so, please explain</p>	<p>None beyond the usual trade relationships and simple cash deposits, similar to prior years.</p>		
<p>4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?</p>	<p>No, other than the Brockhole lease mentioned at 1 above.</p>		

5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	None beyond the usual fluctuations in the valuation of Property, Plant and Equipment and Investment Properties. We will do a full review on receipt of year end valuations and other factors (eg insurance claims, repairs and maintenance spend, asset verification data). The only event out of the ordinary is as per 1 above in relation to Brockhole.		
6. Are you aware of any guarantee contracts? If so, please provide further details	No		
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	We anticipate disclosing one contingent liability issue, which is the same issue as reported in the prior year. There are no other known material matters in this area.		
8. Other than in-house solicitors, can you provide details of those solicitors utilised by Lake District National Park Authority during the year. Please indicate where they are working on open litigation or contingencies from prior years?	A full list can be supplied as part of field work. I am not aware of anything unusual; legal work is mainly done in house, we have had specific support for planning cases (eg Elterwater JR which was ruled in our favour) and have support on specific HR queries, but nothing material in this regard.		
9. Have any of the Lake District National Park Authority's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	None that we are aware of.		
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	Nothing other than service specific consultancy		
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	The Authority only uses cash deposits and instant access AAA rated MMFs which are not judged to require credit loss provision at year end; trade debtors are assessed and relevant provision is made for risk of non-collection		
Fraud inquiries			
<p>1. Has Lake District National Park Authority assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the Lake District National Park Authority's risk management processes link to financial reporting?</p>	<p>Yes. We are satisfied that this risk is minimal; the control framework around this has not changed significantly since 2024/25 and we are not aware of any significant incidences of fraud.</p> <p>On behalf of the Authority, the Governance Committee oversees management processes for the identification of the risk of fraud and possible breaches of internal control through its work with internal and external audit</p>		

	<p>and with key Authority officers, including the Section 151 Officer and Monitoring Officer. This includes the risk of material misstatement in the financial statements due to fraud. Specifically the Governance Committee;</p> <ul style="list-style-type: none">• Receives (in full), questions and challenges, all internal audit reports in relation to the effectiveness of the operation of the internal control environment• Receives all reports from the external auditors and considers recommendations to improve the internal control environment• Receives regular reports on progress with the implementation of all internal and external audit recommendations• Considers, questions and has the opportunity to amend the Annual Governance Statement prior to its publication• Receives the results of any investigations of any frauds or suspected frauds• Is able to request an investigation into any matter of concern to the committee, including suspected fraud or irregularity• Considers the process for the management of risk across the Authority• Is responsible for considering the Confidential Reporting Policy and Anti-Fraud, Theft and Corruption Policy to ensure employees understand their role on ethical behaviours and the prevention and detection of fraud. <p>The combination of these activities undertaken by the Governance Committee ensure that it is well placed to oversee management's processes and in doing so</p> <ul style="list-style-type: none">• minimise the risk that the Authority's accounts may be materially misstated at the year-end due to fraud or error• identify and respond to the risk of breaches of internal control• identify and respond to risks of fraud• communicate and encourage ethical behaviour on the part of staff and contractors <p>Given these controls in place from the Governance Committee, along with the work of internal and external audit to assess internal controls and</p>		
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	<p>recommend improvements, we believe that it is very unlikely that the accounts may be materially misstated due to fraud.</p> <p>We are conscious of the presumed significant risks applicable to all audits, these being the risks that the revenue cycle may include fraudulent transactions and that management may override controls. However, we assess the risk of material misstatement in the financial statements due to fraud to be very small and, furthermore, that no specific additional measures or arrangements beyond those listed above are necessary. In addition, we take a risk based approach to internal audit to ensure that those areas that might be considered to be more prone to the possibility of fraudulent transactions, are regularly audited and have sound internal control safeguards in place to prevent fraud from occurring.</p>		
<p>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>Please see question 5 below</p>		
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Lake District National Park Authority as a whole, or within specific departments since 1 April 2025? If so, please provide details</p>	<p>No</p>		
<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>Please see details of the reporting arrangements to Committee set out in question 1 in this section</p>		
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Lake District National Park Authority where fraud is more likely to occur?</p>	<p>Nothing has changed in this area from 2024/25. Our exposure has possibly reduced slightly as Brockhole has significantly reduced the revenue this year with closure of the shop and cafe.</p> <p>We consider that cash income streams could potentially have an increased risk of fraud. These areas are monitored against till takings and reconciled to bank income to ensure early identification of any discrepancies. There is separation of duties between staff collecting cash and finance staff reconciling to the back office systems. Any discrepancies are posted to the ledger. The fact that any discrepancies are posted in the finance system in a transparent way both deters fraudulent activity and provides for prompt detection should any suspect activity take place.</p>		

	<p>We also acknowledge that there is a risk of expenditure based fraud, although the segregation of duties and transparency of expenditure information publication, combined with monthly income and expenditure outturn information (with associated reporting), provides substantial deterrence and would also provide for prompt detection.</p> <p>Whilst we acknowledge the risks noted above, we do not consider that we have any areas of risk that are not adequately controlled.</p> <p>As noted above, our trading services are those dealing with cash income and discretionary spending on a daily basis, however we are confident that controls in these areas are adequate. Our trading services are subject to regular internal audit review and any recommendations made for the improvement of controls are implemented.</p>		
<p>6. What processes do Lake District National Park Authority have in place to identify and respond to risks of fraud?</p>	<p>Please see details set out at question 1.</p> <p>In terms of response should a fraud arise, this would be handled by our internal audit service in consultation with the Section 151 Officer, Monitoring Officer and the relevant Committee Chair. Depending on the nature of the fraud, the matter would also be supported by our HR Team, our Legal Team and, if necessary, the Police</p>		
<p>7. How do you assess the overall control environment for Lake District National Park Authority, including:</p> <ul style="list-style-type: none"> • the existence of internal controls, including segregation of duties; and • the process for reviewing the effectiveness of the system of internal control? 	<p>The key source of assurance is our internal audit programme delivered by TIAA. In addition, our Finance Team includes staff with Internal Audit experience and the team advises on matters of internal control on a regular basis. The Finance system codifies a number of processes including authorisation of expenditure, raising of income and reconciliation of cash, where segregation of duties is built into the system. The Finance Team has little direct involvement in income generation or spending activity.</p>		

<p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>IA reports cover the areas of significant risk using a risk based approach and a rolling programme of reviews. Advice on internal control is given by the Finance Team when any new areas of service delivery are introduced.</p> <p>The Authority reviews the effectiveness of the system of internal control on an annual basis and the results of this are set out in the Annual Governance Statement. There were no significant fraud risks flagged in the action plan for 2023/24 and none anticipated for 2024/25</p> <p>Regular reconciliations, transparent reporting, monthly financial performance review, variance analysis & reporting through the Executive Board on a monthly basis.</p> <p>The transparency of our monitoring and reporting processes would make this very difficult. The culture of the Authority, where there are no performance related staff benefits, significantly reduces any motivation for staff to try to exert inappropriate influence over financial reporting.</p>		
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>The transparency of our monitoring and reporting processes would make this very difficult. As noted above, the general culture of the authority is judged to make risk of deliberate mis-reporting low; finance business partnering operates across all services which also reduces the risk of deliberate misreporting and errors as our understanding of the underlying position of services would help identify inconsistencies with the financial reports.</p>		
<p>9. How does Lake District National Park Authority communicate and encourage ethical behaviours and business processes of its staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud?</p>	<p>We have a number of staff policies readily accessible on our intranet; these set out the Authority's expectations of its staff and Members, including the Member Code of Conduct, Member and Staff Working Together policy and the Officer Code of Conduct. Ethical behaviour is included as part of the gateway questions on procurements under the old procurement rules (which applied up to Feb 2025); the new rules include social and environmental sustainability.</p> <p>All staff are encouraged to behave in a manner consistent with all of the Authority's Values, Behaviours and Policies and to report any observed breaches of these expectations through their line management.</p> <p>As above.</p>		

<p>Have any significant issues been reported? If so, please provide details</p>	<p>No</p>		
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts? How are the risks relating to these posts identified, assessed and managed?</p>	<p>All posts at Head of Service level and above, owing to decision-making authority. All members of the Finance Team, any staff involved in cash sales. Our systems and processes contain controls around the segregation of duties and regular reconciliation checks. Our openness and transparency around financial transactions across the Authority provides a deterrent to fraudulent activity.</p>		
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>No All Members and senior officers are required to make an annual declaration of any related party relationships. These are reviewed and considered in relation to financial transactions.</p>		
<p>12. What arrangements are in place to report fraud issues and risks to the Audit Committee? How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control? What has been the outcome of these arrangements so far this year?</p>	<p>Please see question 1 above. As mentioned above, all such matters would be dealt with by the Committee as part of its routine business, but any serious matters would be raised with the Chair informally as soon as they became known. There have been no instances of fraud to test these arrangements, however we are confident that the arrangements in place would deal with such matters satisfactorily should they occur.</p>		
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>No</p>		
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>No</p>		

Laws and regulations

<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Lake District National Park Authority have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Lake District National Park Authority's regulatory environment that may have a significant impact on the Lake District National Park Authority's financial statements?</p>	<p>Decision making is governed by the rules of procedure as set out in the Authority Handbook. This ensures that the significant decisions made by the Authority are subject to due process including the opportunity for review by the Monitoring Officer.</p> <p>All committee reports contain specific legal comments provided (where relevant) by the Authority Solicitor. The Authority Solicitor attends all Executive Board/SLT meetings in her capacity as legal advisor. The Authority Solicitor also attends Member Committee meetings to provide specific legal advice. The Authority has a number of policies governing the way in which business is conducted, each of which has its basis in law. In addition to the measures detailed above, the Authority gains assurance of compliance from its officers as suitably qualified specialists in particular areas of service.</p> <p>No</p>		
<p>2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>The Authority Solicitor attends meetings of the Governance Committee to provide specific legal advice. Please also see response to question 1 above.</p>		
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulations since 1 April 2025 with an on-going impact on the 2025/26 financial statements? If so, please provide details</p>	<p>Not that I am aware of.</p>		
<p>4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details</p>	<p>None other than the contingent liability already disclosed in 2024/25</p>		
<p>5. What arrangements does Lake District National Park Authority have in place to identify, evaluate and account for litigation or claims?</p>	<p>Other than routine insurance claims, which are managed by our insurers, all other instances of litigation/claims would be dealt with by the Authority Solicitor</p>		
<p>6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details</p>	<p>None that I am aware of.</p>		

Related parties

<p>1. Have there been any changes in the related parties including those disclosed in Lake District National Park Authority's 2025/26 financial statements?</p> <p>If so, please summarise:</p> <ul style="list-style-type: none"> • the nature of the relationship between these related parties and Lake District National Park Authority • whether Lake District National Park Authority has entered into or plans to enter into any transactions with these related parties • the type and purpose of these transactions 	<p>No changes expected from the prior year but a full review will be conducted as part of close down.</p>		
<p>2. What controls does Lake District National Park Authority have in place to identify, account for and disclose related party transactions and relationships?</p>	<p>All senior officers and Members are required to make an annual disclosure. Financial transactions with third parties are analysed and suitably disclosed through a specific piece of work as part of the closure of accounts.</p>		
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	<p>All expenditure transactions are subject to the segregation of duties and transaction limits required by our payment processes. Public Sector procurement rules reduce the risk of related party relationships influencing spending decisions.</p>		
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	<p>The Authority's financial procedure rules set out the procedures for all payments. No payment can be made without at least 3 members of staff being involved.</p>		
Going concern			
<p>What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Lake District National Park Authority will no longer continue?</p>	<p>LDNPA has a framework of in-year monitoring financial and out-put performance vs plan plus annual refresh of the MTFs/Business plan plus detailed budget setting to meet statutory requirements for setting a balanced budget. These would identify significant pressures that could impact the ongoing delivery of statutory services.</p>		
<p>Are management aware of any factors which may mean Lake District National Park Authority that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?</p>	<p>No</p>		

<p>With regard to the statutory services currently provided by Lake District National Park Authority, does Lake District National Park Authority expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Lake District National Park Authority to cease to exist?</p>	<p>Yes</p>		
<p>Are management satisfied that the financial reporting framework permits Lake District National Park Authority to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?</p>	<p>Yes and yes; this will be formally reviewed and evidenced at closedown with a key line of evidence being the MTFS/budget for 2026/27 which is currently in preparation.</p>		
<p>Accounting estimates</p>			
<p>1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?</p>	<p>Asset valuations including the impact of indices, depreciation, IAS19 (including potential capping of the surplus), accruals; may require judgement in applying some policies around IFRS16, particularly leases on non-commercial terms.</p>		
<p>2. How does the Lake District National Park Authority's risk management process identify and address risks relating to accounting estimates?</p>	<p>The Finance Team review the Authority's financial activities as part of the closedown process and consider whether any additional significant accounting estimates are required or in evidence. There is pro-active communication with the external audit team to discuss issues as they arise. Generally the main areas where estimate are applied do not change from year to year; non-current assets and pension valuation will remain the key areas due to the size of balances.</p>		
<p>3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?</p>	<p>Asset values and depreciation are managed by our asset register using valuation information provided by our in-house valuers. The actuarial assumptions used to calculate IAS19 figures are reviewed and considered by the Finance Team prior to use. Accruals are subject to our monthly outturn procedures and which are subsequently reviewed within the budget monitoring reports to SLT and the Resources Committee. The Code and Code guidance notes are referred to as necessary to ensure any estimates or assumptions don't breach Code requirements.</p>		

<p>4. How does management review the outcomes of previous accounting estimates?</p>	<p>Asset values, depreciation and IAS19 figures are re-visited annually as part of the closedown process. Accruals are subject to our monthly outturn procedures with consequent review of budget performance by SLT and the Resources Committee. Any issues highlighted from the audit process would be reviewed and addressed.</p>		
<p>5. Were any changes made to the estimation processes in 2025/26 and, if so, what was the reason for these?</p>	<p>We are not expecting anything significant other than potential use of indices for valuing fixed assets.</p>		
<p>6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?</p>	<p>The Authority recognises that specialist skills are required in the calculation of asset values and IAS19 figures. Although valuations are provided mainly by our in-house team as qualified valuers, the use of external Actuaries is required for IAS19 figures as these skills are not available within the Authority. Valuations linked to IFRS16 can be carried out by the internal surveyor team. For 2025/26 to cover an internal vacancy, the asset valuations will be reviewed and signed off by an external valuer (the bulk of the work will be done internally).</p>		
<p>7. How does the Lake District National Park Authority determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?</p>	<p>The Authority considers the carrying values of assets held on the balance sheet and the size of the resulting depreciation charges. Asset valuations and depreciation are controlled through the asset register and the associated valuation schedule. The relative values of IAS19 and accrual figures are also considered in order to inform a view on appropriate controls. The Finance teams ensures any data provided to specialists is reconciled to the ledger and provided in the agreed format to the timescales agreed. Significant accruals are also checked post year end to actual invoices received and raised.</p>		
<p>8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?</p>	<p>The Finance Team and the Property Team are in close contact as regards land and buildings valuations and similarly with Cumbria LGPS administering authority who manage the IAS19 process. The Finance team monitor delivery of the information and check that the inputs used by specialists match what was provided. The outcome of the processes is reviewed to ensure variances in values are as expected or adequate explanations are provided. The pension fund provide separate assurance to support LDNPA's share as produced by the actuary.</p>		
<p>9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including:</p>	<p>The Governance Committee review the accounting policies in relation to management's position around accounting estimates. They also receive the detailed Audit Findings report from the external auditor which would flag any</p>		

<ul style="list-style-type: none"> • Management’s process for making significant accounting estimates • The methods and models used <p>The resultant accounting estimates are included in the financial statements.</p>	<p>significant issues around accounting estimates. The Authority employs CIPFA qualified accounting staff who apply the CIPFA Accounting Code of practice.</p> <p>The key areas where estimates are applied (IAS 19 and asset values) have little impact on the authority’s usable reserves. Governance Committee and senior managers have been appraised of these aspects of Local Government accounting.</p>		
<p>10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?</p>	<p>None other than those in Appendix A.</p>		
<p>11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?</p>	<p>The methods, controls and assumptions set out are judged to be consistent with the CIPFA Code of Accounting, in the main consistent year on year for the authority and consistent in approach to how other Local Authorities approach the same issues around non-current asset valuations and defined benefit pension figures (ie the use of qualified valuers to support non-current assets and an IAS 19 process managed by the pension fund and delivered by qualified actuaries).</p>		
<p>12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate?</p>	<p>A meeting of Governance Committee is scheduled for April 2026 which will consider this paper; the accounting policies are reviewed annually and external audit provide independent assurance to the Governance Committee that management’s approach is reasonable.</p>		

Appendix A – Accounting Estimates

Possible examples include land and buildings valuations, council dwelling valuations, investment property valuations, valuation of defined benefit net pension fund liability/asset, fair value estimates, level 2 and 3 investments, PFI liabilities, provisions, accruals, credit loss and impairment allowances, leases.

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Change in accounting method in year?
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Valuation of Property, Plant & Equipment	Rolling valuation in accordance with the code through internal valuers. Major assets valued annually but will be reviewed in light of indices	Reconciliation to asset register	Internal and external expertise	Valuation inputs and methods to be decided by professional valuers; some specialist assets but will use agreed approach where necessary (eg DRC)	No change in policy but some change in estimation method with introduction of indices
Valuation of Investment Property	Annual valuation in accordance with the code through internal valuers.	Reconciliation to asset register	Internal expertise	Level of uncertainty will depend on asset class and market information. Appropriate disclosures will be made to allow readers of the accounts to assess how much judgement has been applied to fair value calculations.	No, some potentially material changes in classification out of investment into operational for woodlands
Depreciation	Finance Team calculations based on valuations above.	Reconciliation to asset register	Internal expertise	Minimal uncertainty other than that based in valuations; estimation of remaining useful lives will be informed by expert opinion.	No
Year end accruals	Provided by budget holders with assistance from Finance Team	Use of budget variance reports, review of new year transactions	No	Minimal uncertainty although June 30th' deadline does necessitate cut off near the end of April for review of new year invoices. This increases the chance of cut off errors but is offset by Business Partnering knowledge to assist review of out-turns vs expectation.	No
Valuation of defined benefit net pension fund liability/asset	Expert actuaries commissioned	Reconciliation to base data provided by the Authority and Pension Fund	External expertise	Based in actuarial assumptions; the actuary also monitors any estimates and will inform of any potential impact where subsequent information suggests figures provided may require updating. Same approach to recognition of pensions asset will be applied as in 2024/25 if relevant.	No, will need to consider whether change in contribution rates for 2026/27 impacts asset ceiling calc
Valuation of right of use assets/lease liability	Generally based on PV of lease payments, using relevant PWLB rate as estimate of rate implicit in the lease. Some further estimate and judgement may be required for leases identified on non-commercial terms.	Full schedule of leases identified with comprehensive notes on information considered to assess underlying commercial rent level.	Internal/external expertise	Similar to PPE, valuation inputs and methods to be decided by professional valuers; may be some specialist assets but will use agreed approach where necessary	No

