Public Document Pack

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Our Values: Care – Enjoy – Pioneer

Our Ref: A.1142/4992

Date: 30 January 2025

NOTICE OF MEETING

Meeting: **National Park Authority**

Date: **Friday 7 February 2025**

Time: **10.00 am**

Venue: **Aldern House, Baslow Road, Bakewell**

PHILIP MULLIGAN
CHIEF EXECUTIVE

AGENDA

1.	**Apologies for Absence**		
2.	**Minutes of previous meeting held on 8 November 2024** *(Pages 5 - 10)*		5 mins
3.	**Urgent Business**		
4.	**Public Participation** To note any questions or to receive any statements, representations, deputations and petitions which relate to the published reports on Part A of the Agenda.		
5.	**Members Declarations of Interest** Members are asked to declare any disclosable pecuniary or prejudicial interests they may have in relation to items on the agenda for this meeting.		

FOR INFORMATION

6.	**Chair's Briefing**	5 mins
7.	**Chief Executive Report** *(Pages 11 - 14)*	5 mins

FOR DECISION

8.	**Governance Reform Recommendations to DEFRA** *(Pages 15 - 16)*	30 mins
9.	**Internal Audit Report Block 1 2024/25** *(Pages 17 - 46)* Appendix 1 Appendix 2 Appendix 3	15 mins
10.	**External Audit 2023/24 - Statement of Accounts and External Auditors' Reports** *(Pages 47 - 216)* Appendix 1 Appendix 2 Appendix 3 Appendix 4	20 mins
11.	**Proposed Change of Date of 2025 Annual Authority Meeting** *(Pages 217 - 218)*	10 mins
12.	**Request for Approval of Reasons for Member Non-Attendance at Meetings** *(Pages 219 - 220)*	10 mins

FOR INFORMATION

13.	**Report from the Chair of Programmes & Resources Committee - Verbal Update**	5 mins
14.	**Report from the Chair of Planning Committee - Verbal Update**	5 mins
15.	**Reports from Outside Bodies - None submitted**	5 mins

Duration of Meeting

In the event of not completing its business within 3 hours of the start of the meeting, in accordance with the Authority's Standing Orders, the Authority will decide whether or not to continue the meeting. If the Authority decides not to continue the meeting it will be adjourned and the remaining business considered at the next scheduled meeting.

If the Authority has not completed its business by 1.00pm and decides to continue the meeting the Chair will exercise discretion to adjourn the meeting at a suitable point for a 30 minute lunch break after which the committee will re-convene.

ACCESS TO INFORMATION - LOCAL GOVERNMENT ACT 1972 (as amended)

Agendas and reports

Copies of the Agenda and Part A reports are available for members of the public before and during the meeting. These are also available on the website http://democracy.peakdistrict.gov.uk

Background Papers

The Local Government Act 1972 requires that the Authority shall list any unpublished Background Papers necessarily used in the preparation of the Reports. The Background Papers referred to in each report, PART A, excluding those papers that contain Exempt or Confidential Information, PART B, can be inspected on the Authority's website.

Public Participation and Other Representations from third parties

Please note that meetings of the Authority and its Committees may take place at venues other than its offices at Aldern House, Bakewell when necessary. Public participation is still available and anyone wishing to participate at the meeting under the Authority's Public Participation Scheme is required to give notice to the Customer and Democratic Support Team to be received not later than 12.00 noon on the Wednesday preceding the Friday meeting. The Scheme is available on the website http://www.peakdistrict.gov.uk/looking-after/about-us/have-your-say or on request from the Customer and Democratic Support Team 01629 816362, email address: democraticandlegalsupport@peakdistrict.gov.uk.

Written Representations

Other written representations on items on the agenda, except those from formal consultees, will not be reported to the meeting if received after 12noon on the Wednesday preceding the Friday meeting.

Recording of Meetings

In accordance with the Local Audit and Accountability Act 2014 members of the public may record and report on our open meetings using sound, video, film, photograph or any other means this includes blogging or tweeting, posts on social media sites or publishing on video sharing sites. If you intend to record or report on one of our meetings you are asked to contact the Customer and Democratic Support Team in advance of the meeting so we can make sure it will not disrupt the meeting and is carried out in accordance with any published protocols and guidance.

The Authority uses an audio sound system to make it easier to hear public speakers and discussions during the meeting and makes an audio visual broadcast and recording available after the meeting. These recordings will be retained for three years after the date of the meeting.

General Information for Members of the Public Attending Meetings

Please note meetings of the Authority and its Committees may take place at venues other than its offices at Aldern House, Bakewell when necessary, the venue for a meeting will be specified on the agenda. There may be limited spaces available for the public at meetings and priority will be given to those who are participating in the meeting. It is intended that the meetings will be visually broadcast via YouTube and the broadcast will be available live on the Authority's website.

This meeting will take place at Aldern House, Baslow Road,Bakewell, DE45 1AE.

Aldern House is situated on the A619 Bakewell to Baslow Road. Car parking is available. Local Bus Services from Bakewell centre and from Chesterfield and Sheffield pick up and set down near Aldern House. Further information on Public transport from surrounding areas can be obtained from Traveline on 0871 200 2233 or on the Traveline website at www.travelineeastmidlands.co.uk.

Please note that there is no refreshment provision for members of the public before the meeting or during meeting breaks. However, there are cafes, pubs and shops in Bakewell town centre, approximately 15 minutes walk away.

To: Members of National Park Authority:

Chair: K Smith
Deputy Chair: J W Berresford

M Beer	Ms R Bennett
P Brady	M Buckler
M Chaplin	Prof J Dugdale
C Farrell	C Greaves
A Gregory	L Grooby
B Hanley	A Hart
L Hartshorne	G Heath
I Huddlestone	D Murphy
A Nash	C O'Leary
K Potter	V Priestley
K Richardson	K Rustidge
Dr R Swetnam	S Thompson
J Wharmby	Y Witter
B Woods	

Other invited Members: (May speak but not vote)

A Martin

Constituent Authorities
Secretary of State for the Environment
Natural England

Peak District National Park Authority
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Aldern House, Baslow Road, Bakewell, Derbyshire. DE45 1AE

PEAK DISTRICT NATIONAL PARK

MINUTES

Meeting:	**National Park Authority**
Date:	Friday 8 November 2024 at 10.00 am
Venue:	Aldern House, Baslow Road, Bakewell
Chair:	K Smith
Present:	J W Berresford, M Beer, Ms R Bennett, M Buckler, M Chaplin, Prof J Dugdale, C Farrell, C Greaves, L Grooby, B Hanley, L Hartshorne, I Huddlestone, D Murphy, A Nash, C O'Leary, K Potter, V Priestley, K Richardson, K Rustidge, Dr R Swetnam, S Thompson, Y Witter and B Woods
Apologies for absence:	P Brady, A Gregory, A Hart, Mrs G Heath and J Wharmby.

89/24 MINUTES OF PREVIOUS MEETING HELD ON 27 SEPTEMBER 2024

The minutes of the last meeting of the National Park Authority held on 27 September 2024 were approved as a correct record subject to an amendment to paragraph 2 in Minute No 84/24 to read Sheffield Hunter Centre Archaeological Society instead of Sheffield Centre Archaeological Society.

The Authority Solicitor confirmed that the Authority does own the intellectual property code for the work discussed under Minute No 84/24 and she would circulate an email to Members to confirm the details.

The Chair confirmed that the Aerial Photography Conference referred to in paragraph 2 of Minute No 84/24 will take place in March 2025.

90/24 URGENT BUSINESS

There was no urgent business.

91/24 PUBLIC PARTICIPATION

There were no members of the public present to make representations to the Committee.

92/24 MEMBERS DECLARATIONS OF INTEREST

Item 10

Cllr Chaplin declared a prejudicial interest in this item as he is a Member of Sheffield City Council.

93/24 CHAIR'S BRIEFING

The Chair of the Authority provided the following verbal update to Members:-

- Along with the Deputy Chair he had attended the Buxton Town Team Sustainable Travel Conference
- The Chair had attended the Derbyshire Archaeological Advisory Committee where the principal issue discussed was the publication of the Archaeology and Conservation in Derbyshire and the Peak District (ACID) magazine which faced funding constraints from Derbyshire County Council and some crowd funding had been set up to help with the publication costs
- The Chair had attended the Natural England 75th anniversary event at the Houses of Parliament where he spoke to Steve Reed (Secretary of State for Environment, Food and Rural Affairs)
- The Chair had attended the National Parks England board meeting
- The Chair had attended the weekly Chairs and Vice-Chairs briefings with the Chief Executive
- The Chair had attended the National Parks Partnership AGM.

The Chair reminded Members about the email previously circulated to them regarding the consultation on "Enabling remote attendance and proxy voting at local authority meetings". Consultation responses should be submitted up to 19th December 2024 and Members were encouraged to individually submit their responses.

94/24 CHIEF EXECUTIVE REPORT (PM)

The Chief Executive mentioned there had been a meeting between National Parks England, Steve Reeds and the Special Advisory Team. It was noted that it is unlikely that information will be received regarding what the core grant shall be for the next year until January 2025.

The following points were noted:

- The Levelling Up and Regeneration Act (LURA) had a new duty for public bodies to further National Park purposes. The guidance from government has been slow in publication but hopefully will be available by Christmas 2024.
- The increase in the employer national insurance contribution is likely to cost the Peak District National Park an extra £220,000. Currently it is unclear if there is any dispensation for National Park Authorities.
- The five National Park missions tie-in with the five missions of the Government.

RESOLVED:

1. **To note the report.**

95/24 AUTHORITY PROGRESS REPORT - MID-YEAR (DECILE 3) 24-25

The Data Strategy & Performance Officer introduced the report.

It was noted that 'the negative impact of users' had been moved into the red risk box of the Corporate Risk Register and it was clarified that this was due to the increased scrutiny around this issue and the challenge of collecting evidence and finding workable solutions within the National Park.

The unsuccessful recruitment for the Grant Development and Bid-Writing Officer was mentioned. Whilst the recruitment process is re-run some of the allocated salary shall be used to hire a consultant who will help apply for some of the larger grants for the Landscape Connections Development.

There was a suggestion that the delivery aim objective D showing a medium term balanced budget should probably be amber rather than green and this would be clarified with the Finance Manager.

There was a question regarding the delivery of net income targets which is tracking slightly below budget and the reasons for this were explained. Some areas are above budget e.g. income from carparks whereas some income is below e.g. number of planning applications received is lower and also the pre-app advice service was suspended for a while (now re-instated) hence no income was generated from this service.

The recommendations, as set out in the report, were moved, seconded, put to the vote and carried.

RESOLVED:

1. **To approve the digital Authority Progress Plan Report (Decile 3) 2024/25**

2. **To review the Corporate risk register summary (Decile 3) 2024/25 provided in Appendix 1 of the report and the status of risks accepted.**

96/24 LOCAL DEVELOPMENT SCHEME UPDATE

The Policy & Communities Team Manager introduced the report.

Some minor amendments have been made to the document to reflect the new timetable for the Local Plan Review.

The recommendation as set out in the report was moved, seconded, voted on and carried.

RESOLVED:

1. **To approve the updated Local Development Scheme at Appendix 1 of the report.**

97/24 SHEFFIELD CITY COUNCIL STATEMENT OF COMMON GROUND (BJT)

The Head of Planning introduced the report.

Recommendation 3 was amended to read the following:

"That authority be delegated to the Head of Planning in consultation with the Chair of the Authority and Chair of Planning Committee to finalise and approve the Mitigation Delivery Plan on behalf of the Authority".

The recommendations as set out in the report, with the above amendment to recommendation 3, were moved, seconded, voted on and carried.

RESOLVED:

1. **To note the summary of the terms of the new Sheffield Plan Local Authorities Statement of Common Ground outlined in the report.**

2. **To note the continuing work of officers to sign up to the Sheffield Plan Local Authorities Statement of Common Ground on behalf of the Peak District National Park Authority.**

3. **To delegate authority to the Head of Planning in consultation with the Chair of the Authority and Chair of Planning Committee to finalise and approve the Mitigation Delivery Plan on behalf of the Authority.**

98/24 BOARDROOM APPRENTICE PROGRAMME

The Customer and Democratic Services Manager introduced the report which requested Members to consider the opportunity for the Authority to become a Host Board as part of the Boardroom Apprentice programme. It was noted that provision of a Board Buddy (mentor) was a requirement of the scheme and if Members were minded to support the proposals then it was suggested that a member of the Programmes and Resources Committee would be best placed to support the Apprentice. If no volunteer comes forward then the scheme would not be viable.

There is no expectation that any Boardroom Apprentice would be eligible to become a Member at the end of their 12 month apprenticeship.

It was clarified that the apprentice would be able to speak at meetings but unable to vote.

11.00am Cllr Hartshorne joined the meeting.

The Members were supportive of this initiative. The recruitment and selection procedure were clarified and the initiative would be promoted through our media channels. Any successful applicant would be subject to the Authority's Member Code of Conduct.

The recommendations as set out in the report with an amendment to recommendation 3 to read "That a Member from the Programmes and Resources Committee is appointed as a Board Buddy to mentor any matched Apprentice", were moved, seconded, voted on and carried.

RESOLVED:

1. **That the application to become a Host Board for a Boardroom Apprentice for 2025 be agreed.**

2. **To agree to support any matched Apprentice by inviting them to attend meetings of the Authority and the Programmes and Resources Committee as a non-voting member. This is subject to satisfactory completion of a Memorandum of Understanding, signing up to the Members Code of Conduct, compliance with Standing Orders and completion of a register of interests.**

3. **That a Member from the Programme and Resources Committee is appointed as a Board Buddy to mentor any matched Apprentice.**

4. **That any matched Apprentice would be eligible to claim for the payment of travel and subsistence allowances as set out in Schedule 2 of the Members' Allowances Scheme when attending meetings of the Authority, Programmes and Resources Committee and any training or other events as necessary is agreed.**

99/24 REPORT FROM THE CHAIR OF PROGRAMMES & RESOURCES COMMITTEE - VERBAL UPDATE

The Programmes and Resources Committee had not met since the last Authority Meeting and therefore there was no update at this meeting.

100/24 REPORT FROM THE CHAIR OF PLANNING COMMITTEE - VERBAL UPDATE

In the absence of the Chair of Planning Committee the Vice-Chair gave a verbal update on the work of the committee.

There has been one planning committee meeting since the last full Authority meeting which had only one planning application on the agenda.

The number of new planning applications has dropped possibly due to uncertainties surrounding the intentions of the new government and partly due to the complexities of the new nature recovery requirement.

The main focus was the quarterly enforcement report. The committee has requested to be informed annually about the number of outstanding and unresolved complaints.

There were no questions from Members.

101/24 REPORTS FROM OUTSIDE BODIES - NONE SUBMITTED

No reports had been submitted.

The meeting ended at 11.14am.

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7. CHIEF EXECUTIVE REPORT

1. Purpose

To up-date Members of key items since the previous Authority meeting.

2. Context

2.1 Defra grant situation – the position on our future one and three year grant settlements has not changed since the last Authority meeting: we are still waiting to hear what our settlements will be and we have still not been given a date when we will hear by. Our understanding is that Defra now has its total allocation agreed but is doing internal business planning to allocate to different areas within the department. Our understanding is that final decisions have not yet been made so there is still time to try and influence the outcome. However, the mood music is that the fiscal position is very tight and we can expect cuts across the department. National Parks England is working hard on our behalf to try and get the best possible settlement. Individual National Parks are also undertaking activity to try and promote our cause to Minister and officials. We have written to all our local MPs to ask for their support in efforts to influence our funding position. We are also expecting confirmation on the future of Farming in Protected Landscapes (FiPL). The staffing roles for FiPL have already been extended and we are waiting to hear whether there will be any project funds to distribute next year.

2.2 Secretary of State and Ministerial visit – before Christmas we hosted a visit by SoS Steve Reed and Nature Minister Mary Creagh. This was a Protected Landscapes Partnership visit with the Peak District hosting on behalf of National Parks England, National Landscapes, National Trails and Natural England. The visit was short but did allow for engagement with the Ministerial team and the case around funding to be presented.

2.3 Defra national announcements – following the above Ministerial visit, Defra launched guidance on the new duty to further the purposes of National Park Management Plans. This announcement was tied in to marking the 75th anniversary of the legislation that created National Parks. Clarification and developments have also been coming forward around the Protected Landscapes Targets and Outcomes Framework (PLTOF), in particular how targets are going to be calculated and what the targets might be for each individual National Park.

2.4 Defra annual review meeting – on 22nd January the annual review meeting took place with Defra officials to present an update on our spending, activity and outcomes for the current financial year. This was an opportunity to highlight some of our achievements and to present officials with an assessment of some of the risks and opportunities we face. The meeting included our asks of government to help with the delivery of the National Park Management Plan and key government targets. These asks included:

- Core grant uplift to meet our higher National Insurance contributions
- Extra capital to create revenue generation
- Additional funding to cover unfunded statutory requirements
- Provide power and resources for climate smart conservation objectives
- Make Protected Landscapes the sole Environmental Land Management Scheme (ELMS) conveners for their areas and give powers to create bespoke ELM options relevant to the place
- Acknowledge increase in negative visitor/user behaviour and increase funding to mitigate harm to wildlife, environment and local communities
- Additional funding for major development control projects
- Strategic land use framework

2.5 Restructure – consultations have taken place on cost saving proposals. Notwithstanding this consultation, Pioneer conversations have been going ahead to set objectives for the year ahead. Our Investors In People survey received a 62% response and we will be undertaking our renewal assessment in April. We are trying to maintain positive engagement with staff through activities such as our ongoing corporate volunteering days and 'show and tell' presentations at our weekly team tea breaks. We have put thought and resources into how we can care for and support our people during this difficult process.

2.6 Nature recovery work – we are continuing engagement as a 'supporting authority' to six Local Nature Recovery Strategies covering the National Park. There are still issues to work through around the most effective process for nature enhancements using BNG funding. Our Landscape Recovery Project, Morridge Hill Country, is progressing well in its set up phase. The project focuses a cluster of farms and land holdings in the South West Peak where we hope to demonstrate novel private finance options, increasing the sustainability of farm businesses, and the use of AI to record land type/use and open up natural capital funding options. Eight further land owners and managers are wishing to be included in the project which is a testament to the project team.

2.7 Asset improvement work – tree safety work on our trails has been taking place this winter and is going well, all ahead of schedule and with no incidents. Plans for the repair and redevelopment of Cruck Barn (on our North Lees estate) are progressing internally with temporary propping of the barn and external weather proofing to be installed until permanent repairs are agreed. Moors for the Future Partnership is awaiting the outcome of the Ofwat AMP8 asset investment decision process with significant funding for restoration expected. In the meantime, the team is progressing existing work, including planting over 200,000 sphagnum plugs in the last two months.

2.8 Planning news – the team has been delivering excellent performance with decisions being made within eight weeks now averaging 85% over the two-year assessment period. The Policy and Community team is currently working through 2,743 comments from the Issues and Options consultation. They are also commissioning further evidence to refine topics such as housing need, development viability and rural economy, to ensure a robust approach moving forward. Our active travel work has involved workshops with highways authorities, land owners and the Local Access Forum. We are now preparing a High-Level Network Plan for Active Travel, ready for public consultation in the next few weeks. The enforcement team are now imbedded within the development management area teams, which is proving an effective way to monitor and progress cases. The trend of reducing our backlog of enforcement cases is continuing. A handful of high-profile enforcement cases are being carefully considered and appropriate action is being taken. The cultural heritage team has just delivered another successful Derbyshire Archeology Day which showcases a selection of projects from across the county and cultural heritage volunteering continues to expand. The team is also awaiting news of two funding bids that would see a further expansion in this area.

2.9 Resources team – we have received over 250 applications for our new legal apprentice role which means we will be able to grow our specialists legal officer taking someone from A levels through to a qualified solicitor. Congratulations to the finance team for achieving an unqualified external audit opinion for 2023-24. The strategy team are currently analysing the results of the 2024-25 visitor survey along with data from mobile phones, Strava and counters on our trails. They have also been successful in getting funding for a PhD role to help develop our AI mapping. The team are working with Natural England, Sheffield University and across our services to understand climate change adaptation for the National Park.

2.10 Local engagement

2.10.1 EMCCA Biodiversity Taskforce – by the time of the Authority meeting I will have attended the first gathering of the new EMCCA Biodiversity Taskforce. Membership of the group has a number of wildlife and nature experts and it is important this sector knowledge is complemented by an understanding of the role the National Park can play in nature recovery.

2.10.2 Peak Park Summit and Derbyshire Rural Crime Partnership – by the time of the Authority meeting the Police and Crime Commissioner (PCC) for Derbyshire will have held the Rural Crime Partnership meeting at Chatsworth that I will be attending with colleagues. Clare Ward, the EMCCA Mayor will also be attending. We will have also delivered the next Peak Park Summit jointly with the PCC, which is where we bring together stakeholders looking at crime and safety issues across the National Park.

2.10.3 Moorland nature recovery retreat – in December the Authority convened a high-level retreat for moorland owners, managers, regulators and environmental/nature organisations. The retreat was successful in building trust and relationships and managed to agree a number of high-level outcomes that everyone wants to see on our moorlands. There remains disagreement about some of the methods to achieve these outcomes but the group committed to continue meeting and undertake a programme of visits to each other's sites to gain better understanding over different methods and to be informed by best practice.

2.10.4 Farm visit – before Christmas I undertook an NFU organised visit to a local White Peak farm to meet a range of farmers who were gathered together. I was very impressed by the extent to which the farming I saw was informed by complex science monitoring and assessments. Challenges of diversification and visitor pressure on farmed areas were also discussed.

2.10.5 Cressbrook bridge opening – it was a pleasure to attend the opening of a replacement footbridge in Cressbrook in December. The project exemplified partnership working, the benefit of having a team of experienced, core funded, staff and the way in which the Authority can use its conveying powers and access to funding to leverage wider funding for projects. The Foundation was also instrumental in seeing this project delivered. Press coverage of the opening has previously been made available to Members.

2.10.6 Landscape Connections NLHF bid – work is progressing with key partners on the development of a bid (up to £10m) to undertake nature enhancements along and between our trails network in the White Peak. The Authority is funding initial development work to unlock much greater funding over a longer period of time, with the outcomes being nature rich green corridors connected across an area of intensive agricultural land with the secondary benefit of some heritage restoration and opportunity to engage new diverse audiences.

2.10.7 Magpie Mine – I recently visited the Peak District Mines Historical Society to look at a recent FiPL funded restoration at the site and meet with Duncan Wilson, the CEO of Historic England.

2.10.8 BBC Countryfile – Members have previously been made aware of December's BBC Countryfile from the Peak District. The coverage was very positive about the National Park but also touched on wider funding issues for protected landscapes.

2.10.9 75th anniversary celebrations – in December we held a small event to mark the 75th anniversary of the legislation that created National Parks. The event brought together members of the Silkin family whose great grandfather, Lewis Silkin, was the Minister that drove the creation of National Parks, with trainees from our National Park Training Academy. Work will shortly be starting to plan for the 75th anniversary of the creation of the country's first National Park, in the Peak District, in April 2026.

3. Proposals

3.1 None

4. Recommendations

4.1 For Members to note the report

5. Corporate Implications

5.1 Legal – none

5.2 Financial – the report highlights the importance of the impending government decision on our future grant. Significant financial implications for the Authority will result if the settlement is not as positive as our forecasting assumes.

5.3 National Park Management Plan and Authority Plan – the report covers work that is helping deliver the NPMP and indicates efforts to secure additional resources for further delivery. The report notes the current restructure which will require a review of our ability to delivery some aspects of the NPMP.

5.4 Risk Management – a number of financial risks are noted in the report. There are also potential reputational risks if some of what is reported above transpires.

5.5 Net Zero – no major net zero implications from the report.

6. Background papers (not previously published)
None

7. Appendices
None

Report Author, Job Title and Publication Date

Phil Mulligan, CEO, Publication Date, 30 January 2025

Responsible Officer, Job Title
Phil Mulligan, CEO

8. GOVERNANCE REFORM RECOMMENDATIONS TO DEFRA

1. Purpose

To inform government of the Authority's appetite for changes to be made to improve National Park governance.

2. Context

2.1 The new government has made clear its intentions to review certain governance arrangements for National Parks and this paper presents government with the views of this Authority in terms of what areas of change may be supported.

2.2 This matter was discussed by Members at the Authority meeting on 24th January 2025. The agreed recommendation from that meeting was for a letter to be drafted for Members to agree at this meeting.

3. Proposals

3.1 It is proposed that the Authority writes to the Secretary of State to emphasise the Authority's willingness to support potential governance changes, and that the Authority makes specific suggestions as to what the government might want to consider changing.

3.2 The proposed wording of that letter is below (this is the substantive content of the letter not the topping and tailing that would be added in the normal way).

3.3 The wording has been chosen to reflect the debate held by Members although it is recognised that not all Members agreed with each other and no agreed position was voted on. This paper aims to reflect the general discussion of the Authority meeting and uses what intelligence we have from colleagues in Defra about what the government might be interested in considering.

3.4 The main points of the letter would be:

3.4.1 The Peak District National Park Authority is aware of the current imbalance within its Membership structure, and it wishes to work with partners and with the government to address the problem.

3.4.2 The Authority has an ambition for the diversity of its Members to be more reflective of wider society and National Park users.

3.4.3 The Authority supports a reduction in the number of Members it has.

3.4.4 The Authority appreciates that the current system of appointing Members has a strong element of local democratic accountability, and it is important to maintain local representation on the Authority.

3.4.5 The Authority recognises that any proposed changes to National Park governance needs to be considered alongside proposals for Local Government Reform.

3.4.6 The Authority is aware that it lacks the power or ability to be able to achieve greater diversity of Members or a reduction in the size of the Membership without government making changes to how Members are appointed and without government reducing the number of Members it is required to have Under The National Park Authorities (England) Order 2015..

3.4.7 Other National Park Authorities have used mechanisms such as cooption and direct appointment in an attempt to diversify their membership. The Peak District National Park Authority is open to considering such measures but only where this also helps meet the objectives of increasing diversity and reducing the overall number of Members while remaining able to deliver against statutory purposes and duty.

4. Recommendations

1. ***That a representation is made to the Secretary of State setting out the points made in 3.4 above.***
2. ***That authority be delegated to the Chief Executive, in agreement with the Chair and Deputy Chair, to fully draft and send the representation.***

5. Corporate Implications

a. Legal
There are no adverse legal implications in relation to this proposal. The relevant legislation regarding membership of the Authority is set out and explained in the report.

b. Financial
It is possible that a significant reduction in the number of Members, should this result, may reduce overall costs to the Authority.

c. National Park Management Plan and Authority Plan
These proposals do not in themselves contribute to the delivery of the National Park Management Plan.

d. Risk Management
There is little risk associated with these proposals, the greater risk would be from not taking any action. Should no action be taken there is some risk that governance changes may be proposed by government that do not reflect the needs or wishes of this Authority. By proactively writing to the Secretary of State to suggest the types of changes that would be supported, it is hoped that these risks can be mitigated.

e. Net Zero
These proposals do not impact on net zero plans.

6. Background papers (not previously published)
None.

7. Appendices
None.

Report Author, Job Title and Publication Date

Phil Mulligan, CEO, 30th January 2025.

Responsible Officer, Job Title
Phil Mulligan, CEO, 30th January 2025.

9. INTERNAL AUDIT REPORT BLOCK 1 2024/25

1. Purpose

The report presents to Members the Internal Auditors recommendations for the first block of the 2024/25 Internal Audit and the agreed actions for consideration. The Internal Auditors will be present at the meeting to answer any questions relating to the audit report.

2. Context

2.1 The Auditors give an opinion based on four grades of assurance. Substantial Assurance, Reasonable Assurance, Limited Assurance and No Assurance. Budget setting, monitoring & reporting received a rating of Reasonable Assurance. Rent reviews, Leases & Concessions received a rating of Reasonableness Assurance and Moors for the future received a rating of Substantial Assurance.

2.2 The priority of agreed actions is determined based on a rating of Critical, Significant, Moderate and Opportunity. Budget setting, monitoring & reporting received four Moderate findings. Rent reviews, leases & concessions received one Moderate finding and two Significant findings and Moors for the future received none. Follow-up actions and implementation deadlines have been agreed with responsible managers and further details can be found within Appendix 1-3.

3. Proposals

3.1 Managers have carefully considered the internal auditors' recommendations, and the agreed actions are set out in the audit reports in Appendices 1 - 3 for Members consideration.

4. Recommendation

1. That the Internal Audit reports for the three areas covered under Block 1 for 2024/25. Budget setting, monitoring & reporting, Rent reviews, leases & concessions and Moors for the future (in appendices 1-3 respectively) be received and the proposed actions agreed.

5. Corporate Implications

a. Legal

Pursuant to Regulation 5 of the Accounts and Audit Regulations 2015, the Authority, as a relevant authority defined in paragraph 2, Schedule 2 of the Local Audit and Accountability Act 2014, must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

b. Financial

There are resource implications of implementing recommendations and this is why the priority rating of recommendations is important as this has to be managed with existing budgets and staffing levels, taking account of the level of risk agreed by management. The cost of the Internal Audit Service Level Agreement is included within the overall Finance Budget.

c. National Park Management Plan and Authority Plan
The Authority Plan includes Objective F (Governance) - to have best practice governance arrangements in place.

d. Risk Management

The Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority.

e. Net Zero

There is no impact

6. Background papers (not previously published)
None.

7. Appendices
Appendix 1: Internal Audit Report-Budget setting, monitoring & reporting
Appendix 2: Internal Audit Report-Rent reviews, leases & concessions
Appendix 3: Internal Audit Report-Moors for the future

Report Author and Responsible Officer, Job Title and Publication Date

Author: Sinead Butler, Finance Manager & Chief Financial Officer. Responsible Officer: Emily Fox, Head of Resources 30 January 2025

BUDGET SETTING, MONITORING AND REPORTING

PEAK DISTRICT NATIONAL PARK AUTHORITY

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PEAK DISTRICT NATIONAL PARK

INTERNAL AUDIT REPORT

Appendix 1

	Critical	Significant	Moderate	Opportunity
Findings	0	0	4	0
Overall audit opinion	**Reasonable assurance**			

Status: Final

Date Issued: 28 January 2025

Responsible Officer: Finance Manager

Veritau

INTRODUCTION

It is a statutory requirement for the Peak District National Park Authority (the Authority) to approve a balanced budget in advance of the start of the financial year. This is done at the March Full Authority meeting. The Authority prepares a Medium Term Financial Plan (MTFP) each year. The MTFP is reviewed annually by the Senior Leadership Team before being approved by Members at the March Full Authority meeting.

It is each budget manager's responsibility to manage their budget, with assistance from the finance team. In 2023 the Authority switched their finance management system (FMS) to iplicit, with training provided to staff recently to support with budget monitoring throughout the year.

The budget for the 2024/25 financial year was approved on 2 February 2024 at just under £8m.

OBJECTIVES AND SCOPE

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- There is a robust budget setting process in place with appropriate scrutiny and authorisation being carried out.
- Budgets are monitored regularly and effectively, and variances are investigated.
- Budget managers have received sufficient training and have access to appropriate information relating to budget management.
- Budget information is regularly produced and reported to the relevant stakeholders.

KEY FINDINGS

We confirmed that the Authority has implemented a robust budget-setting procedure which is aligned to the financial regulations. The Authority has a detailed budget timetable which provided a clear, structured process for ensuring the budget and medium-term financial plan (MTFP) was scrutinised and authorised on time by the Full Authority members. A formal mid-year review process has been introduced during 2024/25 with each budget manager being assigned a finance partner, to enable a smoother, more joined up process between Finance and the Departments and we understand that feedback has been well received for both.

Discussions with budget managers indicated that budgets are generally being monitored regularly, however, we found no guidance to specify the timeliness of when budgets are expected to be reviewed to ensure a consistent process is followed by all. Some budget managers highlighted that they only carry out in-depth budget monitoring as part of the reports which Finance produce on a quarterly basis, including the mid-year review, but will carry out regular checks to ensure that no significant issues arise. It is noteworthy that some budget managers only have small non-pay budgets.

From the discussions with budget managers, we were able to ascertain that there was sufficient understanding that any budget variances should be identified and investigated. The vast majority all stated that variances had been identified during the 2024/25 financial year, and all had provided reasonable explanations for these variances. Variances with detailed explanations are also reported to the Audit, Budget and Project Risk Monitoring Group as part of the mid-year review to provide oversight to some of the Authority's members. Although we noticed that from the latest report in November 2024, there are a number which are due to unavoidable changes to project times, we also found some instances where variances had occurred as a result of inaccurate budget profiling.

Recently, the Authority has moved to a new financial management system, iplicit. Whilst mandatory training was provided shortly after implementation, further, non-mandatory training sessions have been facilitated and offered to all budget managers. These were well attended and will be held twice a year going forward. Training records confirmed that five of the six budget managers interviewed attended the last training session, with the remaining budget manager requiring to be booked onto a future session. We found that training materials and guidance are available within the shared drive, and all budget managers we spoke to confirmed they were aware and had reviewed this information. However, some budget managers advised us that they were still not confident when fully using iplicit and that further training would be necessary to ensure that their knowledge of the reporting and budget management side was effective.

We established that the Authority has two main budget reports, budget vs actual summary and budget vs actual committed which provide the key information to support budget setting, profiling and monitoring. All of the budget managers spoken to confirmed they were aware of these and that they were able to produce them, however, some advised their understanding could be improved.

We found that budget information with detailed summaries was regularly made available to the Audit, Budget and Project Risk Monitoring Group. However, despite the existence of a terms of reference outlining the group's purpose, no meeting minutes are recorded to demonstrate the discussion and any actions taken forward.

OVERALL CONCLUSIONS

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Budget monitoring — Moderate

Control weakness

Budget monitoring by budget managers is not carried out regularly or consistently throughout the Authority and there is no evidence of a higher level review by Heads of Service.

What is the risk?

The lack of regular and consistent budget monitoring can lead to financial instability, debt, missed opportunities and poor decision making.

Findings

All budget managers are expected to carry out budget monitoring on the budgets they are responsible for throughout the year, however, the Authority has not formally defined any expectations for how regularly budget monitoring should be carried out and the approach to be taken, aside from the quarterly review process. There is some structure, however, as the Authority does have a mid-year review which all budget managers are expected to provide feedback on any variances within their budgets and give some explanation for these. There is also quarterly monitoring that is carried out by Finance and meetings with key budget managers take place, particularly those that are income generating.

Discussions with budget managers highlighted an inconsistency with how often budget monitoring is undertaken, with some carried out monthly, and some on a more ad hoc basis. It is important that all budget managers regularly review their budget to ensure that any variances are identified and investigated in a timely manner. It is noteworthy that some budget managers only have small non-pay budgets.

Furthermore, it was highlighted that there is no standardised process for budget managers to provide feedback and updates to their Head of Service. Some staff stated that they only provide s budgeting feedback when requested but it is not part of their regular 1-2-1 agenda.

Agreed action

Evidence of Heads of Service review, at least quarterly, should be shared with Finance, to confirm they have had a formal budget discussion with budget managers, reviewed budget variances and highlighted any risks or opportunities.

Responsible officer: Finance Manager **Timescale:** 01 April 2025

2 Budget profiling

Moderate

Control weakness

Budget profiling is not being completed accurately, resulting in variances which may also be misleading (as seen in the mid-year review provided to Authority members).

What is the risk?

If budget profiling is not carried out accurately, it can lead to uncertainties that can affect a budget's cost, revenue or scope.

Findings

Once the initial draft budget has been agreed by Finance, budget managers are expected to profile their budget across the year to predict when income and expenditure is expected. The budget profiles created should be used to monitor budgets throughout the year and, if set accurately, should see minimal variances.

Discussions with Finance and examination of the mid-year review report provided to the Audit, Budget and Project Risk Monitoring Group showed that variances and profiling issues are removed in order to show the most accurate forecast. Some of the variances are due to project delays such as those affected by the weather or contractor issues, although we also identified some instances of poor budget profiling. Budget managers should be using budget monitoring and year end processes to ensure that when setting the budget profile for the next year income and expenditure is distributed as accurately as possible.

Agreed action

As part of the 25/26 budget setting cycle, the Finance team have worked closely with budget managers to ensure profiling is more accurate than previous budgets. The accuracy of the new profiling structure will continue to be monitored. This will enable better use of the finance system for budget managers and Finance, as budget versus actuals will represent real time differences.

Responsible officer: Finance Manager **Timescale:** 01 July 2025

3 Staff Training — Moderate

Control weakness

Some budget managers indicated that further training was required on the new FMS (iplicit).

What is the risk?

Budget managers are not suitably trained leading to inefficient use of the new FMS and poor budget monitoring.

Findings

Since implementing iplicit, the Authority's new finance management system in late 2023, there has been two sets of training sessions provided to budget managers, to ensure familiarity with the system functionalities. Initial training was rolled out as part of the implementation phase; however, it was recognised by Finance that a number of budget managers were still nervous using the system which led to process notes becoming more enhanced and user friendly. Further refresher training was facilitated across the two sessions, to enable maximum attendance.

However, despite most budget managers interviewed stating that the training was useful some still felt that further training was necessary as they were still not overly confident on the reporting side and how this linked to budget monitoring processes.

Agreed action

Refresher training courses will be held twice a year, facilitated by Finance. Finance will also offer 121 training for new starters or those that require additional help.

Responsible officer: Financial Accountant **Timescale:** 01 July 2025

4 Audit, Budgeting and Risk Monitoring Group

Moderate

Control weakness

The Audit, Budget and Project Risk Monitoring Group do not currently record their discussion or action points.

What is the risk?

There is no audit trail to demonstrate the discussions held within the Group and any corresponding actions or escalations.

Findings

The Audit, Budget and Project Risk Monitoring Group has a terms of reference which includes the following in respect of budget monitoring;

- To be aware of all capital and revenue expenditure and income compared to the projected budget.
- To consider how any issues (under, overspend or income target issues) in the financial year are planned to be dealt with.
- To be aware of project budget expenditure that a committee approved and consider how any issues are planned to be dealt with.

Finance produce quarterly reports, which provide the Group with a position of the Authority against the approved budget. It provides explanations for any under or overspends which are provided by the budget managers as part of the internal processes of budget monitoring and reporting.

Discussion with Finance highlighted that the Group does not take and retain meeting minutes. The terms of reference does state that the Group does not make formal decisions, but it can make recommendations (which are agreed by a Group majority) to be considered by Authority members or the Programmes and Resources Committee. Without any meeting minutes there is no evidence to determine the discussions held by the Group or any actions taken (including escalation to Programme and Resources Committee). Furthermore, we cannot ascertain what scrutiny if any, is carried out by the Group such as in relation to quarterly reports.

Agreed action

Action points to be formally shared, via email, to members of the group and officers attending, to ensure recommendations are actioned and noted.

Responsible officer: Finance Manager

Timescale: 01 April 2025

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

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PEAK DISTRICT NATIONAL PARK

RENT REVIEWS, LEASES AND CONCESSIONS

PEAK DISTRICT NATIONAL PARK AUTHORITY

	Critical	Significant	Moderate	Opportunity
Findings	0	2	1	1
Overall audit opinion	**Reasonable assurance**			

INTERNAL AUDIT REPORT

Status: Final

Date Issued: 16 January 2025

Responsible Officer: Finance Manager

Veritau

INTRODUCTION

Peak District National Park Authority (PDNPA) lease out land and property for various functions including commercial, residential and agricultural. Additionally, the authority has concession agreements which allow businesses to operate in space it owns such as visitor centres and car parks.

In 2023/24 £604,000 of rental and concession income was collected. As of September 2024, the authority had collected £276,344 in rent and concessions in the current financial year. To maintain income, it is important there are adequate processes and controls in place to ensure agreements with reliable tenants are entered into, rent remains in line with market rates, and arrears are recovered.

Rent reviews allow the periodic adjustment of rents to the market rate. This is particularly important where long term tenancies exist to mitigate the effects of inflation on the authority's income. A rent review clause, in the lease agreement, sets out when and how they are conducted. Tenants must be notified about any changes to their rent and concession charges.

As a landlord, the authority has a responsibility to ensure properties are routinely inspected and condition is monitored.

OBJECTIVES AND SCOPE

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- Adequate checks are carried out on new tenants and documented to ensure their suitability and reliability to make rent and concession payments.
- Rent and concession income is correctly charged and accounted for, and recovery action is taken for arrears.
- Rent is reviewed periodically and correctly calculated in line with lease agreements.
- There are adequate methods of monitoring the condition of properties to ensure that authority and tenants are meeting their obligations under the lease agreements.

This audit was undertaken as a high-level review of the processes and controls for entering lease and concession agreements, rent reviews, income collection, and property management.

KEY FINDINGS

Suitable processes are in place to assess the suitability of a tenant and their reliability to pay rent. The formal tendering procedures set out in the standing orders are followed for farm and concession tenancies. Additionally, potential tenants are assessed for residential properties and offices. We saw that applicants are scored based against criteria that includes elements of the authority’s strategy and financial and business references. We also saw applicants being asked to provide business accounts and forecasts. A review of assessments confirmed that reasoning for tenant selection are documented.

The Finance team are informed of any new agreements or changes to rent through the use of a TF form or a fixed income recovery form, which are completed by the responsible officers in Corporate Property and Rural Estates services. A comparison of a sample of these forms to the Iplicit system found that details are correctly entered onto the finance system for charging. We saw that action is taken to pursue outstanding debts with examples of interest being charged on late payments.

Our review of the TF asset management data could not confirm if some rents have been reviewed during the lifetime of the leases. This is possibly the result of data quality issues on the TF asset management system. Data quality issues can impact on business continuity and the periodic review of rents, resulting in opportunities to maximise income being missed. For farm rents, a professional judgement has been made in recent years by the Rural Estates Manager and the Head of Service to not review farm rents, due to economic factors influencing the farming industry. However, these decisions have not been formally recorded and consulted with the current Finance Manager. Additionally, we were told staff resource pressures have limited availability to conduct rent reviews, particularly for lower value leases.

There is no inspection schedule in place for routine surveys to identify any issues and confirm tenants are meeting their obligations to maintain property and land. However, assurances have been given that the authority does aim to carry out 5 yearly condition surveys on its properties, where resource allows. The Corporate Property and Rural Estates team have acknowledged the need for more regular inspection schedules and verbal assurance has been provided that one is being developed, although limited staff availability is slowing this process. This has contributed high costs to refurbish properties when they have become vacant. The authority has strengthened the team to now include two building surveyors, whose current core focus is working on income generating projects, which takes priority. The authority recognises the knock-on effect this has on the inspection process.

OVERALL CONCLUSIONS

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Rent review dates — Significant

Control weakness

Tenancy summaries on the TF asset management system suggest some rents have not been reviewed in line with lease agreements. This may be a result of possible data quality issues on the system.

What is the risk?

Inaccurate data in the rent review process could result in opportunities to maximise rental income being missed, leading to increased financial pressures.

Findings

Our review of the TF asset management system information was unable to confirm that rent has been periodically reviewed as stated in the respective lease agreements. The last income reviewed dates on the TF asset management system suggest some rents have not been reviewed for the duration of the lease. However there are some data quality issues with the TF tenancy summaries and we cannot confirm on the reliability of this information. Despite being unable to evidence some rent reviews on the TF system, we have been assured that most reviews will have either taken place, or management have made a decision not to review.

One notable example was a tenant with two leases collectively generating £8000 a year in rental income. The TF asset management system suggests they have not been reviewed since they began in 1986 despite having 5 and 20-year review periods respectively. However, copies of the contracts show the values have increased from the original agreed amount of £2150 a year, which demonstrates there are data quality issues on the asset management system relating to review dates. We discussed other examples with officers and also provided supporting information to enable for further review as required.

Additionally, discussions indicated staff resource pressures have limited the authority's ability to conduct rent reviews, particularly on lower value rents.

Agreed action

A new asset management system has been acquired which provides an opportunity to cleanse tenancy data, however, it's been agreed there is no value add to fully auditing the system retrospectively. Data will be cleansed on an ongoing basis to ensure the system reflects the latest dates and financial information. The TF system does not link with the Finance system, therefore there is no risk to inaccurate billing. A report will be produced highlighting the last review dates for all properties to determine which leases need to be looked at. As rents are reviewed the new system will be updated accordingly.

Responsible officer: Head of Assets & Enterprise **Timescale:** 31 December 2025

2 Property maintenance monitoring — Significant

Control weakness

No fixed annual schedule in place for the inspection and maintenance of leased properties. There is a rolling condition survey programme in place, however, this is limited to available resource and the team is small.

What is the risk?

Properties fall into a state of disrepair resulting in increased costs for extensive repairs.

Findings

Unless stated otherwise in the tenancy agreements, landlords have a responsibility to ensure their property, land or space is maintained. As a landlord, the authority should be ensuring that the tenants are fulfilling their obligations. The primary purpose of an inspection is to assess the overall condition of both the interior and exterior of the property and record any repairs or maintenance that may be required and is therefore a key control for the authority to safeguard its assets.

However, the authority does not currently have formal mechanisms in place to routinely schedule inspections on properties and land that has been leased, aside from the condition survey programme. Verbal assurances have also been given, assuring that properties are visited on an ad-hoc basis and issues may be identified then. Prolonged periods without inspection could lead to neglect and as a result the authority will have to pay more to put properties right.

Verbal assurance has been given that the need for an inspection schedule has been recognised and is being developed, however, staff availability and resource pressures are delaying this. Income generating projects are priority in the current climate.

Agreed action

The 5 yearly condition surveys should take place in line with the scheduled programme. Thereafter, an annual inspection schedule will be developed, indicating when inspections are to take place and what checks need to be made, arising from the condition survey. This will also be an opportunity to check the tenant lease requirements are being adhered to. The new asset management system will be used to record outcomes of visits and remedial action to problems identified.

Responsible officer: Head of Assets & Enterprise

Timescale: 31 December 2025

3 Decisions not to review rent — Moderate

Control weakness

Decisions not to review rent have not been formally documented and discussed with the Finance Manager.

What is the risk?

The is an increased risk that the wider financial implications for the authority are not considered when deciding not to review rents.

Findings

It was explained that a professional judgement was taken by the Rural Estates Manager and the Head of Service to not review rent for farm properties since 2019. Factors raised included the challenging economic climate farmers are currently in such as the reduction of basic payment scheme following Brexit and more recently the changes to inheritance tax. With this context, it was explained to us that increases in rent for farms might not be in the best interest for the authority as it could result in tenants ending leases and the authority struggling to re-let, resulting in a loss of income.

However, no evidence has been provided to demonstrate this decision has been formally recorded, prior to 2024. The authority now hold copies of correspondence of rent review notices, that evidences all tenants were formally communicated to about formal rent reviews actionable in 2025. Twelve months' notice is required to action a rent review. Additionally, the Finance Manager has not been consulted on the decision, either since the initial decision or in the years after. As per standing orders 7 D-1, the Rural Estates Manager and the Head of Assets & Enterprise are appropriate officers to provide this technical and professional judgement, however, it would also be appropriate to consult with the Finance Manager so that consideration to the wider authority budget can be provided.

Agreed action

A form will be created to be completed for when decisions are taken not to review rent to document the rationale for the decision. This form will include a sign-off from the Finance Manager. Consideration will be given whether to continue rent reviews on farms as part of the 2025/26 budget cycle.

Responsible officer: Head of Assets & Enterprise **Timescale:** 31 December 2025

4 Policies and procedures

Opportunity

Area for potential improvement

There are no dedicated procedure documents in place for the management of rent reviews and property maintenance.

What is the opportunity?

Improvements and changes to the authority's processes for managing rent and properties provide an opportunity to document them to set out expectations and consistency.

Findings

The overarching policy covering leases is set out in the financial regulations and the standing orders, which includes schemes of delegations and tendering processes. However, although well-structured processes are in place, particularly for the letting out of property, dedicated procedure notes for the management of rent reviews and property maintenance were not available at the time of the audit.

As the findings above have identified, there are currently areas for improvement in the management of leases and properties. As changes are implemented, there is an opportunity to document these in dedicated procedure notes. This will support consistency by providing a step-by-step process and setting out the expectations of the authority for carrying out rent reviews, accurate recording on the systems and monitoring the condition of properties.

Agreed action

Due to staff pressures it is important in the first instance changes are implemented. Thereafter, it would be an opportunity to put a set of formal process notes in place, covering the end-to-end process.

Responsible officer: Head of Assets & Enterprise **Timescale:** 31 December 2025

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

PEAK DISTRICT NATIONAL PARK

MOORS FOR THE FUTURE

PEAK DISTRICT NATIONAL PARK AUTHORITY

	Critical	Significant	Moderate	Opportunity
Findings	0	0	0	0
Overall audit opinion		**Substantial assurance**		

INTERNAL AUDIT REPORT

Status: Final

Date Issued: 15 January 2025

Responsible Officer: Finance Manager

Veritau

INTRODUCTION

The Moors for the Future Partnership (MFFP) was formed in 2003, with the aim of protecting and restoring degraded peat and bogland across the Peak District and South Pennine Moors. The partnership has used more than £50 million to conserve and repair the land in these areas. The partnership is led by the Peak District National Park Authority (PDNPA) as the accountable body and is supported by partners including the Environment Agency, National Trust, and United Utilities.

The partnership has three overarching objectives:

- To raise awareness of why the moors are valuable and to encourage responsible use and care of the landscape.
- To protect and conserve important recreational and natural moorland resources.
- To develop expertise on how to protect and manage the moors sustainably.

The partnership is run by the Moors for the Future Team within the PDNPA. The Programme Management Team oversee the running of the partnership and monitor ongoing projects at a high-level. Four Project Managers sit underneath this team and work to deliver multiple ongoing projects at any one time. Each project has its own requirements, and the Project Managers work to deliver those in line with the partner organisation's expectations. Income and expenditure relating to each project should be monitored and procedures should be in place to report the financial position back to the PDNPA on a regular basis.

OBJECTIVES AND SCOPE

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- Robust governance is in place within the Moors for the Future Team, including clear responsibilities and reporting procedures.
- Strong financial control is in place over project income and expenditure.
- Projects meet all relevant stages of the project life cycle and any terms set out in the agreements.

The audit reviewed processes within the Moors for the Future team only, including some crossover with authority procedures where appropriate.

KEY FINDINGS

Roles and responsibilities within the Moors for the Future Partnership (MFFP) team are clearly defined. The Programme Management Team (PMT) consists of the Partnership Manager, and four Programme Managers. The PMT oversee projects at a high-level and are involved in tasks such as bidding for, and gaining the relevant approvals for, projects. Project Managers work underneath the PMT to deliver the projects. Volunteers and casual staff work across the programme as required. The PMT meet with each Project Manager monthly to discuss their projects and raise any issues. Weekly status reports are also received from Project Managers. The reports highlight progress made, key issues and risks, escalations, and RAG ratings (finance, schedule, resources, deliverables, risks and issues). A *Project Management Toolkit* and accompanying *User Guide* is in place to assist project managers to complete projects in line with expectations. However, most are governed by the terms and conditions set out by each individual funder / partner organisation and the Project Managers will work with them to agree an approach. Therefore, the toolkit is used more as a reference guide to display best practice.

Gaps in the previous process to monitor and report project progress and finances to the authority were identified in a previous internal audit[1], and by the Finance Manager when they came into post. Due to this, and a number of key staffing changes, action has been taken in the past year to help strengthen the level of oversight the authority has over the team's performance and finances. These include monthly update meetings between the Finance Team and the MFFP team to discuss any variances in a timely manner. A new Audit, Budget and Project Risk (ABPR) Monitoring Group has also been set up to bridge the gap relating to corporate oversight of projects in delivery. The first meeting was held in November 2024. Several projects were presented to the ABPR group by the MFFP team and finances were reported, including a Q2 budget briefing and financial forecast. Projects over £150,000 (in line with the authority's Financial Regulations) will also be discussed and considered by the group and will be presented to the Programme and Resources Committee (P&R) for approval, as required.

A budget review process is completed by the Accountant throughout the year, including a mid-year review, Q3 update and year-end reconciliation. The Programme Office Manager compiles these figures for the MFFP team. Within the team, Project Managers are now more responsible for tracking their project income and expenditure since the implementation of the authority's new finance system, 'iplicit' in November 2023. Previously, project finances were primarily tracked by the PMT using spreadsheets. They are now tracked within the system and reports can be run to ensure live figures are used for any update meetings or budget reviews.

[1] Project Management – final report issued January 2024.

As part of this work we reviewed one of the most recently completed projects[2] to assess whether each stage of the project life cycle was met. Each key stage was found to have been met appropriately, including initial approval, risk register, progress monitoring and final report. The P&R Committee received and reviewed a report at the start of the process which was approved in October 2021. Legal and Finance approvals were also received in December 2021. A funding agreement was in place which set out the governance and monitoring arrangements. Two change control notices were submitted throughout the project's life cycle (August 2022 and February 2023) and approved.

The claims made throughout the project were reviewed to assess whether payments had been made in line with the agreed schedule. The schedule and payments did not match for all claims, however the Programme Office Manager explained that often, actual project costs can vary depending on a myriad of factors and variables. There were also a number of complexities in this case, including a change of project manager. Overall, the amount claimed matched to the budget and claim amounts on the final report and evidence was provided to show that figures had been tracked throughout. There were a couple of very minor variances noted (one difference between the claim form and the amount which was paid, and another between the final invoice and total amount claimed). These differences could not be explained, however again, difficulties were experienced due to the number of staffing changes which have occurred since the project was delivered.

OVERALL CONCLUSIONS

Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

[2] Moor for Climate – Discovery Grant 1 (Natural England, December 2021 – August 2023).

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

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10. EXTERNAL AUDIT – 2023/24 STATEMENT OF ACCOUNTS & EXTERNAL AUDITORS' REPORTS

1. Purpose

To seek approval for the audited Statement of Accounts for 2023/24 and for Members to consider the External Auditors' (Mazars) Audit Completion Report 2023/24 and External Audit Annual Report for 2022/3 and 2023/24. Jennifer Norman, Audit Manager at Mazars, will be at the Authority meeting to present the report and to answer any questions.

2. Context

2.1 The production of the draft Statement of Accounts as at the 31 March each year is a statutory requirement. The draft accounts were authorised for issue by the Chief Finance Officer by 31st May 2024 in line with the statutory deadline. The audited accounts must also be approved be presented to Members for their approval.

2.2 Section 9 (3) a of the Accounts and Audit Regulations 2015 requires "that the responsible financial officer for a Category 1 authority must re-confirm on behalf of that Authority that they are satisfied that the statement of accounts presents a true and fair view of: (a) the financial position of the authority at the end of the financial year to which it relates; and (b) that authority's income and expenditure for that financial year." The Chief Finance Officer re-confirms that the Statement of Accounts in Appendix 1 meets the above requirement

2.3 The final Statement of Accounts for 2023/24 is presented at Appendix 1. The Audit Completion report (ACR) is presented at Appendix 2. The Auditors Annual Report (AAR) is presented at Appendix 3.

2.4 The Chief Finance Officer and Finance team have responded to queries raised by the External Auditors during the course of the audit. These are detailed in the External Auditors' Audit Completion Report (ACR) presented at Appendix 2. Significant risks and audit findings, outlined in the report have been adjusted and restated in the final Statement of Accounts, presented at Appendix 1. Significant findings, including the restating of the net defined benefit pension asset, in relation to the asset ceiling calculation, have been adjusted. This has no impact on the Authorities' outturn or reserves. It is purely an accounting adjustment between the balance sheet and unusable reserves.

2.5 The External Auditor has raised four internal control recommendations. One significant control deficiency and three 'other' control deficiencies. Management have responded to these recommendations and mitigation plans have been outlined in the External Audit Annual report (AAR) at Appendix 3.

2.6 Since 2020/21, the Statement of Accounts Code of Audit Practice has required the Authority's External Auditors to comment on the value for money arrangements of the Authority. The Auditors are required to report on significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness in use of resources instead of reporting a form of conclusions. The three criteria in the new

Code of Practice are financial sustainability, governance and improving economy, efficiency and effectiveness.

3. Proposals

3.1 Members are asked to consider the final Statement of Accounts for 2023/24, presented at Appendix 1. These include amendments and updates to the draft Statement of Accounts 2023/24, presented to Authority in July 2024, as outlined in Appendix 2 and Appendix 3. The External Auditors' anticipates an unqualified audit opinion on the 2023/24 Statement of Accounts.

3.2 The External Auditors' Audit completion report (ACR) is presented at Appendix 2. The External Auditor plans to issue an audit report that includes an unqualified opinion, on the financial statements. This is subject to the Authority considering this report, approving the financial statements and receiving the letter of management representations at Appendix A within the audit report at Appendix 2.

3.3 Members are asked to consider the External Auditors' Annual Report (AAR) for 2023/24. The report has found no risk or actual significant weaknesses in the Authority's VFM arrangements and has issued an unqualified Value for Money (VFM) conclusion.

3.4 The External Auditors' Annual Report for 2023/24 is at Appendix 3. This includes internal control deficiencies and management responses on mitigation plans.

4. Recommendations

4.1 To approve the audited Statement of Accounts for 2023/24 at Appendix 1.

4.2 To consider and note the External Auditor's Audit Completion Report (ACR) 2023/24 at Appendix 2.

4.3 To consider and note the External Audit Annual report (AAR) 2023/24 at Appendix 3.

4.4 To consider and note the External Audit Annual report (AAR) 2022/23 at Appendix 4

4.4 To note that the Statement of Accounts & associated Letter of representation, needs to be signed by the Chair and by the Chief Finance Officer, once the external audit has been completed, provided that the overall opinion in the audit report remains unqualified.

5. Corporate Implications

a. Legal

The duties and powers of auditors are set out in the Local Audit and Accountability Act 2014, the Local Government Act 1999, the Statement of Responsibilities of Auditors and Audited Bodies and the Code of Audit Practice. Achieving an unqualified opinion on the financial statements and satisfying the Auditor that the

Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

b. Financial

The cost of the External Audit Service contract is found from within the overall Finance budget. Planned fees have increased year on year by 150% and the forecasted cost, including scale fee adjustments, is estimated at £56k for 2023/24. Planned fees are forecast to rise by an additional 10% for 2024/25. This increase has been agreed and authorised by the PSAA (Public Sector Audit Appointments). Central government gave all Local Authority additional financial support to meeting increasing audit fees and the Authority received a £6.2k contribution.

c. National Park Management Plan and Authority Plan

The work of the External Auditors is a key part of our governance arrangements and helps us to monitor and improve performance against our ambition in the Authority Plan to be a financially resilient organisation and provide value for money. Achieving an unqualified opinion from the External Auditor is part of the target for Objective D (Financial Resilience)
.

d. Risk Management

The scrutiny and advice provided by External Audit is part of our governance framework. The External Auditor's work is based on an assessment of audit risk as explained in The External Auditors report at Appendix 1.

e. Net Zero

There is no impact

6. Background papers (not previously published)
None.

7. Appendices
Appendix 1: Statement of Accounts 2023/24
Appendix 2- External Auditors' Audit Completion Report (ACR) 2023/24
Appendix 3- External Auditors' Annual Report 2023/24
Appendix 4- External Auditors' Annual Report 2022/23

Report Author and Responsible Officer, Job Title and Publication Date

Author: Sinead Butler, Finance Manager & Chief Financial Officer. Responsible Officer: Emily Fox, Head of Resources 30 January 2025

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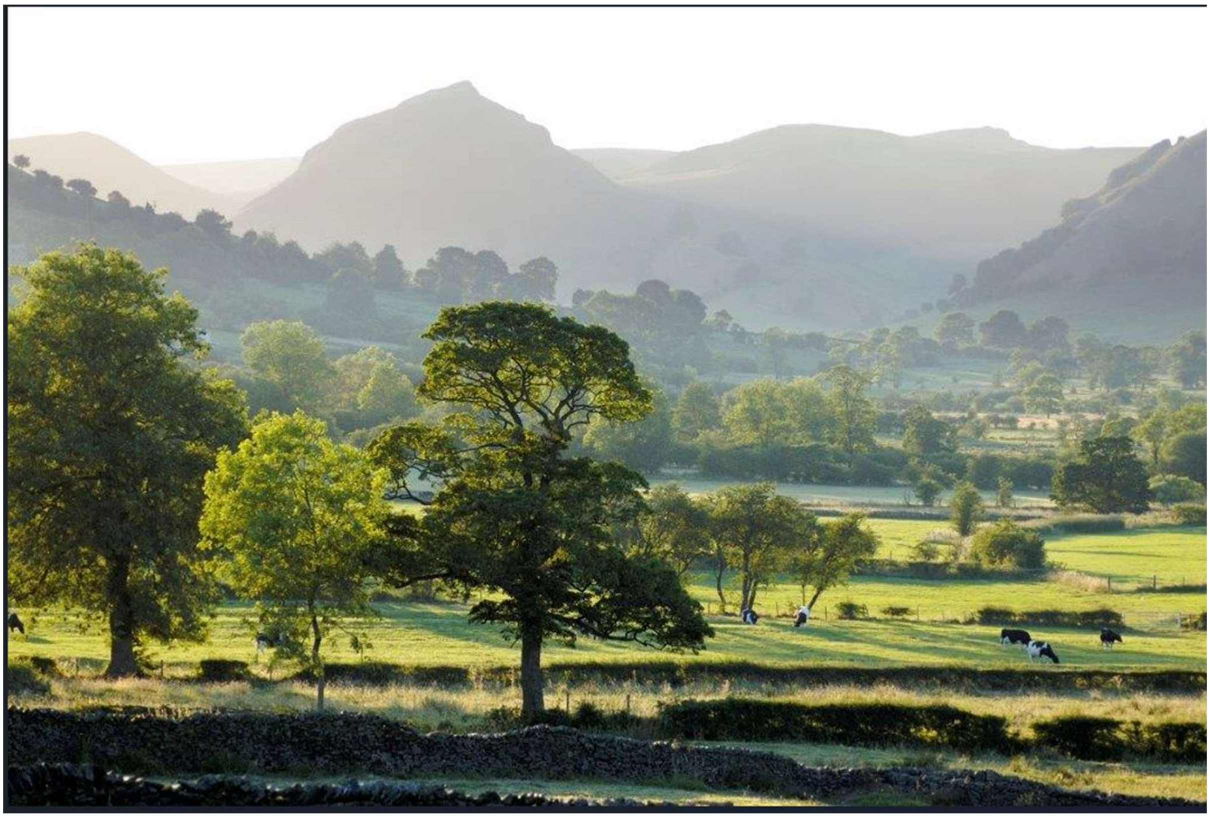
Statement of Accounts

2023/24



Statement of Accounts
for the Financial Year

1st April 2023 to 31st March 2024

Contents **Page**

Signed: **Date:**

<u>Chair of the Authority</u>

In accordance with the requirements of the Accounts & Audit Regulations 2015 paragraph 9 (2) c

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. In this Authority, that person is the Chief Finance Officer.

- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

- to approve the statement of accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in The United Kingdom ('the Code').

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Authorisation for Issue and Certificate of Chief Finance Officer

I certify that the accounts give a true and fair view of the financial position of the National Park Authority as at 31st March 2024 and its income and expenditure for the year ended 31st March 2024.

Sinead Butler ACCA
Finance Manager and Chief Finance Officer
31st May 2024

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2024

Narrative Report

These Accounts contain all the information required by the Accounts & Audit Regulations 2015 and the Code of Practice on Local Authority Accounting, with accounts prepared in accordance with International Financial Reporting Standards (IFRS). As the Authority does not have any material interests in subsidiaries, associates or jointly controlled entities, these Accounts represent the accounts of a single entity and no consolidated Group Accounts are required.

Accompanying notes, cross referenced from the statements, explain in greater detail some of the calculations and reasoning behind the figures; these notes, on pages 27 – 66, form part of the financial statements. The figures are rounded up to the nearest thousand pounds. The accounts comprise the following principal statements:

Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and other unusable reserves. The Statement shows how the movement in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices, and the statutory adjustments required to return to the amounts required to be reported to show the impact on the General Fund Balance, in line with statute for Local Authorities.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets (assets less liabilities) of the Authority are matched by the reserves held by the Authority, which are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The Capital Receipts Reserve may only be used to fund capital expenditure or repay debt, and the remaining revenue reserves comprise the General Fund Balance, although this is split further into Restricted Reserves, Earmarked Reserves, and the

General Reserve. The second category of reserves comprises those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses e.g. the Revaluation Reserve, where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments from income and expenditure charged under the accounting basis to the funding basis".

Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of National Park Grant, other grant income, or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

Each year the Department for Environment, Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2023/24, the funding was again set at £6.699m (£6.699m in 2022/23). An annual balanced budget is set by the Authority based on the National Park Grant, income from sales, fees and charges and internal financing measures such as interest on cash flow and use of reserves.

Overall, the Authority's Earmarked reserves decreased by £462k, of which £82k is a net transfer to the Revenue Grant Reserve for unspent grant income received in year. We have introduced a new reserve called the Medium Term Financial Plan Reserve, to fund future forecasted deficits. We feel this is a prudent use of reserves, in order to balance our budget in future years. Please see note 7 for a full breakdown. There was also a net reduction of £70k for the Capital Receipts Reserve, mainly as a result of the use of capital receipts to fund capital expenditure in the year.

The Service Expenditure Analysis has moved in line with our organisational restructure and also aligns with how we present and manage our budgets and internally. This is also how we present data at budget monitoring meetings with members. We will continue to use the Defra headings for any Government returns.

The Authority continued its rolling programme of asset re-valuations, concentrating this year on land and buildings – specifically car parks that had not formed part of the previous year's revaluations.

The Authority is required to show the present value surplus or deficit position on its share of the Pension Fund on the Balance Sheet. The net position as at 31st March 2024 shows an asset of £7.855m, an increase in value of £4.568m compared to the asset of £3.287m for the previous year (representing a pension liability, which is now 113% funded, up from 105% at

31 March 2023). However, the based on the asset ceiling calculation, provided by the Actuary, the funded surplus will not be recognised as an asset. Only the unfunded liability of (£504) is to be recognised. The liability is assessed on an actuarial basis using a present value estimate of the pensions that will be payable in future years, over and above the assets within the Fund retained for this purpose. The level of employer and employee contributions into the Fund are assessed every three years with a view to ensuring that the assets within the Fund are capable of financing in full future pension commitments. Significant fluctuations in the valuations for pension assets and liabilities often occur as a result of the prevailing economic conditions (e.g. bond yields, stock market values, inflation rates etc), on which the valuations are based, at the balance sheet date. Full details are explained in Note 32.

For the 2023/24 financial year, the Authority set a borrowing limit (the authorised limit) of £2.5m. The Authority's external borrowing as at 31st March 2024 was £299k. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £1.128m at 31/03/2024 (£1.242m at 31/03/2023). The Authority did not enter into any financing transactions during the year, and relied upon internal cash resources.

Analysis of amounts recognised in the financial statements.

On 3 February 2023, the Authority approved the 2023/24 Budget. Following an organisational restructure in July 2023, a further revised budget was authorised by Authority in November 2023. This incorporated pay savings and costs from the restructure, as well as the capturing the pay award uplift. Other elements of the budget were also updated to incorporate the latest forecast of income and expenditure. The variances from 2023/24 were mainly as a result of pay underspends caused by vacancies as well as some areas of income greater than budgeted. Interest rate increases in year, resulted in higher than forecast return on investments. A more detailed financial commentary on the 2023/24 results can be found in the outturn report published in July 2024, obtainable from the Authority's website www.peakdistrict.gov.uk - under Committee meetings or by request to the Finance Manager, Aldern House, Baslow Rd, Bakewell, Derbyshire, tel. 01629 816344. Many of the changes shown in the Comprehensive Income and Expenditure Statement arise from normal business or project related fluctuations; the main differences (above £50k and 10% of the previous year's net expenditure) are outlined below. Year on year we have undergone an organisational restructure, therefore a number of variances are not comparable

	Difference £'000	Comment
Comprehensive Income and Expenditure (CIES)		
Assets & Enterprise		
Rural Estates Team	(116)	Reduction in payroll costs due to movement of personnel between departments
Grant Development	73	£130k grant to the Foundation in the current year not in the prior year
North Lees Estate	55	£39k of Timber sales income in prior year not in current year. Higher costs for casual labour in current year at North Lees campsite
Car Parks - Non-Estate	(61)	Car parking permit income increased by £36k and car parking fees income increased by £37k
Trails	67	Due to capital expenditure adjustments
Visitor Centres	129	In prior year Castleton Visitors centre increased in value by £434k from capital revaluation which showed as a benefit
Warslow Moors Estate	263	In the prior year there was £338k of expenditure which related to capital assets, so excluding this resulted in lower revenue expenditure
Forestry & Woodlands	(108)	There was a £99k impairment of Lathkill Dale asset in the prior year
Moors for Future Team	138	Higher staff costs in the current year
Moors for the Future Projects	738	Fluctuation in project costs between financial years
NE Private Lands Projects	254	In current year showing the cost of writing off debts owed from private land owners
MoorLIFE2020	704	Exchange Rate Risk Issue (Note 33)
Assets & Enterprise Capital Projects	(427)	Less capital expenditure in the current year on Trails Structures (lower by £165k) and refurbishing and improving corporate assets based on condition surveys (lower by £156k)
Engagement Team	(148)	Restructure of Engagement team means payroll costs moving between departments and reduction in heads overall
Engagement Projects	(134)	Increase in funding for projects by £91k on prior year
Land & Nature Projects	58	Increase in expenditure relating to the ELMs (£77k) and Longdendale Trails (£31k) projects
Farming in Protected Landscapes	(179)	Fluctuation in project costs between financial years
Cultural Heritage	(56)	Lower staff costs in the current year
South West Peak Project	(62)	Project now finished. Small amount of legacy spending continuing
Finance	53	Higher audit fees and external contractor costs (£43k) in current year
Customer & Democratic Support	(151)	Restructuring and combining of departments in September 2023 means a lower expenditure in the current year
Legal	(57)	Head of Legal post vacant
Non-distributed Costs	331	Organisation restructure costs

The Development and Performance of the Authority in the 2023/24 Financial Year

The Authority has two significant operational plan documents relevant to the financial year covered in this Statement of Accounts:

- The Annual Governance Statement 2023/24
- The Performance and Business Plan 2023/24, with the Authority meeting receiving performance monitoring reports on progress in achieving year end performance targets, based on this plan.

A link to the 2023/24 Year End Performance Report, 2023/24 Performance and Business Plan and 2023/24 Corporate Risk Register 2023/24 Year End Performance Report, 2023/24 Performance and Business Plan and 2023/24 Corporate Risk Register can be found below:

https://democracy.peakdistrict.gov.uk/documents/s57563/Authority%20Progress%20Report%20-%20Year%20End%2023-24.pdf

The Annual Governance Statement can be found on the website here:-

- Document Annual Governance Statement 2023 - 2024: Peak District National Park

The performance monitoring report summarises progress into two categories: - priorities on target and priorities with performance issues. The Chief Finance Officer has reviewed the above documents with a view to reporting any additional explanations which may help users of these accounts to understand what impact any significant departure from planned expectations has had on the reported financial statements. Where items are identified as not achieved, an explanation will be provided if this has a material financial impact on the Statement of Accounts.

The Annual Governance Statement reviews the Authority's governance arrangements and identifies any issues relevant during the year which may have an effect on effectiveness. In carrying out the review we took account of our assurances, received during the year. The Annual Governance Statement for 2023/24. The key financial assurances identified by the CFO, being:

1. External Audit Annual Audit Letter and unqualified opinion/satisfactory conclusions
2. Confirming, in accordance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption that the Peak District National Park Authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. The Authority's ability to achieve sustainable gross income targets.
3. Assurances given from 'those charged with governance' including: members of the Management Team, Statutory Officers (Head of Paid Service, Chief Finance Officer, Monitoring Officer) and Chair of the Authority.

It has been noted that we are still waiting on the annual report and assurance opinion for 2023/24. We have been made aware by Internal audit that the report will be ready for presenting at July authority. There are no major risks flagging in any of the areas audited in 2023/24.

The Authority's Cashflow

The Cashflow statement shows how cash resources were expended or received during the year. The main factors affecting the Authority's cashflows are:

- The timing of grant monies, usually claimed after funds are expended
- The timing of drawdown of National Park Grant from Defra
- Any significant capital expenditure and the timing of any borrowing to support this expenditure
- The availability of reserve monies.

The Authority estimates cashflow expenditure and draws down National Park Grant in advance on a quarterly basis; because of the variability of grant funding and the significant amount of external grant funding the Authority receives, a margin of safety is built into the drawdown of National Park Grant, so that the Authority does not have to borrow monies temporarily for cashflow purposes.

Capital Expenditure and Commitments

The Authority approved an updated Capital Strategy on 12 April 2024 which set out a forward Capital Programme to 2027/28, however it is expected that this will be reviewed annually. The strategy estimated potential capital expenditure in support of the corporate strategy of up to £4.56m, financed by borrowing of up to £1.22m, allocations from the Authority's Capital Reserve and other reserves of up to £2.64m and £703k from revenue resources. All Capital expenditure is governed by the key principles outlined in the Capital Strategy which can be found on the Authority's website under the agenda and reports section of the Authority meeting for 12 April 2024. The Capital Reserve reported in the Balance Sheet reduced in the year from £1.392m to £1.321m due to continued capital works. The Capital Financing Requirement is estimated to reduce as planned capital works are expected to be funded more from asset disposals rather than additional borrowing, however all estimated future borrowing is expected to be covered by the Authorised Limit as approved in the 12 April 2024 Authority report, £3.0m from 2024/25 to 2026/27. Debt repayments for borrowing are either found within current revenue budgets or are funded by income, with the risk covered by a combination of strong interest cover ratios and increased asset values, rather than underwritten by reliance on National Park Grant.

Major Changes in Statutory Functions or Delivery, and Reduction in Services

The Authority has undergone a significant organisational change during 2023/24 to ensure the continued financial resilience of the Authority. There are no major changes in statutory functions, however as part of the restructure, services have been streamlined and Heads of Service appointed to manage the departments within their area. The original budget for the 2023/24 year was approved on the basis that the Authority would be able to balance its revenue budget with reasonable assurance up to March 2024. Following the organisational change, a revised budget was approved to ensure our budget would still remain balanced.

National Park Grant

The November 2021 Spending Review was a three year settlement and as a result in May 2022 the Authority was issued with a three year grant agreement from Defra. This confirmed that the grant level will remain fixed at £6.669m for 2022/23, 2023/24 and 2024/25. Despite the publication of Landscapes Review in September 2019, which recommended inflation protection for National Park Grant as a minimum, this has yet to be implemented. At the time of publishing these accounts, the National Park Grant has yet to be confirmed by DEFRA. The medium-term financial stability of National Parks therefore remains uncertain.

Conclusion

The Authority has maintained a satisfactory financial position in 2023/24, however significant vacancies across the Authority have contributed to an underspend in various budgets this year. The Authority's underlying financial strategy continues to have four principal aspects. The first is achieving a balance between maximising funding sources, and ensuring that agreed budgets do not include speculative or imprudent assumptions. The second follows on as a consequence, ensuring that our budgetary control procedures remain robust. The implementation of a new finance system in October 2023, which is still in its early adoption phase, will be fully utilised to ensure budget managers are accountable for their budgets .The third is to continue to ensure that the Authority's fixed asset base is sustainable, in line with the approved Asset Management Plan and Capital Strategy, and that the rationalisation of the Authority's property portfolio continues which in turn will reduce maintenance liabilities and potentially provide capital receipts for further investment in the remaining portfolio. The fourth concerns a cautious approach to longer term commitments, ensuring the Authority is able to maintain a degree of flexibility in responding to future settlements, whilst retaining sufficient contingency reserves.

Summary of Significant Accounting Policies

1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year-end of March 2024. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require preparation in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the UK (2023/24), supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The analysis of expenditure used in the Comprehensive Income and Expenditure Statement is based on the requirements contained in the Grant Funding Agreement issued by the Department for Environment, Food and Rural Affairs (Defra), and is consistent with internal management reporting.

2. Accruals of Income and Expenditure

Activity is accounted for in the year in which it takes place, not when cash payments are made or received. In particular:

- Revenue from the sales of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of a transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for as income and expenditure respectively on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or agreed by the contract, which may be different.
- When revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the amount which might not be collected is written down from the debtors' balance and charged to the Comprehensive Income and Expenditure Statement (CIES).

3. Acquisitions and Discontinued Operations

Any income or expenditure directly related to the acquisition of operating services, or discontinued operations, is shown in a separate disclosure note to the accounts, together with any outstanding liabilities arising from closure of a service.

4. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within 3 months or less from the date of acquisition and are readily convertible to known amounts of cash with no significant risk of a change in value.

In the Cashflow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

5. Exceptional Items

When items of income and expenditure are material, their amount is disclosed separately in a note to the accounts.

6. Prior Period Adjustments, Changes in Accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the year affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information. Material errors discovered in prior period figures are corrected. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied, or as if the error had not been made.

7. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Authority is not required to charge the National Park Grant with the amount required to fund depreciation, revaluation and impairment losses or amortisations. It is however required to make an annual contribution from revenue to the reduction in its overall borrowing requirement, which is derived from an amount prudently determined by the Authority in accordance with its Treasury Management Policy. This contribution is known as the Minimum Revenue Provision and any difference between the two amounts is adjusted for between the capital adjustment account and the General Fund balance.

8. Employee Benefits

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services in the CIES, but is then reversed out through the Movement in Reserves Statement so that holiday benefits are actually charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy, and are charged on an accruals basis to the appropriate service in the CIES when the Authority is committed to the termination. Where termination before retirement involves additional cost to the pension fund, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are therefore required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

9. Post - Employment Benefits

Employees of the Authority can choose to be a member of the Local Government Pensions Scheme, administered by Derbyshire County Council, which provides defined pension benefits to members earned as employees whilst working for the Authority. The cost of providing pensions for employees in this scheme is funded in accordance with the statutory requirements governing the scheme, and is accounted for in accordance with the requirements of IAS 19, as interpreted by the Code of Practice.

The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate.

The assets of Derbyshire County Council's pension fund attributable to the Authority are included in the Balance Sheet at their fair value – at current bid price for quoted securities; professional estimate for unquoted securities; and market value for property.

The change in the net pension's liability/asset is analysed as follows:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employee worked.
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years –debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs.
- Net interest cost – the change during the period in the scheme's net liability arising from the passage of time - debited to the Financing and Investment Income & Expenditure line in the CIES.
- Re-measurements: – the return on scheme assets attributable to the Authority, excluding amounts included in the net interest cost above, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Re-measurements: - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions' Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.
- The Authority has applied the accounting standard in relation to the defined benefit pension asset/liability and the asset ceiling. The asset ceiling calculation has been provided by actuary based on the present value of the projected future service cost less the minimum future contributions. The current contribution rate has been judged to be the best indication of a minimum funding rate with the future service cost being derived from the actuary projections. This has resulted in the funded asset being capped at £0. This has no impact on the Authority's usable reserves.

Statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are movements to and from the Pensions' Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid or payable to the pension fund. The negative balance that arises on the Pensions' Reserve therefore measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

10. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those which provide evidence of conditions that existed at the end of the reporting period, in which case the Statement of Accounts is adjusted to reflect such events.
- those which are indicative of conditions that arose after the reporting period, in which case the Statement of Accounts is not adjusted to reflect these events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

11. Financial Instruments

Financial Liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income & Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the Authority's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable, and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Gains and losses on the re-purchase or early settlement of borrowing are credited and debited to the Financing and Investment Income & Expenditure line in the CIES in the year of re-purchase / settlement. Where re-purchase has taken place as part of restructuring the loan portfolio, and involves modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

Financial Assets are classified into two types – loans and receivables, which are assets which have fixed or known payments but are not quoted in an active market; and available-for-sale assets, which have a quoted market price and may or may not also have fixed or known payments.

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost.

Financing and Investment Income & Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service, or to the Financing and Investment Income & Expenditure line in the CIES if not attributable. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.
Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income & Expenditure line in the CIES. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

12. Foreign Currency Translation
Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts are outstanding at the year-end, they are re-converted at the spot exchange rate at 31st March. Resulting gains or losses are recognised in the Financing and Investment Income & Expenditure line in the CIES.

13. Government Grants and Contributions
Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that the Authority will comply with the conditions attached to the payments and that the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution, are required to be consumed by the recipient as specified, otherwise the future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line, if attributable, or to Taxation and non-specific Grant Income in the CIES if not ring-fenced or if they are capital grants.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

14. Heritage Assets
Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. The accounting standard has been introduced in order to move these assets onto a valuation basis on the Balance Sheet, rather than as previously, a historic cost basis; the predominant reason for the introduction of the change is to ensure that items held within Local Authority museum and gallery collections are properly reflected in valuation terms on the Balance Sheet.

The standard also allows a Local Authority to move other Community Assets, which are currently accounted for on the same historic cost basis, onto a valuation basis.

Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still accounted for as an operational asset, and not as a heritage asset. It is therefore accounted for as set out in the Summary of Accounting policies note paragraph 3.19. The current approach to Heritage assets in this Statement of Accounts is summarised in Note 31.

15. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost, and are carried on the Balance Sheet at their amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the CIES, as are any losses arising from impairment of the asset. Any gain or loss arising on the disposal of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, if it is a sale over £10,000, the Capital Receipts Reserve.

16. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of inventories is assigned using the average costing formula.

Long Term Contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

17. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. If an arrangement does not have the legal status of a lease but in substance conveys a right to use an asset in return for payment, and fulfilment of the arrangement is dependent on the use of specific assets, they are also accounted for under this policy.

The Authority as Lessee, Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the start of the lease at either its fair value measured at the lease’s inception or if lower, the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset, and any premium paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – which is used to write down the lease liability, and a finance charge which is debited to the Financing and Investment Income & Expenditure line in the CIES. Property, plant & equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life, assuming ownership of the asset does not transfer to the Authority at the end of the lease period. The Authority is not required to account for depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with the Authority's Treasury Management Policy. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

<u>The Authority as Lessee, Operating Leases</u>
Rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

<u>The Authority as Lessor, Finance Leases</u>
Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the start of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant & Equipment or Assets held for sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet. Lease rentals receivable are apportioned between a charge for the acquisition of the interest in the asset – which is used to write down the lease debtor, and finance income which is debited to the Financing and Investment Income & Expenditure line in the CIES. The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve. The written off value of disposals is not a charge against National Park Grant, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

The Authority as Lessor, Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the asset and charged as an expense over the lease term on the same basis as the rental income.

18. Overheads and Support Services

The costs of overheads and support services are not recharged to those services that benefit from the supply or service, as this is how these services are reported in the internal management accounts, however the Authority does maintain an activity-based costing model which helps to inform what these charges would be, which supports our budget setting and determination of financial objectives for services.

19. Property, Plant & Equipment

Assets that have physical substance, are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used for more than one financial year, are classified as Property, Plant & Equipment. Assets below the de minimis value of £10,000 are not introduced into the balance sheet unless they are part of a pooled system of assets.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant & Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure which maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising the purchase price, and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Authority does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition has no impact on cash flow, in which case, where an asset is exchanged, the cost of the acquisition is deemed to be the carrying amount of the asset given up in exchange. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally, in which case until conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves statement. Assets are carried into the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historic cost.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value = EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Revaluation

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, and there is a balance of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against that balance, up to the amount of the accumulated gains. Where decreases in value are identified, and there is no balance, or an insufficient balance, of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against the relevant service line in the CIES. The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date were consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for this shortfall. Where decreases in value are identified, and there is a balance of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against that balance, up to the amount of the accumulated gains. Where impairment losses are identified, and there is no balance, or an insufficient balance, of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against the relevant service line in the CIES. Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant & Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets which are not yet available for use (i.e. assets under construction). Depreciation is calculated on a reducing balance basis as follows:

Type of Fixed Asset	Depreciation Period
Land & Community assets	Nil
Furniture & Equipment	over the life of the asset – 5-10 years; computer hardware 3 years
Vehicles	over the life of the asset – 6-20 years
Car Parks	over the life of the asset – 15-20 years
Buildings	over the life of the asset – 60 years, unless the valuer indicates a shorter asset life.
Intangible Assets	over the life of the asset – 5 years
Surplus Assets	Surplus assets are usually Buildings, so they share the same 60-year asset life, unless the valuer indicates a shorter asset life.
Infrastructure Assets	over the life of the asset – 60 years, unless a shorter asset life is warranted as a result of applying a component accounting approach

Where an item of Property, Plant & Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is re-classified as an Asset Held for Sale. The asset is re-valued immediately before re-classification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are re-classified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale) and their recoverable amount at the date of the decision that the criteria were not met. Assets that are to be scrapped are not re-classified as Assets Held for Sale.

Where an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the CIES (i.e. netted off). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written off value of disposals is not a charge against National Park Grant, as the cost of fixed assets is fully provided for under separate Local Authority arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Amounts received for a disposal in excess of £10,000, or where the asset has been previously capitalised, are categorised as capital receipts and are credited to the Capital Receipts Reserve, available only for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

20. Provisions, Contingent Liabilities and Contingent Assets

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation. When payments are eventually made they are charged to the provision carried in the Balance Sheet. If the provision proves not to be required, the provision is reversed and credited back to the CIES. Income potentially recoverable from a third party which would offset the provision is only recognised if it is virtually certain to be received.

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts. Where the event might give rise to an asset (i.e. a contingent asset) these are not recognised in the Balance Sheet but are disclosed in a note to the accounts only where it is probable that there will be an inflow of economic benefits or service potential.

21. Reserves

The Authority sets aside specific amounts as reserves for future National Park purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then transferred back in to the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against National Park Grant for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

22. Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the National Park Grant.

23. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Comprehensive Income and Expenditure Statement for the Year Ended 31 March 2024

	2022/23			2023/24		
	Gross Expenditure £'000s	**Gross Income £'000s**	**Net Expenditure £'000s**	**Gross Expenditure £'000s**	**Gross Income £'000s**	**Net Expenditure £'000s**
Assets & Enterprise	6,678	(5,786)	893	9,451	(6,980)	2,471
Chief Executive Officer	79	(21)	58	53	(57)	(4)
Landscape & Engagement	3,627	(2,010)	1,616	3,933	(2,758)	1,175
Planning	1,835	(365)	1,470	1,664	(296)	1,368
Resources	3,102	(44)	3,057	2,968	(48)	2,920
Non-distributed Costs	14	0	14	345	0	345
Total Cost of Services	**15,335**	**(8,227)**	**7,108**	**18,415**	**(10,139)**	**8,275**
Other Operating (Income) Expenditure (Note 8)			255			(237)
Financing and Investment Income (Note 9)			280			(591)
Surplus or deficit on discontinued Operations						
National Park Grant and non-specific grant income (Note 10)			(7,220)			(7,269)
(Surplus) or Deficit on Provision of Services			**422**			**178**
(Surplus) or deficit on revaluation of Property, Plant & Equipment assets			(1,255)			(213)
(Surplus) or deficit on revaluation of available for sale financial assets						
Actuarial (gains) losses on pension assets/ liabilities			(20,079)			3,766
Other Comprehensive (Income) Expenditure			**(21,335)**			**3,553**
Total Comprehensive (Income) Expenditure			**(20,912)**			**3,731**

Movement in Reserves Statement

	General Fund Balance £'000s	Capital Receipts Reserve £'000s	Total Usable Reserves £'000s	Un-usable Reserves £'000s	Total Authority Reserves £'000s
Balance at 1st April 2023	9,345	1,392	10,737	23,521	34,258
Movement in reserves during the 23/24 year					0
Total comprehensive Income/ (Expenditure)	(178)		(178)	(3,553)	(3,731)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(517)	(71)	(588)	588	0
Net Increase/ (Decrease) in 23/24	(695)	(71)	(766)	(2,965)	(3,731)
Balance at 31st March 2024	**8,650**	**1,321**	**9,971**	**20,556**	**30,527**
Balance at 1st April 2022	8,014	1,598	9,612	3,734	13,346
Movement in reserves during the 22/23 year					
Total comprehensive Income/ (Expenditure)	(422)		(422)	21,334	20,912
Adjustments between accounting basis and funding basis under regulations (Note 6)	1,753	(206)	1,547	(1,547)	0
Net Increase/ (Decrease) in 22/23	1,331	(206)	1,125	19,787	20,912
Balance at 31st March 2023	**9,345**	**1,392**	**10,737**	**23,521**	**34,258**

Balance Sheet

	Notes	2022/23 £'000s	2023/24 £'000s
Property, Plant & Equipment			
- Land & Buildings	11	20,546	21,201
- Vehicles, Plant & Equipment	11	1,107	976
Intangibles Assets	12	0	28
Other Long term Debtors	20/32	3,287	
Long Term Assets		24,940	22,205
Inventories	13	208	222
Short Term Debtors	14	3,319	3,763
Assets held for Sale	16	0	75
Cash & Cash Equivalents	15	7,954	9,157
Total Current Assets		11,481	13,217
Cash & Cash Equivalents	15		(294)
Short Term Borrowing	34	(33)	(34)
Short term Creditors	17	(1,653)	(3,652)
Accumulated Absences	20	(179)	(147)
Total Current Liabilities		(1,865)	(4,127)
Long Term Borrowing	34	(298)	(264)
Other Long Term Creditors	20/32		(504)
Total Long term Liablities		(298)	(768)
Total Net Assets		**34,258**	**30,527**
Financed by:			
Usables Reserves			
- General Reserve		616	369
- Restricted Funds	7	125	139
- Specific Reserves	7	8,604	8,142
General Fund Balance	1	9,345	8,650
Capital Receipts Reserve	19	1,392	1,321
		10,737	9,971
Unusable Reserve			
- Revaluation Reserve	20	9,476	9,485
- Capital Adjustment Account	20	10,936	11,722
- Pensions' Reserve	20	3,287	(504)
- Accumulated Absences Account	20	(178)	(147)
		23,521	20,556
Total Reserves		**34,258**	**30,527**

Cashflow Statement

	2022/23 £'000s	2023/24 £'000s
Operating Activities		
Rents	(345)	(394)
Charged for goods and services	(2,328)	(2,306)
Grants and partnership income	(5,584)	(7,414)
National Park grant and levies	(7,139)	(7,222)
Interest received	(159)	(464)
Cash Inflows	**(15,555)**	**(17,801)**
Employment costs	7,838	8,244
Payment for goods and services	4,504	6,433
Other costs	1,172	1,986
Interest paid	17	15
Cash Outflows	**13,531**	**16,678**
Operating Activities Net Cash Flow	**(2,024)**	**(1,124)**
Investing Actvities		
Purchase of property, plant and equipment and intangible assets	790	1,092
Sale of property, plant and equipment and intangible assets	(292)	(386)
Capital Grants	(81)	(524)
	417	**182**
Financing Activities (Note 37)		
Repayment of amounts borrowed	31	33
Net (Increase)/ Decrease in Cash and cash equivalents	**(1,576)**	**(909)**
Cash and cash equivalents at the beginning of the reporting period (Note 15)	6,378	7,954
Net Increase/ (Decrease) in cash and cash equivalents as above	1,576	909
Cash and cash equivalents at the end of the reporting period (Note 15)	**7,954**	**8,863**

Notes to the Accounts

Note 1
Expenditure and Funding Analysis

2022/23				2023/24		
Net expenditure chargeable to the General Fund	**Adjustments between Funding & Accounting Basis**	**Net Expenditure in the CIES**		**Net expenditure chargeable to the General Fund**	**Adjustments between Funding & Accounting Basis**	**Net Expenditure in the CIES**
£'000s	**£'000s**	**£'000s**		**£'000s**	**£'000s**	**£'000s**
641	108	749	Assets & Enterprise	2,306	165	2,471
(1)	26	25	Chief Executive Officer	(55)	51	(4)
1,529	229	1,758	Landscape & Engagement	1,120	55	1,175
1,259	211	1,470	Planning	1,369	(1)	1,368
2,822	269	3,092	Resources	2,970	(50)	2,920
8	6	14	Non Distributed Costs	218	127	345
6,258	**849**	**7,108**	**Net Cost of Services**	**7,928**	**347**	**8,275**
(7,590)	904	(6,686)	Other Income and Expenditure	(7,233)	(864)	(8,097)
(1,332)	1,754	422	(Surplus)/ Deficit	695	(517)	178
(8,014)			Opening General Fund Balance	(9,345)		
(9,346)			Closing General Fund at 31st March	(8,650)		

The objective of the Expenditure and Funding Analysis is to demonstrate to tax and rent payers how the funding available to this Authority (i.e. government grants, rents, etc.) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Note 2 Critical Judgements in applying Accounting Policies & Assumptions made about the future and other major sources of estimation uncertainty

In applying the accounting policies set out in Section 3, the Authority has to make certain judgements about complex transactions or those involving uncertainty about future events, and their potential impact on the amounts recognised in the financial statements. The Authority believes there are no judgements made arising from its application of accounting policies which require disclosure.

The National Park Grant, the principal funding source for the Authority, has now been confirmed for the 2024/25 financial year. The settlement being the same in cash terms as the 2023/24 figure. It has also been confirmed we will receive a supplementary grant of £500K, £250K earmarked for revenue & £250K earmarked for capital. The 2024/25 revenue budget has been approved by the Authority and is a balanced budget; but there remain concerns over the long term financial planning beyond this 2024/25, and what assumptions can be made in forward financial planning. The Authority's current net liability to pay pensions depends on a number of complex judgements, e.g. the discount rate used, the rate of wages' inflation, changes in retirement ages, mortality rates and the return on pension fund assets. These judgements are made by the actuaries engaged by Derbyshire County Council to advise on the Pension Fund, within statutory guidelines. Note 32 contains more information on the assumptions made and the impact on the accounts. The estimated pensions' asset as at 31/03/24 is (£7.855m), and estimates of the (asset)/liability in the last five years have ranged between(£3.287m) and £22.645m. As part of assessing whether the net defined benefit pension surplus on the balance sheet should be recognised in full, the Authority has assessed the level of potential for reduction in future contributions in line with IFRIC 14. An asset ceiling calculation has been completed to assess this level of future contributions against the minimum funding requirement for the scheme. This has resulted in the asset being fully capped with the unfunded liability of £504k. This is recognised as a liability in the balance sheet.

Note 3 Material Items of Income and Expenditure

The Narrative Report helps to explain a number of variances from the previous year where the figures are materially different, but there are no significant items meriting specific disclosure.

Note 4 Events after the Balance Sheet Date

The Chief Finance Officer authorised these Statement of Accounts for issue, with audit materially completed, at 07th February 2025 . Events taking place after this date will not be reflected in the financial statements or notes. Events which have occurred since the Balance Sheet date (31/03/24) and up to the submission of the accounts on the 07th february 2025 have been considered. These events are of two kinds: either "adjusting events" (events arising relating to conditions which existed at the Balance Sheet date which materially affect the amounts included in the accounts) or "non-adjusting events" (events arising relating to conditions which arose after the Balance Sheet which are material, and for which disclosure is required for the purposes of fair presentation). There are no such events to report.

Note 5 Other Comprehensive Expenditure & Income

	2022/23 £'000s	2023/2024 £'000s
(Surplus)/ Decifit arising on revaluation of non-current assets	(1,255)	(213)
Actuarial (gain)/ loss on pensionfund assets and liabilities	(20,079)	3,757
Other - difference		9
	(21,334)	**3,553**

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments made for items included or not included in the Statement of

2023/24	General Fund £'000s	Capital Receipts Reserve £'000s	Unusable Reserves £'000s
Adjustments to Revenue Resources			
Pension costs - removal of accrual of full pension costs as reported on an actuarial basis under IAS 19	(1,288)	0	1,288
Pension costs - replacement by employers actual paid contributions in year	1,262	0	(1,262)
Holiday pay - removal of accrual for holiday pay costs leaving actual pay costs paid in year	32	0	(32)
Reversal of entries in relation to depreciation and impairment of non-current assets	(657)	0	657
Reversal of entries for carrying value of non-current assets as part of gain/ loss on disposal	(147)	0	147
Total Adjustments to Revenue Resources	(797)	0	797
Adjustments between Revenue & Capital Resources			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	384	(384)	0
Statutory provision for the repayment of debt	167	0	(167)
Capital expenditure financed from revenue balances	55	0	(55)
Capital expenditure financed from revenue reserves	139	0	(139)
Total Adjustments between Revenue & Capital Resources	744	(384)	(361)
Adjustments to Capital Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	0	518	(518)
Unallocated Capital Grants at Year end	63	(63)	0
Application of capital grants to finance capital expenditure	506	0	(506)
Total Adjustments to Capital Resources	569	455	(1,024)
Total Adjustments	**517**	**71**	**(588)**

Note 6 Adjustments between Accounting Basis & Funding Basis under Regulations Continued

The corresponding comparatives for the previous year are shown as follows:

2022/23	General Fund £'000s	Capital Receipts Reserve £'000s	Unusable Reserves £'000s
Adjustments to Revenue Resources			
Pension costs - removal of accrual of full pension costs as reported on an actuarial basis under IAS 19	3,013	0	(3,013)
Pension costs - replacement by employers actual paid contributions in year	(1,128)	0	1,128
Holiday pay - removal of accrual for holiday pay costs leaving actual pay costs paid in year	(306)	0	306
Reversal of entries in relation to depreciation and impairment of non-current assets	720	0	(720)
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	(426)	0	426
Reversal of entries - revenue expenditure funded from	23	(23)	0
Reversal of entries for carrying value of non-current assets as part of gain/ loss on disposal	547	0	(547)
Total Adjustments to Revenue Resources	2,443	(23)	(2,420)
Adjustments between Revenue & Capital Resources			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(292)	292	0
Statutory provision for the repayment of debt	(170)	0	170
Capital expenditure financed from revenue balances	(146)	0	146
Total Adjustments between Revenue & Capital Resources	(608)	292	316
Adjustments to Captial Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	0	(475)	475
Application of capital grants to finance capital	(81)	0	81
Total Adjustments to Capital Resources	(81)	(475)	556
Total Adjustments	**1,754**	**(206)**	**(1,548)**

Note 7 Earmarked Reserves and Transfers to and from the Reserves

This note sets out the amount set aside from, and allocated to, the General Fund in earmarked reserves to provide financing for future expenditure plans. The Authority also administers Restricted Funds made up of donations or bequests, expended according to the wishes of the donor, or funds which have a legal restriction on their use.

Note 7 Earmarked Reserves and Transfers to and from the Reserves

This note sets out the amount set aside from, and allocated to, the General Fund in earmarked reserves to provide financing for future expenditure plans. The Authority also administers Restricted Funds made up of donations or bequests, expended according to the wishes of the donor, or funds which have a legal restriction on their use.

Note 7 Earmarked Reserves and Transfers to and from the Reserves Continued

Earmarked Reserves	**Balance at 31st March 2022 £'000s**	**Transfers Out 2022/23 £'000s**	**Transfers In 2022/23 £'000s**	**Balance at 31st March 2023 £'000s**	**Transfers Out 2023/24 £'000s**	**Transfers In 2023/24 £'000s**	**Balance at 31st March 2024 £'000s**
Minerals Reserve	(567)	0	0	(567)	0	0	(567)
Restructuring Reserve	(486)	0	(440)	(926)	201	0	(725)
ICT Reserve	(450)	0	(10)	(460)	96	(8)	(372)
Warslow Reserve	(16)	16	0	0	0	0	0
North Lees Reserve	(132)	71	(30)	(91)		(27)	(118)
Minor Properties Reserve	(18)	0	0	(18)	0	0	(18)
Corporate Property	(119)	0	0	(119)	25	0	(94)
Maintenance Reserve	(22)	0	0	(22)	0	0	(22)
Vehicle Reserve	(5)	0	(22)	(27)	0	0	(27)
Woodland Reserve	0		0	0	0	(8)	(8)
Trail Reserve	(647)	42	0	(605)	83	(45)	(567)
Car Park Reserve	(26)	5	0	(21)	0	0	(21)
Cycle Hire Reserve	(50)	11	0	(39)	39	0	0
Covid Reserve	(126)	0	0	(126)	126	0	0
Matched Funding Reserve	(1,184)	336	0	(848)	500	(186)	(534)
Slippage Reserve	(1,174)	1,089	(315)	(400)	315	0	(85)
VAT Reserve	(120)	0	(100)	(220)	0	0	(220)
Operational Effectiveness reserve (renamed Aldern House reserve)	(169)	0	(1,211)	(1,380)	0	(291)	(1,671)
Revenue Grant Reserve	(1,589)	413	(1,148)	(2,324)	2,677	(2,759)	(2,406)
CMPT Reserve	(17)	0	(15)	(32)	0	(24)	(56)
Local Plan Reserve	(110)	0	(19)	(129)	0	0	(129)
Medium term Financial Reserve	0	0	0	0	0	(285)	(285)
Authority Delivery Plan Reserve	(250)	0	0	(250)	33	0	(217)
Total	**(7,277)**	**1,983**	**(3,210)**	**(8,604)**	**4,095**	**(3,633)**	**(8,142)**

Note 7 Earmarked Reserves and Transfers to and from the Reserves Continued

Restricted Funds	Balance at 31st March 2022 £'000s	Transfers Out 2022/23 £'000s	Transfers In 2022/23 £'000s	Balance at 31st March 2023 £'000s	Transfers Out 2023/24 £'000s	Transfers In 2023/24 £'000s	Balance at 31st March 2024 £'000s
Margaret Nicholls Bequest	(3)	0	0	(3)	0	0	(3)
Memorial Landscape Fund	(2)	0	0	(2)	0	0	(2)
Alan Beardsley Fund	(9)	0	0	(9)	0	0	(9)
J Disney Bequest	(56)	0	0	(56)	0	0	(56)
Friends of Losehill Hall	(3)	0	0	(3)	0	0	(3)
Margaret Egan Bequest	(50)	0	0	(50)	0	(14)	(64)
New Bequest - Margaret Vera Longhurst	0	0	(2)	(2)	0	0	(2)
Total Restricted Funds	**(123)**	**0**	**(2)**	**(125)**	**0**	**(14)**	**(139)**
Total Transfers		1,982	(3,212)		4,095	(3,647)	
Net Increase/ (Decrease) in Earmarked Reserves			(1,230)			448	

Note 8 Other Operating (Income) and Expenditure

	2022/23 £'000s	2023/24 £'000s
(Gains) / losses on the diposal of non current assets	254	(237)
	254	**(237)**

Note 9 Financing & Investment (Income) and Expenditure

	2022/23 £'000s	2023/24 £'000s
Interest payable and similar charges	17	15
Pension interest costs and expected return on pension assets	422	(143)
Interest receivable and similar assets	(159)	(464)
	280	**(591)**

Note 10 National Park Grant and capital or other non-specific grant income

	2022/23 £'000s	2023/24 £'000s
National Park Grant (DEFRA)	7,139	6,699
Capital Grants	81	524
Capital Contributions	0	46
	7,220	**7,269**

Note 11 Property, Plant & Equipment – Movements on Balances

The Authority is a major landowner and its principal assets comprise woodlands, tenanted farms, car parks, toilets, cycle hire centres, Visitor Centres and a headquarters building. The Authority's Intangible assets comprise only purchased software. The Authority's network of trails along disused railway lines are regarded as infrastructure assets.

Note 11 Continued

2023/24	Land & Buildings	Vehicles, plant and equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Gross book value at 1 April 2023	17,557	3,036	2,595	1,294	171	25,562
Additions	90	101	826	162	0	1,179
Revaluation increases (decreases) recognised in the revaluation reserve	213	0	0	0	0	213
Revaluation increases (decreases) recognised in the surplus/ deficit on the provision of services	(16)	0	0	0	0	(16)
De-recognition: disposals		(142)	(79)	0	0	(221)
Assets re-classified (to) from Held for Sale	0	0	(64)	0	0	(64)
Other movements - accumulated depreciation w/o on revaluation	(68)	0	0	0	0	(68)
Prior year adjustments	17	0	0	0	0	17
Gross book value at 31 March 2024	**17,793**	**2,995**	**3,278**	**1,456**	**171**	**26,602**
Accumulated depreciation/ impairment at 1 April 2023	806	1,929	264		1	3,909
Depreciation charge	372	164	46	54	5	641
Impairment charge	0	0	0		0	0
Depreciation written out to the revaluation reserve	(303)	0	0		0	(303)
Depreciation written out to the surplus/ decifit on the provision of services	235	0	0		0	235
De-recognition - disposals	0	(74)	0		0	(74)
Assets re-classified (to) from Held for Sale						
Prior year adjustments	17	0	0		0	17
Accumulated depreciation/ impairment at 31 March 2024	**1,127**	**2,019**	**310**		**6**	**4,425**
Net book value at 31 March 2023	16,751	1,107	2,331	1,294	170	21,653
Net book value at 31 March 2024	**16,666**	**976**	**2,968**	**1,402**	**165**	**22,177**

Note 11 Continued

2022/23	Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Gross book value at 1 April 2022	17,139	3,426	2,350	1,184	72	25,025
Additions	151	199	245	165	15	775
Revaluation increases (decreases) recognised in the revaluation reserve	1,166	0	0	0	89	1,255
Revaluation increases (decreases) recognised in the surplus/ deficit on the	426	0	0	0	0	426
De-recognition: disposals	(17)	(589)	0	0	0	(606)
Other movements - accumulated depreciation w/o on revaluation	(375)	0	0	0	(10)	(385)
Prior year adjustments	(933)	0	0	0	5	(928)
Gross book value at 31 March 2023	**17,557**	**3,036**	**2,595**	**1,349**	**171**	**25,562**
Accumulated depreciation and impairment at 1 April 2022	1,679	2,289	223		4	5,049
Depreciation charge	336	187	41	55	2	621
Impairment charge	99	0	0		0	99
Depreciation written out to the revaluation reservse	(136)	0	0		(1)	(137)
Depreciation written out to the surplus/ decifit on the provision of services	(239)	0	0		(9)	(248)
De-recognition - disposals	0	(547)	0		0	(547)
Prior year adjustments	(933)	0	0		5	(928)
Accumulated depreciation and impairment at 31 March 2023	**806**	**1,929**	**264**		**1**	**3,909**
Net book value at 31 March 2022	15,460	1,137	2,127	1,184	68	19,976
Net book value at 31 March 2023	**16,751**	**1,107**	**2,331**	**1,294**	**170**	**21,653**

Effects of Changes in Estimates

There are no material effects arising from changes in accounting estimates for residual values, useful lives or depreciation methods.

Revaluations

The Authority's property shown in the Land & Buildings column has been valued as at 31st March 2024 by the District Valuer. The valuations are in accordance with the CIPFA Code of Practice and the relevant sections of the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The Authority values these assets over a five-year rolling programme, concentrating this year on land and buildings that had not formed part of the previous four years revaluations..

Impairments

There were no impairments this year.

Infrastructure Statutory Override

In accordance with the temporary relief offered by the Update to the Code on Infrastructure Assets, this note does not include disclosure of gross cost and accumulated depreciation for Infrastructure Assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to Infrastructure Assets.

The Council has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for Infrastructure Assets when there is replacement expenditure is nil.

Note 12 Intangible Assets

The Authority accounts for its software as intangible assets, at their historic purchase cost. The Authority does not capitalise internally generated assets. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful life in all cases is 5 years unless a shorter asset life is more appropriate. The carrying amount of intangible assets is amortised on a reducing balance basis. The amortisation charge forms part of the charge to the Information Technology Support Service and is then absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

	2022/23 £'000s	2023/24 £'000s
Gross carrying amount at start of year	816	0
Additions	0	28
Disposals	(816)	0
Gross carrying amount at end of year	**0**	**28**
Accumulated amortisation at start of year	641	0
Amortisation for the year	0	0
De-recognition: Disposals	(641)	0
Accumulated amortisation at end of year	**0**	**0**
Net carrying amount at start of year	175	0
Net carrying amount at end of year	**0**	**28**

There are no intangible assets which are material to the financial statements requiring individual disclosure in this note. There are no contractual commitments for the acquisition of intangible assets which require individual disclosure in this note.

Note 13 Inventories

There is no work in progress. Stocks of publications and other items for resale are:

	2022/23 £'000s	2023/24 £'000s
Opening stock	211	208
Purchases	275	310
Recognised as an expense in the year	(273)	(285)
Written off balances/ Reversal of write offs in previous years	(5)	(13)
Short Term Cycle Hire Assets		2
Closing stock	**208**	**222**

Note 14 Debtors

Debtors can be analysed as follows:

	31-Mar-23 £'000s	31-Mar-24 £'000s
Central Government Bodies	1,196	1,060
Other Local Authorities	14	121
Public Coporations and Trading Funds		0
Bodies external to general government	2,139	2,605
Less: Expected Credit Loss	(30)	(23)
	3,319	**3,763**

Note 15 Cash and Cash Equivalents

Cash and bank can be anlysed as follows:

	31-Mar-23 £'000s	31-Mar-24 £'000s
Bank current accounts	494	(296)
Cash held by the Authority	2	2
Deposits with North Yorkshire County Council	7,458	9,157
	7,954	**8,863**

The above bank figures represent the value of the bank accounts on the accounting system. The bank statements show a different amount owing to timing differences, which are reconciled in the bank reconciliation process. At the end of each working day a transfer is made to and from the investment account, ensuring the bank accounts overall remain in credit by a small amount. The investment account represents deposits invested with North Yorkshire County Council on which interest is received. The amounts are invested daily, with surplus funds from the Authority’s pooled bank accounts being transferred and invested in accordance with the Authority’s Treasury Management Policy, leaving a small surplus balance in current accounts. The Authority’s Short Term investments are all cash resources.

Note 16 Assets Held for Sale

An analysis of the assets held for sale category within current assets is shown below:

	31-Mar-23 £'000s	31-Mar-24 £'000s
Balance outstanding at start of the year	300	0
Property, plant and equipment newly identified	13	75
Revaluation (losses)/ gains	0	0
Impairment losses	0	0
Assets sold	(313)	0
Balance outstanding at the end of the year	**0**	**75**

Note 17 Creditors due within 12 months

Creditors can be analysed as follows:

	31-Mar-23 £'000s	31-Mar-24 £'000s
Central Government Bodies	133	1,102
Other Local Authorities	27	29
Public Corporations and Trading Funds	0	
Bodies external to general government	1,493	2,521
	1,653	**3,652**

Note 18 Provisions and Contingent Liabilities

There are no provisions or contingent liabilities. The Authority considers that it has made sufficient financial arrangements to cover estimates of potential liabilities which may arise not covered by the accounting definition. Financing for these potential liabilities is achieved within the usable earmarked reserves (Note 7).

Note 19 - Useable Reserves: Capital Receipts Reserve

Movements in the Authority’s usable reserves are detailed in the Movement in Reserves Statement and Note 7. The Capital Receipts Reserve, built up from the proceeds of the sale of fixed assets and available for use to finance capital expenditure, is as follows:

	31-Mar-23 £'000s	31-Mar-24 £'000s
Balance at 1st April	(1,598)	(1,392)
Receipts received in the year	(292)	(384)
Receipts allocated to Capital Expenditure	498	518
Capital grants unallocated		(63)
Balance at 31st March	**(1,392)**	**(1,321)**

Note 20 Unusable Reserves

The Authority’s unusable reserves are shown in full in the Balance Sheet.

The Revaluation Reserve records the accumulated gains on the Property, Plant & Equipment assets held by the Authority arising from increases in value, as a result of inflation or other factors, less any subsequent downward movements in value – impairments and/or depreciation. The balance on the reserve therefore represents the amount by which the current value of fixed assets carried in the Balance Sheet has been revalued above their depreciated historic cost. It is the Authority's policy to revalue 20% of total assets each year as a rolling programme over a five-year period and the account includes these changes, together with any written down value of assets which have been disposed of in the year.

	31-Mar-23 £'000s	31-Mar-24 £'000s
Revaluation Reserve		
Balance at start of the year	8,413	9,476
Upward revaluation of assets	1,255	273
Downward revaluation of assets		(59)
Surplus/ Deficit on revaluation of non-current assets not	9,668	9,690
Accumulated gains on assets disposed of	(17)	
Difference between fair value depreciation and historical cost	(175)	(205)
Amounts written off to the Capital Adjustment Account	(192)	(205)
Balance at the end of the year	**9,476**	**9,485**

Note 20 Unusable Reserves Continued

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements on the one hand, for accounting for the consumption of non-current assets, and on the other hand, for the financing of the acquisition, construction or enhancement of those assets as required by statute. The Capital Adjustment Account is credited with the amount of capital expenditure financed from revenue, capital receipts and capital grants, together with the Minimum Revenue provision (the amount charged to the Income and Expenditure account to ensure that an appropriate level of financing is set aside for the repayment of the principal element of any borrowing outstanding). As assets are consumed, either by depreciation, impairment or disposal, the charge is made to this account as a debit.

Capital Adjustment Account	31-Mar-23 £'000s	31-Mar-24 £'000s
Balance at 1 April	(10,712)	(10,936)
Reversal of items relating to capital expenditure debited or		
Charges for depreciation & impairment of non-current assets	621	641
Revenue expenditure funded from capital under statute (REFCUS)	24	0
Revaluation gains/(losses) on Property, Plant & Equipment	(327)	16
Amortisation of intangible assets	0	0
Amount of non-current assets written off on disposal as part of the gain/loss on disposal to the CIES	546	147
	864	803
Adjusting amounts written out of the Revaluation Reserve	(192)	(205)
Net written out amount of the cost of non-current assets consumed in the year	**672**	**599**
Capital financing applied in the year		
Use of the Capital Receipts Reserve to finance new capital	(498)	(517)
Capital grants and contributions credited to the CIES that have been applied to capital financing	(81)	(506)
Statutory provision for the financing of capital investment	(170)	(167)
Capital expenditure charged against the General Fund	(147)	(55)
Capital expenditure from Revenue Reserves		(139)
Total Capital Financing applied in the year	**(896)**	**(1,384)**
Balance at the end of the year	**(10,936)**	**(11,722)**

Note 20 Unusable Reserves Continued

The Pensions' Reserve absorbs the timing differences arising from the different arrangements, on the one hand for post-employment benefits, and on the other hand, for funding benefits in accordance with statute. The Authority accounts for post employment benefits in the Comprehensive Income & Expenditure Statement as the benefits are earned by employees accruing years of service, with the liabilities recognised updated to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements however require benefits to be financed at the rate the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions' Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	31-Mar-23 £'000s	31-Mar-24 £'000s
Pensions Reserve		
Balance at the start of the year	(14,907)	3,287
Actuarial gains or (losses) on pension assets and liabilities	20,079	(3,757)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CEIS	(3,013)	(1,288)
Employers' pension contributions and direct payments to pensioners payable in the year	1,128	1,254
Balance at the end of the year	**3,287**	**(504)**

The Accumulated Absences Reserve absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	31-Mar-23 £'000s	31-Mar-24 £'000s
Accumulated Absences Reserve		
Balance at the start of the year	(484)	(178)
Settlement or cancellation of accrual made at the end of the preceding year	484	178
Amounts accrued at the end of the current year	(178)	(147)
Amounts by which officer remuneration charged ti the CIES on an accruals basis is different from renumeration chargeable on a salary basis in accordance with statutory requirements	306	31
Balance at the end of the year	**(178)**	**(147)**

Note 21 Note to the Expenditure and Funding Analysis

Adjustments from the General Fund to arrive at the Expenditure and Funding Analsis Amounts

	2022/23				2023/24			
	Adjustments for Capital Purposes (Footnote 1) £'000s	**Net change for the Pension Adjustments (Footnote 2) £'000s**	**Other Differences (Footnote 3) £'000s**	**Total Adjustments £'000s**	**Adjustments for Capital Purposes (Footnote 1) £'000s**	**Net change for the Pension Adjustments (Footnote 2) £'000s**	**Other Differences (Footnote 3) £'000s**	**Total Adjustments £'000s**
Assets & Enterprise	(252)	464	(104)	108	168	12	(15)	165
Chief Executive Officer	(2)	36	(8)	26	53	1	(3)	51
Landscape & Engagement	(32)	321	(60)	229	44	10	1	55
Planning	0	270	(59)	211	0	7	(8)	(1)
Resources	(21)	367	(76)	269	(55)	11	(6)	(50)
Non-distributed Costs	0	6	0	6	0	127	0	127
Net cost of Services	**(308)**	**1,463**	**(306)**	**850**	**210**	**168**	**(31)**	**347**
Other Income & Expenditure:	482	422		904	(721)	(143)		(864)
Surplus/Deficit and Comprehensive	**174**	**1,885**	**(306)**	**1,754**	**(511)**	**25**	**(31)**	**(517)**

Note 21 Note to the Expenditure and Funding Analysis Continued

Footnote 1

Adjustments for Capital purposes: for the Net Cost of Services, this column adds in depreciation and impairment, and any revaluation gains and losses chargeable to the CIES. In respect of Other Income & Expenditure, this comprises adjustments not allowable under generally accepted accounting principles, either operating expenditure (See Note 8) – an adjustment for the gain or loss on the disposal of a non-current asset compared to its net book value; or a fair value adjustment; Financing & investment (see Note 9) – deductions for the statutory charges for capital financing (minimum revenue provision and other revenue contributions); and Taxation and non-specific grant income – the removal of capital grants.

Footnote 2

Adjustments for the removal of employers' pension cash contributions and the addition of employee benefit pensions' related expenditure and income: for the Net Cost of Services, this column removes the employer pension cash contributions made by the Authority as required by statute, and replaces with a current and past service cost figure assessed by the actuary. In respect of Other Income & Expenditure, this comprises the net interest cost of the defined benefit liability.

Footnote 3

Other differences, in this case the adjustment reflecting the difference between staff salaries paid in cash during the year, and the adjustment required to reflect unused leave and flexi-hours carried forward by staff.

Expenditure and Income analysed by Nature

	2022/23 £'000s	2023/24 £'000s
Expenditure		
Employee expenses	8,995	8,380
Other services expenses	6,216	9,559
Capital accounting transactions	123	474
Interest Payments	439	(127)
Loss on the disposal of fixed assets	255	0
Total Expenditure	**16,028**	**18,286**
Income		
Fees, charges and other service income	(2,384)	(2,591)
Grants & Contributions	(2,748)	(3,941)
Government grants	(10,244)	(10,678)
Donations	(70)	(197)
Interest & Investment Income	(159)	(464)
Gain on the disposal of fixed assets	0	(237)
Total Income	**(15,605)**	**(18,108)**
Surplus/Deficit on the Provision of Services	**423**	**178**

Note 22 Acquired and Discontinued Operations

There were no acquisitions or discontinuation of operations during the year.

Note 23 Members' Allowances

The following amounts were paid to the 32 Members of the Peak District National Park Authority as allowances in the year ended 31st March 2024.

	2022/23 £'000s	2023/24 £'000s
Basic Allowance	72	82
Special Responsibility Allowance	23	22
Travel and subsistence	5	5
	100	**109**

Further information on Members' Allowances and payments to individual Members is published annually on our website, or can be obtained upon request from the Democratic and Legal Support Team, Aldern House, Baslow Rd, Bakewell, DE45 1AE (Telephone 01629 816200).

Note 24 Employee Remuneration

The number of employees whose remuneration in the year, excluding employer pension contributions, was £50,000 or more in bands of £5,000 were as follows:

	Number of Employees	
Payment Range	**2022-23**	**2023-24**
£60,000 - £64,999	0	2
£64,999 - £69,999	0	2
£70,000 - £74,999	1	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	0	0
£95,000 - £99,999	0	1
£100,000 - £104,999	0	0
£105,000 - £109,999	0	0

Note 24 Employee Remuneration Continued

2023/24 Remuneration for senior employees

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension contributions	Total Remuneration
Chief Executive	£97,145	£0	**£97,145**	£18,263	**£115,408**
Interim Head of Resources	£57,751	£0	**£57,751**	£10,854	**£68,605**
Head of Planning **3*	£55,831	£0	**£55,831**	£10,496	**£66,327**
Head of Landscape	£52,879	£0	**£52,879**	£9,941	**£62,820**
Interim Head of Asset Management **3*	£51,227	£0	**£51,227**	£9,631	**£60,858**
Finance Manager *4	£46,565	£0	**£46,565**	£8,760	**£55,325**

2022/23 Remuneration for senior employees

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension Contributions	Total Remuneration
Chief Executive *1	52,784	0	52,784	10,330	63,114
Head of Legal & Interim Chief Executive	74,454	0	74,454	14,570	89,024
Head of Finance	54,401	0	54,401	10,646	65,047
Interim Head of Resources	51436	0	51,436	10,063	61,499
Head of Landscape	50,140	0	50,140	9,812	59,952

Note 1: Employment started 5th September 2022

Note 2: Interim Chief Executive 1st April to 4th September 2022

Note 3: No previous years comparison as under £50,000

Note 4: Finance Manager figures included in the table are for the period April 2023 to January 2024, the annualised salary is £49,498.
Interim Finance Manager was in position for period January 2024 to March 2024, the annualised contractor fee is £187,500.
New Finance Manager was in the position for the period March 2024, the annualised salary is £59,716.

Note 24 Employee Remuneration Continued

During the year decisions relating to the termination of contracts of staff were as follows:

2023/24	Exit package cost band	Number of compulosry redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
	£0 - £20,000	3	0	3	23,351
	£20,001 - £40,000	1	0	1	28,657
	£40,001 - £60,000	0	0	0	0
	£60,001 - £80,000	0	0	0	0
	Total	**4**	**0**	**4**	52,008

2022/23	Exit package cost band	Number of compulosry redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
	£0 - £20,000	0	3	3	17,053
	£20,001 - £40,000	0	0	0	0
	£40,001 - £60,000	0	0	0	0
	£60,001 - £80,000	0	0	0	0
	Total	**0**	**3**	**3**	**17,053**

All voluntary termination of contracts were based on the Authority’s Managing Change policy. All payments were calculated according to the statutory requirement with no enhancements.

Note 26 Grant Income

The Authority credited the following grants, contributions and donated assets to the Comprehensive Income & Expenditure Statement in 2023/24, with amounts over £10,000 only shown:-

2022-23		2023-24
£		£
	Revenue Grants Credited to Services	
1,541,436	DEFRA – Environmental Stewardships / Moors for the Future Projects/FiPL	2,184,993
810,997	Environment Agency – Moors for the Future / MoorLIFE Project	166,697
37,582	Natural England - Pennine Way Ranger	44,715
73,936	Natural England/DEFRA – Swallowmoss Rewetting Projects, Warslow Moors	74,850
480,207	Natural England – Moors for the Future / MoorLIFE work	1,410,589
43,410	Peak District National Park Foundation – Conservation & Engagement Projects	167,837
76,040	Heritage Lottery Fund – South West Peak Project	-
30,706	RSPB - Moors for the Future / MoorLIFE work	38,161
20,000	Derbys County Council – Rights of Way	20,000
67,545	Calderdale Council – Moors for the Future work	-
36,194	Other National Parks – Generation Green Project	-
23,000	Tarmac Ltd – Conservation Volunteers Project	23,000
-	BMW – Peaks of Health Project	65,000
61,200	The Woodland Trust – Woodland Creation Projects	54,875
	The Woodland Trust – STW Himalayan Balsam Project	10,356
24,693	The Woodland Trust – Moors for the Future Work	-
10,250	Friends of the Trans Pennine Trail – Longdendale Landscape Project	-
-	Blackstone Edge & Butterworth Commoners Assoc – MFF Project	64,836

174,000	Esme Fairburn Foundation – Moors for the Future work	130,000
91,913	United Utilities – Joint Ranger Costs	102,494
-	United Utilities – Moors for the Future / MoorLIFE Project	125,252
59,561	Severn Trent Water - Joint Ranger Costs	67,446
201,689	Severn Trent Water – MFF/MoorLIFE Project	612,396
50,000	Severn Trent Water – Car Park	50,000
11,134	Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	13,849
17,266	Yorkshire Water - Joint Ranger Costs	-
1,396,932	Yorkshire Water - Moors for the Future / MoorLIFE Project	2,084,111
70,000	BMC - Moors for the Future / MoorLIFE Project	-
20,000	Worley Foundation - Moors for the Future	-
-	Nestle – Moors for the Future Project	287,087
-	Rebel Restoration - Moors for the Future Project	33,500
16,508	Alan Turing Network - Internship	-
15,423	MOSAIC – Championing National Parks Project	18,401
13,096	National Trust – Moorland Discovery Project	10,322
257,614	European Life Funding – MoorLIFE Project	921,392
32,718	OFGEM – Aldern House / Other Biomass Boilers	33,050
28,133	Other Revenue Grants each under £10,000	47,089
5,793,183	**Total**	**8,862,298**

The Authority may receive a number of grants, contributions and donations that are not yet recognised as income as they might have conditions attached to them that will require the monies or property to be returned to the giver. The items at year end are:

2022-23		2023-24
£		**£**
	Grants Received in Advance	
0	**Total**	**0**
0	Donated Assets Account	0
0	**Total**	**0**

Note 26 External Audit Cost

Fees paid to Mazars LLP for audit services were as follows

	2022/23 £'000s	2023/24 £'000s
External audit services as appointed auditor	20	45
	20	**45**

Note 27 Related Parties

The Authority is required to disclose any material transactions with related parties that are not disclosed elsewhere in the accounts. The UK government, operating through the Department for the Environment, Food and Rural Affairs (Defra) and the Department for Levelling Up, Housing and Communities (DLUHC), has significant influence over the general operations of the Authority and is responsible for providing the statutory framework within which the Authority operates, provides the majority of funding in the form of grants, and prescribes the terms of many of the transactions that the Authority has with other parties.

The Authority engages in a variety of formal and informal partnerships, and may contribute to those organisations financially to help further National Park purposes. It does not have control of those bodies. The Authority is a Member of National Parks Partnerships LLP, a body constituted to further the sponsorship ambitions of National Parks, and the Chair of the Authority is the Member representative. The Chair of the Authority is also a Director of National Parks England Ltd, which is a company limited by guarantee furthering the interests of the English National Parks; the Authority has joint ownership with the other National Parks of this company. Three Authority Members are Trustees of the Peak District Foundation charity, which is an independent registered charity with the principal aim being to raise funds for the Peak District National Park. The Authority has no other involvement with related parties with joint control or significant influence, subsidiaries, associates, or joint ventures.

All Members and Chief Officers of the Authority are deemed to be key management personnel and are required to disclose any financial transactions with the Authority. These exclude those received as part of normal conditions of employment or approved duties. Any qualifying financial transactions must be disclosed in the Members' Register of Financial and Other Interests which is open to public inspection. During the course of the 2023/24-year Cllr V Priestley disclosed her voluntary Chairman role on the board of Marsh Farm Development Ltd which was a recipient of a Farming in Protected Landscapes grant to the value of £49,062. Cllr Y Witter disclosed her role as Chair of the MOSAIC project which received a grant during the 2023/24-year of £5,000 for the Championing National Parks Project.

This disclosure note also applies to the involvement of Officers and Members with entities which they may have significant influence over. In summary, during the normal course of business, the following transactions were made between the Authority and other related parties:

Note 27 Related Party Transactions

	Income	Outstanding	Expenditure	Outstanding	NNDR
Local Authorities	£	£	£	£	£
Bamford with Thornhill PC	462	0			
Barnsley Met Borough Council	2,537	0	2,817	0	3,406
Cheshire East Council	576	173	50	0	
Derbyshire County Council	21,506	1,506	90,146	11,047	
Derbys Dales District Council	8,024	2,777	4,570	0	69,300
Gt Manchester Combined Auth	4,900	4,900			
High Peak Borough Council	766	158	1,122	0	24,530
Kirklees Council	24	0			
Sheffield City Council	434	375	6,977	2,447	1,100
Staffs County Council	6,000	6,000			
Staffs Moorlands District Council	1,381	593	2,408	0	14,627
Taddington & Priestcliffe Parish Council			4,440	0	
Youlgrave Parish Council			147	147	
Charities & Other					
Council for British Archaeology			103	0	
Derbyshire Archaeological Society			65	0	
Derbyshire Assoc of Local Councils	280	0			
Derbyshire Wildlife Trust	16,846	13,808	434	0	
Hadfield Infant School	336	336			
Hope Valley Climate Action			18,410	7,499	
Marsh Farm Development Ltd			49,062	8,781	
National Parks England	26,500	0			
National Parks Parts LLP	139,702	10,000	10,000	0	
Peak District MOSAIC	200	0	5,000	0	
Peak District NP Foundation	405,337	0	130,000	0	
Total	**635,811**	**40,626**	**325,751**	**29,921**	**112,963**

Note 28 - Capital Expenditure

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2022/23 £'000s	2023/24 £'000s
Opening Capital Financing Requirement	1,326	1,242
Capital Investment		
Land & Buildings	179	90
Vehicles, Plant & Equipment	198	102
Community Assets (Warslow Moors)	245	826
Infrastructure Assets (Trails)	165	162
Intangible Assets	0	28
Assets Held for Sale	0	10
Revenue Expenditure Funded from Capital Under Statute	24	0
Total Capital Investment	**811**	**1,217**
Sources of Finance		
Capital Receipts	(498)	(517)
Government Grants and Other Contributions	(81)	(506)
Sums set aside from Revenue		
Direct Revenue Contributions	(146)	(139)
Minimum Revenue Provision for repayment of principal	(170)	(167)
Prior Year Rounding Error		(2)
Closing Capital Financing Requirement	**1,242**	**1,128**
Explanation of Movement in year		
Expenditure not supported by goverment financial assistance	85	55
Minimum Revenue Provision	(170)	(167)
Increase/ (Decrease) in Capital Financing Requirement	**(85)**	**(112)**

Note 29 Statement of Capital Charges charged to Revenue

The following statement shows the amount of capital charges calculated and charged to services, comprising depreciation, upwards and or downwards revaluation and/or impairment of the Authority's fixed assets.

	2022/23 £'000s	2023/24 £'000s
Assets & Enterprise		
Aldern House	53	58
Cycle Hire	57	44
CMP Team	8	10
Concessions	1	1
Minor Properties	4	5
North Lees Estate	57	75
Car Parks	109	122
Trails	72	70
Corporate Property Team	4	4
Toilets	31	30
Visitor Centres	-408	31
Warslow Moors Estate	50	62
Forestry & Woodlands	102	3
Moors for Future Team	40	38
	180	553
Landscape & Engagement		
Engagement Team	3	3
Countryside Volunteers	16	21
Rangers Team	3	5
Pennine Way	2	2
Rangers Specialist Vehicles	1	1
Rangers Vehicle Fleet	29	24
	54	56
Planning	0	0
Resources		
Information Management	54	43
Vehicles	6	5
	60	48
	294	**657**

Note 30 Leases

Authority as Lessee

Finance Leases

The Authority does not have any finance leases. As such the liability for future rentals, or any asset value, is not shown in the balance sheet.

Operating Leases

Vehicles

The fleet management policy was unchanged during 2023/24 and again had no vehicle leases in operation. Six vehicles were sold during the year and no new vehicles were purchased.

Equipment

The Authority utilities a dedicated private cloud solution to deliver core ICT infrastructure (this includes servers and storage). The infrastructure as a Service contract expires December 2026.

Property

The revenue charge reports the total lease payments made in year (including arrears payments where specified).

During the year ended 31st March 2024 the Authority made the following payments for operating leases charged to revenue:

	2022/23 £'000s	**2023/24 £'000s**
Equipment	121	137
Land & Buildings	72	76
	193	**213**

The future minimum lease payments due under non-cancellable leases in future years are:

	2022/23 £'000s	**2023/24 £'000s**
Not later than one year	212	215
Later than one year and not later than five years	661	477
Later than five years	17	21
	890	**713**

Note 30 Leases Continued

Authority as Lessor

Finance Leases

The Authority has not issued any finance leases.

Operating Leases

The Authority leases out property under operating leases primarily for the following purposes:

- For the provision of Farm Business Tenancies on Authority owned land and Agricultural Grazing of
- The lease of office accommodation to private businesses
- The provision of local market rents on the Warslow Estate
- The lease of the Eastern Moors to the EM Partnership for moor management and sustainability
- Leases for use by private refreshment businesses

The Authority collected the following rents in 2023/24 from its assets as lessor:

	2022/23 £'000s	2023/24 £'000s
General Rents	20	35
Agricultural Rents	105	106
Residential Rents	122	117
Business Rents	76	108
Agricultutral Licences	16	16
Business Licences	6	14
Eastern Moors Lease	28	29
Refreshment Concession	177	179
	550	**604**

The table below shows in aggregate the future minimum lease payments receivable for non-cancellable leases in future years. Residential rents and agricultural licences have been excluded from these disclosures because they do not fit a non-cancellable operating lease as defined in the Code of Practice on Local Authority Accounting.

As last year the projected lease income excludes possible changes to the property portfolio as per the asset management strategy, nor does it include any changes expected from any new initiatives under the Authority’s commercial strategy.

The year on year increases have been retained and calculated according to expected returns as advised by the Authority’s Property Service. There have been no changes to the method of calculation.

Note 30 Leases Continued

	2022/23 £'000s	2023/24 £'000s
Not later than one year	214	248
Later than one year and not later than five years	907	1,042
Later than five years	241	274
	1,362	**1,564**

Note 31 Heritage Asets

Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. The accounting standard (FRS 30) has been introduced in order to move these assets onto a valuation basis on the Balance Sheet, rather than as currently, a historic cost basis; the predominant reason for the introduction of the change is to ensure that items held within Local Authority museum and gallery collections are properly reflected in valuation terms on the Balance Sheet. The standard also allows a Local Authority to move other Community Assets, which are currently accounted for on the same historic cost basis, onto a valuation basis. Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still required to be accounted for as an operational asset, and not as a heritage asset; it is therefore accounted for as set out in the Summary of Accounting policies note paragraph 14.

Whilst some of the Authority's properties may contain historical, geophysical or environmental qualities which could meet some of the criteria relating to heritage assets, it is considered that they are owned primarily to achieve the Authority's operational purposes (the conservation and enhancement of the natural environment and cultural heritage) and these assets are accounted for as operational assets and valued and depreciated accordingly. Where the assets meet the definition of Community Assets they remain within this asset category. The Authority therefore is not recognising any of its assets within the Heritage asset category. The Authority's Community assets are property holdings - predominantly the Warslow Moors Estate – and the Authority does not intend to take the option of valuing these assets and they are expected to remain within the Balance Sheet at their historic cost.

Note 32 Defined Benefit Pension Scheme

All entries made in the Comprehensive Income & Expenditure Account and Balance Sheet relating to pensions are shown together in this note. As part of the terms and conditions of employment the Authority offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the Authority has a commitment to make these payments, which needs to be disclosed at the time that the employees earn this entitlement. The Authority operates only one pension scheme, the Local Government Pension Scheme administered by Derbyshire County Council; this is a funded scheme, with the Authority and employees paying contributions calculated at a level intended to balance the pensions' liabilities with investment assets. The principal risks to the Authority of the scheme are the longevity assumptions of members, statutory or structural changes to the scheme, changes to inflation, bond yields (used to measure the value of future liabilities) and the performance of investments (predominantly equity based).

As part of assessing whether the net defined benefit pension surplus on the balance sheet should be recognised in full, the Authority has assessed the level of potential for reduction in future contributions in line with IFRIC 14. An asset ceiling calculation has been completed to assess this level of future contributions against the minimum funding requirement for the scheme. This has resulted in the asset being fully capped with the unfunded liability of £504k. This is recognised as a liability in the balance sheet.

Comprehensive Income and Expenditure Account

The cost of retirement benefits is recognised in the Total Cost of Services when they are earned by employees, rather than when the Authority makes its statutory payments to the Pension Fund, which are determined by the Scheme's Actuary. The charge which needs to be accounted for against government grant is the actual cash paid to the Pension Fund during the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the CIES and the General Fund Balance via the Movement in Reserves Statement during the year:

Note 32 Defined Benefit Pension Scheme Continued

		2022/23 £'000s	2023/24 £'000s
Cost of Services			
Current Service Cost		2,585	1,304
Past Service Cost		6	127
		2,591	1,431
Financing & Investment Income & Expenditure			
Net interest expense	Note 9	422	(143)
Total chargeable to Surplus/Deficit on the Provision of Services		3,013	1,288
Other amount chargeable to the CIES (Re-measurement of plan liabilities)	Note 5		
Return on plan assets excluding amount included in net interest expense above		(3,680)	2,909
Actuarial (gains)/losses arising on changes in demographic assumptions		674	394
Actuarial (gains)/losses arising on changes in financial assumptions		30,057	(5,162)
Other experience		(6,972)	(1,898)
Total re-measurements		20,079	(3,757)
Total Charged to the Comprehensive Income		**20,079**	**(3,757)**
Movement in Reserves Statement			
Reversal of net charges made to the Surplus/ Deficit for the Provision of Services		(3,013)	(1,288)
Employers' Contributions Payable			
Actual amount charged against the General Fund balance for pensions in the year		1,128	1,263

Balance Sheet

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31st March 2024 are as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24
Estimated liabilities in scheme	(65,336)	(84,547)	(81,355)	(60,667)	(61,174)
Estimated assets in scheme	51,529	61,902	66,448	63,954	60,670
Net Asset (Liability)	(13,807)	(22,645)	(14,907)	3,287	(504)
% Funded	79%	73%	82%	105%	99%

Note32   Defined Benefit Pension Scheme Continued

Defined Benefit Pension Scheme is a long-term commitment that requires careful management and regular monitoring. The net assets of the scheme represent the difference between the scheme's assets (investments made with the contributions) and its liabilities (the present value of the future pension payments we expect to make). The Defined benefit pension scheme show the underlying commitments that the Authority has in the long-run to pay retirement benefits. We have again closed 2023/24 in a healthy position, showing an asset of £7.9m (this is versus an asset of £3.3m in FY22/23). An asset ceiling calculation has been completed to assess this level of future contributions against the minimum funding requirement for the scheme. This has resulted in the asset being fully capped with the unfunded liability of £504k. Liabilities are assed on the actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, dependant on the assumptions about mortality rates, salary levels etc

Analysis of Present Value of Scheme Liabilities	**£'000s**
Opening balance 1st April 2023	60,667
Current service cost	1,304
Past service cost	127
Interest cost	2,870
Contributions from scheme participants	365
Re-measurement (gains) and losses	
- changes in demographic assumptions	(394)
- changes in financial assumptions	(3,386)
- other	1,898
Past service gain	
Curtailment (gains)/ losses	
Benefits paid	(2,277)
Closing balance 31st March 2024	61,174

Analysis of Present Value of Scheme Assets	**£'000s**
Opening balance 1st April 2023	
Opening balance adjustment	63,765
Interest income	3,013
Re-measurement gain (loss)	
Return on plan assets excluding amount in net interest expense charged to CIES	2,909
Other	
Contributions from employer	1,206
Contributions from employees into the scheme	365
Benefits paid	(2,229)
Closing fair value 31st March 2024	69,029

Note 32 Defined Benefit Pension Scheme Continued

Analysis of Pension Fund Assets

Asset Category	Period ended 31st March 2023				Period ended 31st March 2024			
	Quoted in active markets	Not quoted in active markets	Total	% of total assets	Quoted in active markets	Not quoted in active markets	Total	% of total assets
	£'000s	£'000s	£'000s		£'000s	£'000s	£'000s	
Equity Securities:								
Consumer	139	0	139	0.2%				0.0%
Manufacturing	112	0	112	0.2%		0	0	0.0%
Energy/ utilities	62	0	62	0.1%		0	0	0.0%
Financial institutions	70	0	70	0.1%		0	0	0.0%
Health & Care	122	0	122	0.2%		0	0	0.0%
Information	127	0	127	0.2%		0	0	0.0%
Other	1,876	0	1,876	2.9%	1,894	0	1,894	2.7%
Debt Securities:								
Corporate Bonds	3,614	4,492	8,106	12.7%	4,020	5,179	9,199	13.3%
Corporate bonds		0	0	0.0%			0	0.0%
UK Government	4,832	0	4,832	7.6%	5,979		5,979	8.7%
Other	1,117	0	1,117	1.8%	994		994	1.4%
Private Equity:								
All	1,077	2,128	3,206	5.0%	1,187	2,383	3,570	5.2%
Real Estate:								
UK Property	224	4,856	5,080	8.0%	187	4,818	5,005	7.3%
Overseas Property	0	0	0	0.0%	0	0	0	0.0%
Investment Funds &								
Equities	10,891	18,821	29,712	46.6%	12,339	20,638	32,977	47.8%
Bonds	0	0	0	0.0%	0	0	0	0.0%
Hedge Funds	0	0	0	0.0%	0	0	0	0.0%
Commodities	0	0	0	0.0%	0	0	0	0.0%
Infrastructure	1,344	5,554	6,897	10.8%	1,233	6,119	7,352	10.7%
Other	0	0	0	0.0%	0	0	0	0.0%
Derivatives:								
Inflation	0	0	0	0.0%	0	0	0	0.0%
Interest Rate	0	0	0	0.0%	0	0	0	0.0%
Foreign Exchange	0	0	0	0.0%	0	0	0	0.0%
Other	0	0	0	0.0%	0	0	0	0.0%
Cash & Cash								
All	0	2,308	2,308	3.6%	0	2,060	2,060	3.0%
Totals	25,606	38,159	63,765		27,832	41,197	69,029	

Note 32 Defined Benefit Pension Scheme Continued

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hyman Robertson LLP, an independent firm of actuaries

The accounts have been prepared on the basis of the actuary's updated IAS 19 valuation report dated 26 April 2024. No further adjustment has been made within this year's results for the McCloud judgement.

The significant assumptions used by the actuary have been:

Mortality assumptions	**2022/23**	**2023/24**
Longevity at 65 for current pensioners:		
Men	21.0 Yrs	20.8 Yrs
Women	24.0 Yrs	23.8 Yrs
Longevity at 65 for future pensioners:		
Men	21.8 Yrs	21.6 Yrs
Women	25.5 Yrs	25.3 Yrs
Financial assumptions		
Rate of CPI inflation	2.95%	2.75%
Rates of increase in salaries	3.95%	3.75%
Rate of increase in pensions	2.95%	2.75%
Rate for discounting scheme liabilities	4.75%	4.85%

The estimation of the scheme obligations is sensitive to the actuarial assumptions set out above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes, while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not changed from those used in the previous period.

Note 32 Defined Benefit Pension Scheme Continued

Impact on the defined benefit obligation in the scheme	Approx % increase to defined benefit obligation	Approx monetary amount (£000s)
0.1% decrease in Real Discount Rate	2%	1,054
1 year increase in member life expectancy	4%	2,447
0.1% increase in the Salary Increase rate	0%	106
0.1% increase in the Pension Increase Rate (CPI)	2%	967

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 19 years. Funding levels are monitored on an annual basis. A triennial valuation was completed as at 31 March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service pension schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The authority is anticipated to pay £1.575m expected contributions to the scheme in 2024/25.

McCloud Judgement

As a result of the McCloud judgement, the Accounts included a past service gain of £126k in 2019/20 which reflected the revision by the actuaries of their previous estimate. No additional adjustment has been added to the current service cost for 2023/24 or the projected cost for 2024/25 on the basis that the previous adjustment is has been rolled forward and is included in the balance sheet position.

Guaranteed Minimum Pension (GMP) Equalisation

The Fund's actuary carried out calculations in 2019/20 in order to estimate the impact that the GMP indexation changes will have on the liabilities of the Authority for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards. An allowance for full GMP indexation was included in the closing balance sheet position as at 31 March 2020, therefore no further allowances are required.

Financial assets carried at contract				3,185	3,298	3,806
Total debtors & investments	0	0	0	9,563	11,252	12,963
Borrowing						
Financial liabilities at amortised cost	(331)	(299)	(264)	(31)	(33)	(34)
Total borrowings	(331)	(299)	(264)	(31)	(33)	(34)
Creditors						
Financial liabilities at amortised cost				(1,029)	(1,439)	(2,328)
Total creditors				(1,029)	(1,439)	(2,328)

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The fair values of loans, provided by PWLB, are reported in Note 34. Short term debtors and creditors are carried at cost as this is a fair approximation of their value. The risks and mitigating actions are described below.

Credit Risk

This is defined as the possibility that one party to a financial instrument will fail to meet its contractual obligations causing a loss for the other party. The Balance Sheet contains two items of this nature, Debtors (Note 14) and Cash and Cash Equivalents (Note 15). The Debtors figure contains £1.378m of debt from government agencies, Local Authorities and other public bodies. These funds are owed because of projects the Authority undertakes either in partnership or as a result of grant aid. The risks of non payment are assessed as relatively low as project outcomes and eligibility rules are believed to have been met for funds expended during 2023/24. The Debtors figure of £2.476m relating to bodies external to government arises from a combination of normal business activity and one-off projects. The Expected credit loss of £23k is regarded as reasonable mitigation of the risks of general debts not being paid, representing 0.6% of all outstanding debt outstanding and 0.9% excluding Local authorities and other public bodies. The provision is reviewed annually and the Authority has a history of negligible credit loss (c.£1,600 in the last 5 years). All Short Term investments, in accordance with the Authority's Treasury Management Policy, are invested with North Yorkshire County Council under a Service Level Agreement. The risk of North Yorkshire County Council failing to meet its contractual obligations under this agreement is judged to be low. The Authority has adopted North Yorkshire County Council's Treasury Management Policy at its April 2024 meeting. The Authority's Treasury Management Policy emphasises that the security of its cash resources is the primary objective of its Treasury Management, over and above the need to obtain a reasonable investment return. North Yorkshire County Council became North Yorkshire Unitary Council from April 2023 however a new SLA has been taken out with the new Authority, the level of risk remain low.

Note 33 Risks Arising from Financial Instruments Continued

Liquidity Risk
This is defined as the possibility that the Authority might not have the funds available to meet its commitment to make payments. The Balance Sheet shows that the Authority has sufficient cash to finance its current liabilities, and the Treasury Management Policy allows the Authority to borrow to finance its working capital needs if necessary. In practice this has not been needed as Defra allow National Park Grant to be drawn down quarterly based on cashflow forecasts, and these forecasts include prudent contingencies for working capital. For its capital resources the Authority is able to draw on long term loans from the Public Works Loan Board.

Market Risk
This is defined as exposure to movement in prices arising from market conditions. The Authority does not have any investment in equity shares.

Foreign exchange rate risk
The Authority has some exposure to exchange rate risk because of a European funded grant project, which is paid retrospectively in euros.

The exposure relates to the Moorlife 2020 project, which was a five year project with 75% grant aid from the European Commission of €11.9m, starting in 2016/17, which ended in 2022. The project therefore has an element of exchange rate risk depending upon the exchange rate of the euro against sterling, at key points in the project. The grant was drawn down in four stages, and the date on which the euro grant is drawn down and paid over determines the value of sterling income received. Due to a large spike in sterling on drawdown of the first grant a significant loss was made on exchange. All stages have now been claimed, leaving an exchange rate deficit of £810K. £500K was earmarked from the matched funding reserve at the end of the previous financial year to part cover the deficit. £77K has been allocated from the revenue grants reserve in FY23/24. It has been agreed that the balance of £233K will be captured in the outturn to account for the balance of the exchange rate loss. The Life Programme are still within the legal time frame to externally audit the project, up to and including 2027, therefore further financial loss may arise

Interest rate risk
The authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movement in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the surplus or deficit on the
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the surplus or deficit on the
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the surplus of deficit on the provision of services or other comprehensive income and expenditure.

However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in other comprehensive income and expenditure.

There is not considered to be a significant risk in the Authority's financial position arising from changes in variable interest rates, other than continuing pressure on budgets because of the depressed investment receipts. The Authority's long term borrowings are at a fixed rate of interest, and it is the Authority's policy to manage these risks by monitoring prevailing long term interest rates, ensuring that exposure to uncompetitive interest rate payments is minimised where possible. The timing of capital investment and raising of loan finance is also reviewed and forecast, in order to take advantage of interest rates which compare favourably against long term averages; the Capital Financing Requirement (CFR) is also managed in the short term with internal use of funds. Of the £1.128m CFR, £268k is financed from external fixed rate debt, with £864k at risk of interest rate fluctuations, and it is considered that there is a reasonable risk in continuing to finance this from internal funds while the markets are still pricing medium term interest rates at low levels.

Note 34 Loans

The Authority's short-term and long-term borrowing is as follows:

	2022/23 £'000s	2023/24 £'000s
Short Term Analysis by Type of Loan		
Public Works Loan Board	33	34
	33	**34**

	2022/23 £'000s	2023/24 £'000s	Average Interest Rate %
Long Term Analysis by Type of Loan			
Public Works Loan Board	299	264	4.70%
	299	**264**	

The CIPFA Code requires disclosure of the fair value of the loan, which is calculated by the PWLB based on the repayment rates prevailing on the dates below. This value is compared against the carrying value in the Balance Sheet, including debt repayments due within one year.

	2022/23 £'000s	2023/24 £'000s
PWLB Fair Value		
Balance Sheet Carrying Value		
Under 1 year	33	35
Between 1 - 30 years	299	274
	332	**309**

Note 34 Loans Continued

The Fair Value is more than the carrying amount at 31 March 2024 because the fixed rate loan interest payable on existing loans is higher than the rates available for similar loans at that date. This Fair Value is derived by discounting the current fixed repayments remaining on the loan using the interest rates available at Balance Sheet date, with the result that if the Authority requested an early repayment of the loan, the lower interest rates prevailing at Balance Sheet date would result in the PWLB requesting a higher current value for the repayment than the amount outstanding shown in the Balance Sheet.

The Authority has only one long term loan:

A 25 year PWLB loan, repayable using the annuity method of repayment, with fixed half-yearly payments including principal and interest. The loan was taken out on 30 October 2006 at a fixed rate of 4.7% with a final payment 30 September 2031.

Note 35 Impact of Accounting Changes

Under the CIPFA Code, the Authority is required to disclose details on the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the Code.

The principal accounting change that will affect this Authority's accounts will arise from the introduction of IFRS 16 – Leases. This standard is now anticipated to apply from 1st April 2024, and establishes a new model for accounting for leases of substantial long term leased assets. The likely impact is that leases classified as operating leases may need to be re-classified and dealt with as a balance sheet asset, in a similar way to finance leases currently. The precise impact on the Authority has not yet been calculated as the application of the standard to Local Authorities is still being discussed, but it is expected that a number of property leases will be affected by the change. The balance sheet values affected may not be a material sum, depending on the accounting treatment required under the new standard, especially for peppercorn or nil consideration leases.

Note 36 Reconciliation of Liabilities Arising from Financing Activities

	31st March 2023 £'000s	**Financing Cashflows £'000s**	**31st March 2024 £'000s**
Long term borrowings	(299)	(34)	(264)
Short term borrowings	(33)	2	(34)
	(331)	**(33)**	**(299)**

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Appendix 2

Audit Completion Report

Peak District National Park Authority – year ended 31 March 2024

February 2025

forvis mazars

Members of Peak District National Park Authority

Aldern House,
Baslow Road,
Bakewell,
DE45 1AE

7th February 2025

Forvis Mazars

One St Peters Square

Manchester

M2 3DE

Dear Committee Members,

Audit Completion Report – Year ended 31 March 2024

We are pleased to present our Audit Completion Report for the year ended 31 March 2024. The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you on 26th July 2024.

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We have reviewed our Audit Strategy Memorandum and concluded that the significant audit risks and other key judgement areas set out in that report remain appropriate.

We would like to express our thanks for the assistance of your team during our audit. If you would like to discuss any matters in more detail then please do not hesitate to contact me on +44 (0)161 238 9349.

Yours faithfully

Daniel Watson

Forvis Mazars LLP

Contents

01

Executive Summary

Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2023/24 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management Override of Controls
- Valuation of Land & Buildings
- Valuation of the Net Defined Benefit Pension
- General Ledger Transfer

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £153k. Section 7 outlines our work on the Authority's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2024.

At the time of preparing this report, there are significant matters remaining outstanding as outlined in section 2.

We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:

Audit opinion
We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.

Value for Money
We have no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.

Whole of Government Accounts (WGA)
We anticipate completing our work on the Authority's WGA submission, in line with the group instructions issued by the NAO. We anticipate reporting that the WGA submission is consistent with the audited financial statements.

Wider Powers
The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. We confirm that no such correspondence from electors has been received.

02

Status of the audit

Status of our audit

Our audit work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

Reconciliation of trial balance to financial statements
The requested confirmations and explanations have been received from management. We are finalising our audit documentation in this area which will also be subject to our internal quality control procedures.

Journal entry testing
We are processing the evidence received for the last few items in our sample.

Grants testing
We are processing the evidence received for the last few items in our sample.

Cash flow statement, Cash and Cash Equivalents
We are finalising our audit documentation in this area.

Property plant and equipment - capital additions
We are waiting for some additional evidence for one item in our sample.

Creditors testing
We are finalising our audit documentation in this area.

Debtors testing
We are finalising our audit documentation in this area.

Final financial statements and Annual Governance Statement
When we receive the final set of financial statements and Annual Governance Statement we will conduct our final checks on those documents.

Management representation letter
Receipt of the signed letter of representation from the Authority

Audit review and quality control procedures
Completion of Audit Manager and Key Audit Partner review and Forvis Mazars quality control processes in respect of the audit.

Post balance sheet events
Review of post balance sheet events up to the point at which we sign our audit report

Status

- Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
- Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
- Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.

03

Audit Approach

Audit Approach

Changes to our audit approach

There have been no changes to the audit approach we communicated in our Audit Strategy Memorandum, issued on 26th June 2024.

Materiality

Our provisional materiality at the planning stage of the audit was set at £0.321m using a benchmark of 2% of gross expenditure on a surplus/deficit on provision of services level.

Based on the final financial statement figures, the final overall materiality we applied was £0.369m (final performance materiality: £0.295m; final clearly trivial threshold: £0.011m.)

Use of experts

Management makes use of experts in specific areas when preparing the Authority's financial statements. We have used available third-party information to challenge the key valuation assumptions. Furthermore, no changes have been made to the planned approach as outlined in the Audit Strategy Memorandum.

Item of account	Management's expert	Our expert
Property Plant and Equipment	District valuer services	None
Pensions	Hymans Robertson Actuary for Derbyshire Pension Fund	PwC (the consulting actuary appointed by the National Audit Office)

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Authority that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the Authority and our planned audit approach. There was no change to the planned approach as outlined in the ASM.

Items of account	Service organisation	Audit approach
Payroll Expenditure	Derbyshire County Authority	We will obtain assurance by understanding the processes and controls that the Authority has in place to assure itself that transactions are processed materially corrected. We will sample test transactions based on evidence available from the Authority rather than the Service Organisation.

04

Significant findings

Significant findings

Significant findings, including key areas of management judgement

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. In this section, have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit; and

Significant Risks

Management override of controls	**Description of the risk** In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.
	How we addressed this risk We addressed this risk through performing audit work over: • accounting estimates impacting amounts included in the financial statements; • consideration of identified significant transactions outside the normal course of business; and • journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements
	Audit conclusion While some of our work on estimates, as well as our Journal Entry Testing, is not yet finalised, subject to resolving our queries and work set out in section 2, there are no matters to bring to the Authority's attention to date

Significant findings

Valuation Of The Net Defined Benefit Pension Asset/Liability

Description of the risk

The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Authority's balance sheet. The Authority uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk by:

• critically assessing the Authority's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations;

• Considering whether the overall revaluation methodologies used by the Authority's valuer are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies;

• assessing whether valuation movements are in line with market expectations by considering valuation trends;

• critically assessing the treatment of the upward and downward revaluation movements in the Authority's financial statements with regards to the requirements of the CIPFA code of practice.

• Critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2023/24 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers.

Audit conclusion

We identified one misstatement which has been adjusted in the final financial statements by management, in relation to the asset ceiling calculation. For more details please see Section 6.

Significant findings

Valuation of Property, Plant And Equipment

Description of the risk

Land and buildings are a significant balance on the Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of management assumptions and judgements. Due to the high degree of estimation uncertainty associated, we have determined there is a significant risk in this area

How we addressed this risk

We addressed this risk by:

- critically assessing the scope of work, qualifications, objectivity and independence of the Authority's valuers to carry out the required programme of revaluations;
- considering whether the overall revaluation methodologies used by the Authority's valuers are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies;
- assessing whether valuation movements are in line with market expectations by considering valuation trends;
- critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2023/24 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers;
- sample testing the completeness and accuracy of underlying data provided by the Authority and used by the valuers as part of their valuations; and
- using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2024.

Audit conclusion

While our work on valuation of property plant and equipment is currently being finalised as part of our review process, we have identified two misstatements totalling £67k which have been adjusted in the final financial statements by management. There are no other matters to bring to the Authority's attention to date

Significant findings

Other key areas of management judgement/ enhanced risks

General Ledger Transfer

Description of the management judgement

During 2023/24, Peak District National Park Authority undertook an accounting system migration from Exchequer to Iplicit.

In October 2023, the nominal ledger, accounts receivable and accounts payable functions were closed in Exchequer and became managed via Iplicit. There is a risk that the migration will not capture all data held in the prior system. The omission of such data could ultimately lead to material misstatement within the financial statements. There is a further risk the migration leads to a loss of data and accounting records during transfer. Such a loss of data may result in a risk that during the audit, we are unable to obtain sufficient and appropriate third-party evidence.

How our audit addressed this area of management judgement

In order to address this risk, we:

- Gained an understanding of the process undertaken to transfer the data from one ledger to the other, and the checks performed by management to ensure that this was completed appropriately and successfully;
- Reviewed the Authority's reconciliation of the closing balances contained in the old general ledger at the date of the transfer to the open balances imported into the new general ledger

Audit conclusion

Audit procedures performed have not identified any material errors or uncertainties or any other matters that we wish to bring to the attention of Members

Significant findings

Qualitative aspects of the Authority's accounting practices

We have reviewed the Authority's accounting policies and disclosures and concluded they comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 appropriately tailored to the Authority's circumstances.

Draft accounts were received from the Authority June 2024 and were of a good quality. However we have raised one significant control deficiency in respect to reconciliation to the trial balance. For further details please see Section 5.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- The accounting treatment of infrastructure assets as per the statutory override.
- The correct financial reporting of the asset ceiling applied to the LGPS surplus
- The upcoming restructure of the Authority and its implications for our Value for Money reporting.

Significant difficulties during the audit

During the course of the audit, we did not encounter any significant difficulties. We have had the full co-operation of management.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

05

Internal control conclusions

Internal control conclusions

Overview of engagement

As part of our audit, we obtained an understanding of Authority's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of Authority's internal controls, we are required to communicate to Members any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered Authority's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

The deficiencies Authority's internal controls that we have identified as at the date of this report are in set out on the following pages.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of Members.

The significant deficiencies in the Authority's internal controls that we have identified as at the date of this report are in set out on the following pages.

Other observations

We also record our observations on the Authority's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

Our other internal control observations, as at the date of this report, are set out in this section. These have been reported to management directly and have been included in this report for your information.

Whether internal control observations merit attention by Members and/ or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Internal control conclusions

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of strategic objectives. Our recommendations should be considered for immediate action.

Description of deficiency

During the audit we encountered some difficulties in reconciling the Trial Balance/Ledger to the Financial Statements. The original working papers provided for audit were difficult to follow and management were unable to respond to some of our queries, due to staff turnover between the financial year and the subsequent producing of the working papers and statements. This was unrelated to the general ledger transfer, which is discussed in more detail in page 13.

Potential effects

If the underlying trial balance cannot be readily reconciled, there is an increased risk of material misstatement in the draft financial statements. Additionally the errors noted above resulted in a £25k over-appropriation of budget surplus to reserves which has an impact on the Authority's budgeting procedures.

Recommendation

We recommend that procedures in respect of the reserves appropriation account be subject to closer to review by management.

Management response

We recognise that the process for reserves and other appropriations is not fit for purpose. Historically, this has been done after the outturn is produced, post draft statements. This will now be fully reconciled at the same point as outturn to ensure no misstatements in the accounts. The appropriation account has now been built into the new Statement of Financial accounts automated excel reconciliation file, which will be rolled out for FY 24/25 financial statements.

The issue reconciling the underlying TB to the financial statements has been noted. The new Statement of Financial accounts automated excel reconciliation file, will address this issue going forward. Having gone through the audit process, the team understand better the requirements of the Auditors in terms of the backup needed, so can be more prepared to provide the relevant information.

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Internal control conclusions

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

When testing capital disposals within Property, Plant and Equipment we noted that for some of the items selected there was not sufficient backing documentation. When testing a disposal from Warslow Moor, we noted that the asset had not been componentised despite containing several buildings. Therefore, when it was partially disposed of, the values had to be estimated and could not be traced to records.

Potential effects

If transactions within the authorities fixed asset register cannot be appropriately supported by evidence, then there is a higher risk of material misstatements within the financial statements

Recommendation

We recommend that when adding or removing values from the fixed asset register these can be appropriately supported by evidence.

Management response

We agree with the finding around Warslow Moor and the issue where assets are not componentised. Warslow Moors, was gifted to PDNPA as a community asset, therefore the estate asset value was £0 on acceptance. The value of this asset has been built up over time due to work completed on the estate but not attributed to any particular property within the asset. Due to this issue in the fixed asset register, the estimation basis was the most prudent approach we could take to value the asset in question. This included valuing any enhancements that had been made to the particular asset being disposed of, since acquisition. Historical data is not available to capture the actual accounting values, attributed to elements of an asset. Going forward, additions will be componentised on our Fixed Asset register, to ensure accurate records are kept. However, we will encounter the same issue around historical data, for Warslow Moors on future disposals.

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Internal control conclusions

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

When performing our audit testing of payroll we noted that a significant proportion of our sample did not have signed employment contracts.

Potential effects

While we presume that the contracts were originally signed by the employees, if they're not kept on record there may be future compliance issues.

Recommendation

We recommend that signed employment contracts be kept on file

Management response

Since 2021, all contracts are signed and filed electronically. We recognise, that some of the samples collected did not contain signatures and therefore, there is flaw in the process. This has been addressed with the Head of People and new controls are to be implemented, to ensure all employees, have a signed contract on file. This will apply to new staff and any role changes that trigger a new contract. A data cleansing exercise will need to be carried out to ensure all contracts on file contain an employee signature.

Internal control conclusions

Progress made on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Testing of income cut off identified a weakness relating to the year end accruals process and controls

Management update on progress

Checks are now in place to ensure income is only recognised in the year it relates too. This is particularly relevant for rental and concession income (where the small error occurred in FY22/23). Our new year end timetables, ensures checks on income recognition are completed by the Accountant and reviewed by the Finance Manager, ahead of year end close down.

Description of deficiency

Our journals testing highlighted that there had been authorisation of journals with no formal documentation of approval. We understand that these were posted by a finance team member before being approved by Head of Finance.

Management update on progress

The new finance system, Iplicit, which was implemented in October 2023, provides an approval workflow and user log for journal records. The new system now ensures that a journal is uploaded and approved by different users, therefore ensuring segregation of duties. Workflows are managed by our Iplicit superuser and updated as appropriate. The user log is auditable, thereby providing a record of the different users involved in processing a journal. We have encountered no such issues since its implementation.

Description of deficiency

The fixed asset register lacks sufficient clarity to facilitate accurate accounting we have identified that as a result a non enhancing addition in the register was input into its own asset line and not subsequently impaired causing land and buildings to be overstated.

Management update on progress

The new asset management system, Techforge, has been commissioned. It has however, had a delay in implementation but is planned to go live in FY25/26 financial year. This means that all information relating to fixed assets will be held in one place and reduce the likelihood of similar mistakes, in the future.

06

Summary of misstatements

Summary of misstatements

We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £11k .

The first table in this section sets out the misstatements we identified which management has assessed as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. The second table outlines the misstatements we identified that have been adjusted by management.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued in June 2024. Any subsequent changes to those figures are set out in the section 3 of this report.

Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	**Cr (£ '000)**	**Dr (£ '000)**	**Cr (£ '000)**
Dr: CIES - Other Services Expenses Cr: Short Term Creditors This is the extrapolation of a £2k understatement of expenditure for the 23/24 portion of the Civica licence fee which was not accrued for at the year-end.	18			18
Dr: CIES - Fees Charges And Other Service Income Cr: Short Term Debtors This is the extrapolation of a £2k overstatement of income within the 23/24 year for contract between the authority and the Field Head campsite. The error arose because the contract spans multiple years and the accruals for the prior and current years were mismatched.	123			123
Dr: Short Term Debtors Cr: CIES - Fees Charges And Other Service Income This is the extrapolation of a £13k underestimate of a receivable in relation to Combs Moss Restoration Project from Nestle Waters UK Ltd.		24	24	
Dr: CIES - Other Services Expenses Cr: Short Term Creditors This is the extrapolation of four invoices selected in our sample which had a combined estimation variance (accrual versus actual invoice received post year-end) of £12k	36			36
Aggregate effect of unadjusted misstatements	**153**			**153**

We will obtain written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

Summary of misstatements

Adjusted misstatements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe Members should be made aware of.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	**Cr (£ '000)**	**Dr (£ '000)**	**Cr (£ '000)**
Dr: Revaluation Reserve Cr: Property Plant And Equipment - Land & Buildings This is the combination of two misstatements relating to valuations of land and buildings which were caused by incorrect formulas in the workings. The first relates to Parsley Hall and the second to Waterhouses Car Park			67	67
Dr: CIES – Other Comprehensive Income/Expenditure - Actuarial Gains Losses On Pension Assets/Liabilities Cr: Net Defined Benefit Pension Asset/Liability The effect of the asset ceiling was not taken into account in the draft financial statements provided for audit. This reduces the amount of surplus that can be reported in the Authority's net defined benefit pension disclosures in accordance with applicable accounting standards.	8,359			8,359
Dr: CIES – Grant Income Cr: Short Term Debtors This is the overstatement of a grant receipt debtor from Natural England. This portion of 25% of the total receipt was expected to be self funded by the Authority and therefore would not have fulfilled the definition of a debtor at the year end.	197			197
Aggregate effect of adjusted misstatements	**8,541**			**8,541**

Summary of misstatements

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- CIES – Other Services Expenses: £15k which was mapped to both Other Service Expenses and Financing and Investment Income/Expenditure resulting in a duplication of expenditure in the overall CIES
- Note 11 – Property, Plant & Equipment: disclosures relating to the statutory override for infrastructure assets were missing
- Note 21 Income And Expenditure Analysed By Nature ‘Grants’ line to be changed to ‘Grants And Contributions’ to better reflect the values making up this balance
- Other miscellaneous minor typographical errors

07

Value for Money

Value for Money

Approach to Value for Money

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- **Governance** - How the Authority ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness** - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

At the planning stage of the audit, we undertake work to understand the arrangements that the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Authority arrangements is the commentary on those arrangements that forms part of the Auditor’s Annual Report. We intend to issue the Auditor's Annual Report in February 2025.

Status of our work

We have completed our work in respect of the Authority's arrangements for the year ended 31 March 2024 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix B confirms that we have no matters to report in respect of significant weaknesses. As noted above, our commentary on the Authority's arrangements will be provided in the Auditor’s Annual Report in February 2025.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

Appendix A: Draft management representation letter

From:
Sinead Butler. Finance Manager
Peak District National Park Authority
Aldern House
Baslow Road
Bakewell
DE45 1AE

To:
Daniel Watson, Partner
Forvis Mazars LLP
One St Peter's Square
Manchester
M2 3DE

Date: XXX
Dear Daniel
Peak District National Park Authority - audit for year ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Peak District National Park Authority for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the statement of accounts and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;

Appendix A: Draft management representation letter

- additional information that you have requested from me for the purpose of the audit; and
- unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Finance Manager / S151 Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Authority in making accounting estimates, including those measured at current or fair value, are reasonable. I confirm that I am satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 disclosures are consistent with my knowledge. I confirm that all settlements and curtailments have been identified and properly accounted for. I confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded).

Group Accounts

I confirm that I have reviewed the accounting transactions of the Authority's partnerships and joint ventures and am satisfied that these do not need lead to the need for the Authority to prepare group accounts.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date. There are no contingent gains which should be disclosed.

Appendix A: Draft management representation letter

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Code and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Finance Manager / S151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code and applicable law. I have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Appendix A: Draft management representation letter

Future commitments

The Authority has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Charges on assets

All the Authority's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority, including the impact of mitigation measures and uncertainties, and that the disclosure in the subsequent events note to the financial statements fairly reflects that assessment.

Covid-19

I confirm that I have carried out an assessment of the on-going impact of the Covid-19 Virus pandemic on the Authority, including the impact of mitigation measures and uncertainties, and that the disclosure in the Statement of Accounts fairly reflects that assessment.

Brexit

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the disclosure in the Statement of Accounts fairly reflects that assessment.

Appendix A: Draft management representation letter

Going concern

To the best of my knowledge there is nothing to indicate that the Authority will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Authority's financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

I confirm that the effects of any uncorrected misstatements are set out at Appendix XX and are immaterial, both individually and in aggregate, to the financial statements as a whole.

Yours faithfully

Sinead Butler

Finance Manager and S151 Officer

Appendix B: Draft audit report

Independent auditor's report to the members of Peak District National Park Authority

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Peak District National Park Authority ("the Authority") for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement Collection Fund Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

•give a true and fair view of the financial position of the Authority as at 31st March 2024 and of its expenditure and income for the year then ended; and

•have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Finance Manager' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Chief Financial Officer Finance Manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Financial Officer Finance Manager' is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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Appendix B: Draft audit report (continued)

We have nothing to report in this regard.

Responsibilities of the Finance Manager for the financial statements

As explained more fully in the Statement of the Finance Manager' Responsibilities, the Finance Manager is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and for being satisfied that they give a true and fair view. The Finance Manager is also responsible for such internal control as the Finance Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Finance Manager is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Finance Manager is responsible for assessing each year whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

• inquiring with management and the National Park Authority Committee, as to whether the Authority is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

• communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and

• considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.

We evaluated the Finance Manager' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

• making enquiries of management and the National Park Authority Committee on whether they had knowledge of any actual, suspected or alleged fraud;

• gaining an understanding of the internal controls established to mitigate risks related to fraud;

Appendix B: Draft audit report (continued)

- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or which are otherwise unusual.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the National Park Authority Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Finance Manager' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Authority's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in this respect.

Responsibilities of the Authority
The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Appendix B: Draft audit report (continued)

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of Peak District National Park Authority, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack.

Daniel Watson Key Audit Partner
For and on behalf of Forvis Mazars LLP

One St Peter's Square
Manchester
M2 3DE

Appendix C: Confirmation of our independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.
External confirmations	We did not experience any issues with respect to obtaining external confirmations.
Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	We have not identified any evidence to cause us to disagree with the Chief Financial Officer that Authority will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.. We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.

Appendix D: Other communications

Other communication	Response
Subsequent events	We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework. We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
Matters related to fraud	We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and where appropriate Members, confirming that a) they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b) they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c) they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. management; ii. employees who have significant roles in internal control; or iii. others where the fraud could have a material effect on the financial statements; and d) they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Contact

Forvis Mazars

Daniel Watson
Partner
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Appendix 3

Auditor’s Annual Report

Peak District National Park Authority – year ended 31 March 2024

February 2025

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Contents

01

Introduction

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Peak District National Park Authority ('the Authority') for the year ended 31 March 2024. Although this report is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.

Opinion on the financial statements
We anticipate issuing an unqualified opinion in our audit report in February 2025.

Wider reporting responsibilities
The National Audit Office has issued its group instructions for 2023/24. They have yet to confirm their sampled components as a result we cannot issue the audit certificate.

Value for Money arrangements
In our audit report to be issued in February 2025 we will report that we have completed our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources and have not issued recommendations in relation to identified significant weaknesses in those arrangements. Section 3 provides our commentary on the Authority's arrangements.

02

Audit of the financial statements

Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2024 and of its financial performance for the year then ended. Our audit report, will be issued in February 2025 and we anticipate issuing an unqualified opinion on the financial statements for the year ended 31 March 2024

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Other reporting responsibilities

Reporting responsibility	Outcome
Annual Report	We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Authority.
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.

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03

Our work on Value for Money arrangements

VFM arrangements

Overall Summary

VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.

Governance - How the Authority ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Authority has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding or arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 13.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements -** We make these recommendations for improvement where we have identified a significant weakness in the Authority arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations -** We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken.

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
Financial sustainability	15	No	No	No
Governance	17	No	No	No
Improving economy, efficiency and effectiveness	19	No	No	No

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VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

Overall commentary on Financial Sustainability

Arrangements to plan finances, identify significant short-term and medium-term financial pressures and bridge funding gaps

The arrangements in place for budget setting and updating the Medium Term Financial Plan (MTFP) are as expected for a Local Authority with arrangements for the evaluation of financial risk, alignment to the Authority Plan and anticipated sources of funding. The MTFP is set over a three-year timeframe and the budget for the forthcoming year is presented to Members in February. The covering report highlights key assumptions used.

The Authority set a balanced revenue budget for the 2023/24 financial year. The National Park Grant, provided by DEFRA, is the Authority's largest source of income amounting to approximately £6.7m annually.

We have reviewed the Financial Outturn and Reserve Appropriation for 2023/24 as presented to the National Park Authority Committee in July 2024, showing a revenue underspend of £422k. A variance analysis was also provided to Members showing better than anticipated investment returns as seen across similar authorities. We did not identify any significant inconsistencies between budgetary information and the financial position as reflected in the financial statements.

Arrangements to ensure financial plans are consistent with other strategies

The MTFP is prepared with due regard to other plans and strategies and there is a process in place for challenging assumptions. In addition to the MTFP the Authority has published a Capital Strategy for 2024/25 – 2027/28 which references other plans such as the Asset Management Plan. The Authority has also published its Annual Treasury Management Strategy Statement which sets out the parameters within which the Authority's investing and borrowing activities will be conducted in the forthcoming year.

We have reviewed the Authority's capital financing over time as shown in the charts on the next page. For the year ended 31 March 2024, capital expenditure has significantly increased while the underlying capital financing requirement has fallen, as this investment has been partially financed by increased capital grants. New capital projects undergo a business case approval process and require approval from Senior Management or Members to ensure alignment with wider objectives.

Arrangements to identify and manage risks to financial resilience

The Authority's reserves position provides some mitigation against future financial challenges and will assist in addressing future volatility and support savings and efficiencies plans and the capital programme. The Authority will need to continue to ensure that any use of reserves to smooth the financial position over the next few years is properly planned and the use of reserves cannot be relied on to provide a long-term solution to funding gaps.

We analysed the Authority's usable reserves which stand at:

• General Fund balances of £8.650m at 31 March 2024 (£9.345m at 31 March 2023)

• Usable capital reserves of £1.321m at 31 March 2024 in (£1.392m at 31 March 2023)

As shown on the charts on the next page, while the Authority's reserves position is slightly less resilient than the prior year, there has been an overall upward trend over the last six years.

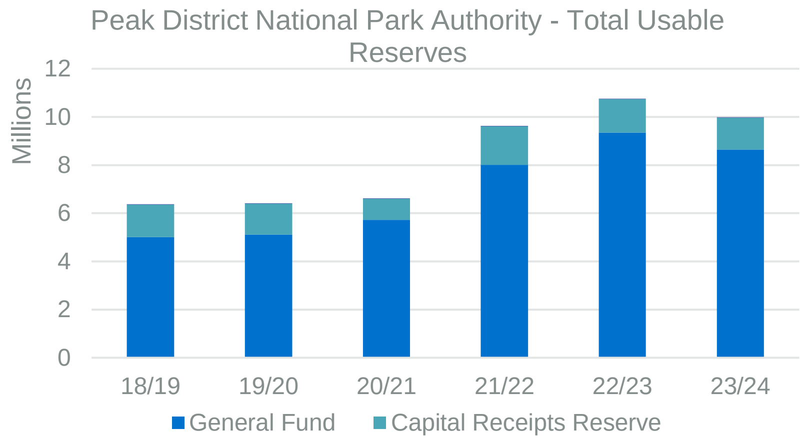
Our review of the MTFP and other committee papers confirms emerging medium term cost pressures. We also note that the authority is putting in place a further restructuring plan to help mitigate these future budget gaps. . While we acknowledge the difficulties the Authority is currently facing, we do not think this is indicative of weaknesses in arrangements. The latest Medium Term Financial Plan, which assumes the DEFRA grant will remain at same amount up to 2027/28 that it has been since 2019/20, forecasts a surplus position until 2026/27. The announcement indicates that the Authority is adopting prudent approach to minimising medium term cost pressures.

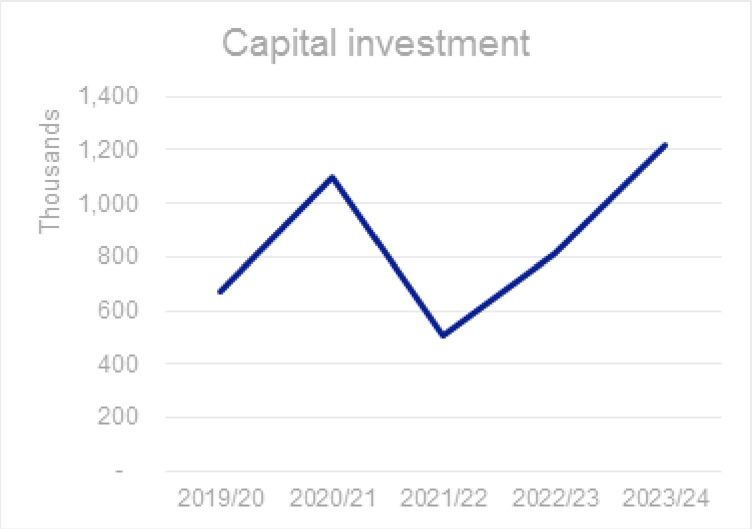
The Authority's reserves position does not indicate a risk of significant weakness in VFM arrangements for financial sustainability and provide some mitigation against future financial challenges, and will assist in addressing future volatility and support savings and efficiencies plans. The Authority will need to continue to ensure that any use of reserves to smooth the financial position over the next few years is properly planned and the use of reserves cannot be relied on to provide a long-term solution to funding gaps. From our review of relevant reports we noted that a new reserve had been created, named the Medium-Term Financial Plan (MTFP) Reserve, to start planning for known future deficits that are forecast in the MTFP.

Based on the above considerations we have not identified evidence of a significant weakness in the Authority's arrangements for securing Financial Sustainability for the year ended 31 March 2024.

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability





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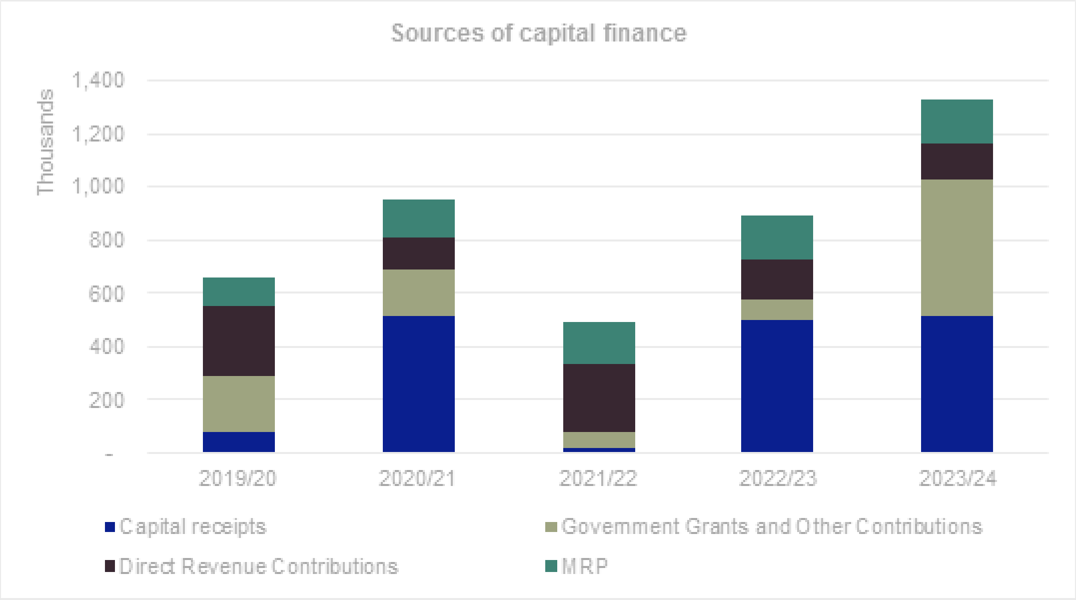

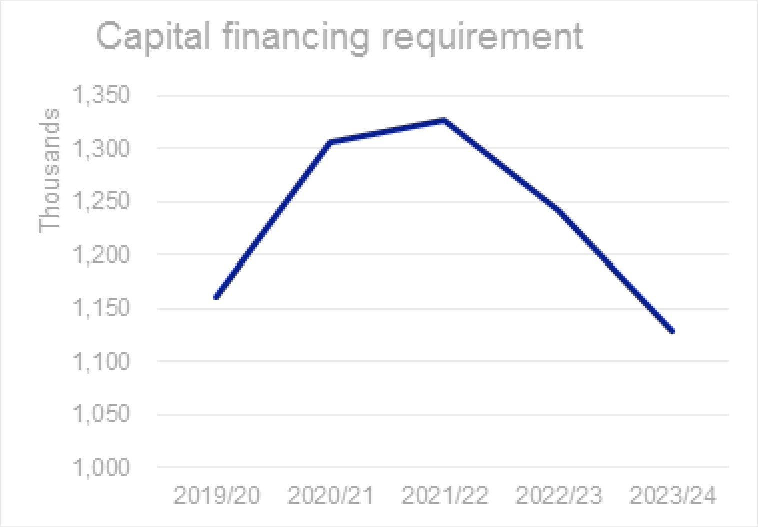

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

VFM arrangements – Governance

Overall commentary on Governance

Arrangements for decision making, risk management and internal control

In accordance with regulations, the Authority has published its Standing Orders, a Local Code of Corporate Governance and various other policies and protocols which set out its governance arrangements, how decisions are made and the procedures to be followed. The Authority has also established a Governance Review Working Group which meets monthly and produces an annual Review of Performance against the Code of Corporate Governance.

The Authority does not have a separate Audit Committee, with those functions carried out at full Authority level, including responsibility for liaising with internal and external audit and establishing and maintaining an effective system of governance in a way that supports the organisation's objectives. This arrangement is considered appropriate for a local authority organisation of this size. We have reviewed supporting documents and confirmed the Authority meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control. Our attendance at meetings has confirmed there is an appropriate level of effective challenge.

The Authority maintains a Corporate Risk Register which is linked to delivery of the Authority Plan and National Park Management Plan and is regularly reviewed by Members. A template covering report is used for all reports, ensuring the purpose, strategic context, governance issues, and recommendations are clear. Minutes are published and reviewed to evidence the matters discussed, challenge and decisions made

We reviewed the Internal Audit 2023/24 Annual Report which gave substantial assurance over the system of governance, risk management and control operating at the Authority. No significant control weaknesses were flagged as needing to be included in the Annual Governance Statement (AGS). The AGS is a self-assessment by the Authority on its governance, assurance and internal control frameworks for the financial year

Arrangements for budget setting and budgetary control

We have reviewed the Authority's overall governance framework, including committee reports, the Annual Governance Statement, and Statement of Accounts for 2023/24. These confirm the Authority undertook its responsibility to define the strategic aims and objectives, approve budgets and monitor financial performance against budgets and plans to best meet the needs of the Authority's service users. We have confirmed that original 2023/24 revenue budget was approved by Members in February 2023 and the 2024/25 budget was presented in February 2024. The arrangements in place for budget setting and updating the Medium Term Financial Strategy are as expected for a park authority with arrangements for the evaluation of financial risk, alignment to business plans and sources of funding.

Through our review of Authority reports, meetings with management and relevant work performed on the financial statements, we are satisfied that the Authority's arrangements for budget monitoring remain appropriate, including regular reporting to Members and well-established arrangements for year-end financial reporting. The Budget Monitoring group, consisting of the CEO, the Head of Resources and the Finance Manager, has continued to meet during the year to discuss budgets year to date, forecasts, significant risks to budget and review the level of reserves.

Based on the above considerations we have not identified evidence of a significant weakness in the Authority's arrangements in relation to Governance for the year ended 31 March 2024.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness

Arrangements for evaluating performance, identifying areas for improvement, ensuring the Authority delivers its role within significant partnerships and stakeholders

The Authority Plan (AP) for 2023-28 sets out the Authority's performance management framework with processes for regular performance reporting and corrective action if required. Alongside this, the National Park Management Plan (NPMP) is a partnership strategy for achieving the four stated aims of addressing needs associated with 'Climate Change', 'Landscape & Nature Recovery', 'Welcoming Place' and 'Thriving Communities'. From our review of relevant reports and minutes we confirmed an update report on the AP was provided to Members in February 2024 as well as a progress report in May 2024. A 23/24 progress report on the NPMP was presented in July 2024. An overview of progress is provided with each action being RAG rated to improve clarity for Members and external stakeholders. Additionally, the Authority produces a Performance and Business Plan which sets out priorities for action in the year, KPIs and measures of success.

The Authority's budget endeavours to ensure the provision of the appropriate resources required to deliver the Plan, and the types of action necessary to enable them to be affordable, to allow balanced budgets to be delivered. The Authority produces a detailed annual report where performance is considered following the year-end. This report provides the public with an overall assessment of the Authority activities for the financial year with no indicators of a risk of significant weakness in arrangements.

The Authority has arrangements to review complaints and analyse trends over time in order to identify and address any potential systemic issues and risks by introducing improvements to service delivery. During 2023/24, on complaint was received against a Member. Following initial assessment, the Monitoring Officer decided to take no further action in relation to the complaint on the basis that it was not in the public interest to do so. However, a training gap was identified as a result of the complaint; accordingly, additional training was provided to the Member by the Monitoring Officer.

A total of 21 formal complaints were received during this period, which is 16 less than received in the previous year. Of the 21 complaints, 1 was withdrawn, 11 related to the Planning Service and 9 to other Services; 13 of these complaints ended after Stage One of the complaints process and only 7 complaints progressed to Stage Two. Of the 11 complaints against the Planning Service 2 were referred to the Ombudsman but not upheld

We identified no significant changes in arrangements regarding partnership working and are satisfied the Authority continues to have arrangements for standing financial instructions, purchase order controls and our work on the financial statements has not identified any significant internal control deficiencies regarding purchasing controls.

Based on the above considerations we have not identified evidence of a significant weakness in the Authority's arrangements in relation to Improving Economy, Efficiency and Effectiveness for the year ended 31 March 2024.

04

Other reporting responsibilities and our fees

Other reporting responsibilities and our fees

Other reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The National Audit Office has issued its group instructions for 2023/24. They have yet to confirm their sampled components as result we cannot issue the audit certificate.

Fees for work as the Authority's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Authority Committee in June 2024. Having substantially completed our work for the 2023/24 financial year, we can confirm that our fees are as follows:

Area of work	2022/23 fees	2023/24 fees
Planned fee in respect of our work under the Code of Audit Practice	£13,727	£44,821
Additional fees - costs associated with the audit not included in the scale fee (e.g. additional testing requirements driven by regulatory requirements, additional testing from new auditing standards, additional work to deliver the VFM responsibilities, General ledger transfer)	£10,100	£6,002
Additional costs associated with the audit not included in the current scale fee (ISA 315)	**£3,501**	**£4,710**
Total fees	**£27,328**	**£55,533**

Appendices

A Further information on our audit of the financial statements

Appendix A: Further information on our audit of the financial statements

Significant risks and audit findings

As part of our audit, we identified significant risks to our audit opinion during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
Valuation of property, plant and equipment Land and buildings are a significant balance on the Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of management assumptions and judgements. Due to the high degree of estimation uncertainty associated, we have determined there is a significant risk in this area.	We addressed this risk by: • critically assessing the Authority's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; • Considering whether the overall revaluation methodologies used by the Authority's valuer are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies; • assessing whether valuation movements are in line with market expectations by considering valuation trends; • critically assessing the treatment of the upward and downward revaluation movements in the Authority's financial statements with regards to the requirements of the CIPFA code of practice. • Critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2023/24 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers. Findings: We have identified two misstatements totalling £67k which have been adjusted in the final financial statements by management. There are no other matters to bring to the Authority's attention to date. The details on this and our other findings are set out in our Audit Completion Report.

Appendix A: Further information on our audit of the financial statements

Significant risks and audit findings

As part of our audit, we identified significant risks to our audit opinion during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
Net defined benefit asset/liability valuation The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Authority's balance sheet. The Authority uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.	We have addressed the risk by: - critically assessing the competency, objectivity and independence of the Derbyshire Pension Fund's Actuary; - liaising with the auditors of the Derbyshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This assurance received covered the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation is complete and accurate; - Reviewing the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This included comparing them to expected ranges, utilising information by the consulting actuary engaged by the National Audit Office; and - agreeing the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Authority's financial statements. Findings: We identified one misstatement which has been adjusted in the final financial statements by management, in relation to the asset ceiling calculation. There are no other matters to bring to the Authority's attention to date. The details on this and our other findings are set out in our Audit Completion Report.

Appendix A: Further information on our audit of the financial statements

Significant risks and audit findings

As part of our audit, we identified significant risks to our audit opinion during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
Management override of controls In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.	We addressed this risk through performing audit work over: • accounting estimates impacting amounts included in the financial statements; • consideration of identified significant transactions outside the normal course of business; and • journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements Findings: There are no matters to bring to the Authority’s attention to date. The details on this and our other findings are set out in our Audit Completion Report.

Appendix A: Further information on our audit of the financial statements

Significant risks and audit findings

As part of our audit, we identified significant risks to our audit opinion during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
During 2023/24, Peak District National Park Authority undertook an accounting system migration from Exchequer to Iplicit. In October 2023, the nominal ledger, accounts receivable and accounts payable functions were closed in Exchequer and became managed via Iplicit. There is a risk that the migration will not capture all data held in the prior system. The omission of such data could ultimately lead to material misstatement within the financial statements. There is a further risk the migration leads to a loss of data and accounting records during transfer. Such a loss of data may result in a risk that during the audit, we are unable to obtain sufficient and appropriate third-party evidence.	In order to address this risk, we: • Gained an understanding of the process undertaken to transfer the data from one ledger to the other, and the checks performed by management to ensure that this was completed appropriately and successfully; • Reviewed the Authority's reconciliation of the closing balances contained in the old general ledger at the date of the transfer to the open balances imported into the new general ledger Findings: Audit procedures performed have not identified any material errors or uncertainties or any other matters that we wish to bring to the attention of Members. The details on this and our other findings are set out in our Audit Completion Report.

Appendix A: Further information on our audit of the financial statements

Summary of uncorrected misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £11k. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: CIES - Other Services Expenses Cr: Short Term Creditors This is the extrapolation of a £2k understatement of expenditure for the 23/24 portion of the Civica licence fee which was not accrued for at the year-end.	18			18
Dr: CIES - Fees Charges And Other Service Income Cr: Short Term Debtors This is the extrapolation of a £2k overstatement of income within the 23/24 year for contract between the authority and the Field Head campsite. The error arose because the contract spans multiple years and the accruals for the prior and current years were mismatched.	123			123
Dr: Short Term Debtors Cr: CIES - Fees Charges And Other Service Income This is the extrapolation of a £13k underestimate of a receivable in relation to Combs Moss Restoration Project from Nestle Waters UK Ltd.		24	24	
Dr: CIES - Other Services Expenses Cr: Short Term Creditors This is the extrapolation of four invoices selected in our sample which had a combined estimation variance (accrual versus actual invoice received post year-end) of £12k	36			36
Aggregate effect of unadjusted misstatements	**153**			**153**

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5. Internal control recommendations

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of strategic objectives. Our recommendations should be considered for immediate action.

Description of deficiency

During the audit we encountered some difficulties in reconciling the Trial Balance/Ledger to the Financial Statements. The original working papers provided for audit were difficult to follow and management were unable to respond to some of our queries, due to staff turnover between the financial year and the subsequent producing of the working papers and statements. This was unrelated to the general ledger transfer.

Potential effects

If the underlying trial balance cannot be readily reconciled, there is an increased risk of material misstatement in the draft financial statements. Additionally the errors noted above resulted in a £25k over-appropriation of budget surplus to reserves which has an impact on the Authority’s budgeting procedures.

Recommendation

We recommend that procedures in respect of the reserves appropriation account be subject to closer to review by management.

Management response

We recognise that the process for reserves and other appropriations is not fit for purpose. Historically, this has been done after the outturn is produced, post draft statements. This will now be fully reconciled at the same point as outturn to ensure no misstatements in the accounts. The appropriation account has now been built into the new Statement of Financial accounts automated excel reconciliation file, which will be rolled out for FY 24/25 financial statements.

The issue reconciling the underlying TB to the financial statements has been noted. The new Statement of Financial accounts automated excel reconciliation file, will address this issue going forward. Having gone through the audit process, the team understand better the requirements of the Auditors in terms of the backup needed, so can be more prepared to provide the relevant information.

5. Internal control recommendations

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

When testing capital disposals within Property, Plant and Equipment we noted that for some of the items selected there was not sufficient backing documentation. When testing a disposal from Warslow Moor, we noted that the asset had not been componentised despite containing several buildings. Therefore, when it was partially disposed of, the values had to be estimated and could not be traced to records.

Potential effects

If transactions within the authorities fixed asset register cannot be appropriately supported by evidence, then there is a higher risk of material misstatements within the financial statements

Recommendation

We recommend that when adding or removing values from the fixed asset register these can be appropriately supported by evidence.

Management response

We agree with the finding around Warslow Moor and the issue where assets are not componentised. Warslow Moors, was gifted to PDNPA as a community asset, therefore the estate asset value was £0 on acceptance. The value of this asset has been built up over time due to work completed on the estate but not attributed to any particular property within the asset. Due to this issue in the fixed asset register, the estimation basis was the most prudent approach we could take to value the asset in question. This included valuing any enhancements that had been made to the particular asset being disposed of, since acquisition. Historical data is not available to capture the actual accounting values, attributed to elements of an asset. Going forward, additions will be componentised on our Fixed Asset register, to ensure accurate records are kept. However, we will encounter the same issue around historical data, for Warslow Moors on future disposals.

5. Internal control recommendations

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

When performing our audit testing of payroll we noted that a significant proportion of our sample did not have signed employment contracts.

Potential effects

While we presume that the contracts were originally signed by the employees, if they're not kept on record there may be future compliance issues.

Recommendation

We recommend that signed employment contracts be kept on file

Management response

Since 2021, all contracts are signed and filed electronically. We recognise, that some of the samples collected did not contain signatures and therefore, there is flaw in the process. This has been addressed with the Head of People and new controls are to be implemented, to ensure all employees, have a signed contract on file. This will apply to new staff and any role changes that trigger a new contract. A data cleansing exercise will need to be carried out to ensure all contracts on file contain an employee signature.

Contact

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Appendix 4

Auditor’s Annual Report

Peak District National Park Authority – year ended 31 March 2023

October 2024

Contents

01

Introduction

Introduction

Purpose of the Auditor’s Annual Report

Our Auditor’s Annual Report (AAR) summarises the work we have undertaken as the auditor for Peak District National Park Authority (‘the Authority’) for the year ended 31 March 2023. Although this report is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice (‘the Code’) issued by the National Audit Office (‘the NAO’). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.

Opinion on the financial statements
We issued our audit report on 11 October 2024. Our opinion on the financial statements was unqualified.

Value for Money arrangements
In our audit report issued we reported that we had completed our work on the Authority’s arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements. Section 3 provides our commentary on the Authority’s arrangements.

Wider reporting responsibilities
The National Audit Office issued its group instructions for 2022/23 on 28 April 2024. They have yet to confirm their sampled components as result we cannot issue the audit certificate.

02

Audit of the financial statements

Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2023 and of its financial performance for the year then ended. Our audit report, issued in October 2024 gave an unqualified opinion on the financial statements for the year ended 31 March 2023

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Other reporting responsibilities

Reporting responsibility	Outcome
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.

03

Our work on Value for Money arrangements

VFM arrangements

Overall Summary

VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.

Governance - How the Authority ensures that it makes informed decisions and properly manages its risks.

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Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Authority has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding or arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 13.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements -** We make these recommendations for improvement where we have identified a significant weakness in the Authority arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations -** We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken.

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
Financial sustainability	15	No	No	No
Governance	17	No	No	No
Improving economy, efficiency and effectiveness	19	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability

Risk of significant weakness in arrangements	
2021-22	Nil
2022-23	Nil

Position brought forward from 2021/22

As set out in the table above, there are no indications of a significant weakness in the Authority's arrangements for financial sustainability brought forward from 2021/22.

Overall responsibilities for financial governance

We have reviewed the Authority's overall governance framework, including committee reports, the Annual Governance Statement, and Statement of Accounts for 2021/22. These confirm the Authority undertook its responsibility to define the strategic aims and objectives, approve budgets and monitor financial performance against budgets and plans to best meet the needs of the Authority's service users.

The Authority's financial planning and monitoring arrangements

Through our review of Authority reports, meetings with management and relevant work performed on the financial statements, we are satisfied that the Authority's arrangements for budget monitoring remain appropriate, including regular reporting to Members and well-established arrangements for year-end financial reporting.

Financial Statement performance 2022/23

We have carried out a high-level analysis of the audited financial statements, including the Comprehensive Income and Expenditure Statement, the Balance Sheet and Movement in Reserves Statement. the Authority's balance sheet position does not highlight any concerns. The Authority's useable reserves have increased from £9.6m to £10.7m in 2022/23, with General Fund & Earmarked Reserves of £9.3m, up from £8.0m in the prior year Capital Reserves of £1.4m, down from £1.6m in 2021/22.

The Authority's reserves position does not indicate a risk of significant weakness in VFM arrangements for financial sustainability and provide some mitigation against future financial challenges, and will assist in addressing future volatility and support savings and efficiencies plans. The Authority will need to continue to ensure that any use of reserves to smooth the financial position over the next few years is properly planned and the use of reserves cannot be relied on to provide a long-term solution to funding gaps.

Arrangements for the identification, management and monitoring of funding gaps and savings

The arrangements in place for budget setting and updating the Medium Term Financial Strategy (MTFS) are as expected for a park authority with arrangements for the evaluation of financial risk, alignment to the corporate plan and sources of funding. There is no indication that the Authority's MTFS and budget setting is not aligned to supporting plans given the Authority has a track record of delivering against budget.

Based on the above considerations we are satisfied there is not a significant weakness in the Authority's arrangements in relation to financial sustainability for the year ended 31 March 2023.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

VFM arrangements – Governance

Overall commentary on Governance

Risk of significant weakness in arrangements	
2021-22	Nil
2022-23	Nil

Position brought forward from 2021/22

As set out in the table above, there are no indications of a significant weakness in the Authority's arrangements for financial sustainability brought forward from 2021/22.

The Authority's governance structure

Based on our work, we are satisfied that the Authority has established governance arrangements, consistent with previous years, in place. These are detailed in the Statement of Accounts and Annual Governance Statement. We have considered both documents against our understanding of the Authority as part of our audit.

Our review of Authority papers confirms that a template covering report is used for all reports, ensuring the purpose, strategic context, governance issues, and recommendations are clear. Minutes are published and reviewed to evidence the matters discussed, challenge and decisions made.

The Authority does not have a separate Audit Committee, with those functions taken at full Authority level, including responsibility for establishing and maintaining an effective system of governance in a way that supports the organisation's objectives. We have reviewed supporting documents and confirmed the Authority meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control. Our attendance at meetings has confirmed there is an appropriate level of effective challenge.

Risk management and internal control

The Annual Governance Statement is a critical component of the Authority's governance arrangements. It is an evidenced self assessment by the Authority on the Authority's governance, assurance and internal control frameworks for the financial year. No significant weaknesses in internal control have been identified from our work to date and Internal Audit have not identified or raised any significant concerns. We reviewed the Annual Governance Statement as part of our work on the financial statements with no significant issues arising.

Arrangements for budget setting and budgetary control

The Authority set a balanced revenue budget for the 2023/24 financial year. For 2023/24 the National Park Grant is 100% funded from central government for the twentieth year. The National Park Grant, provided by Defra, is the Authority's largest source of income amounting to approximately £6.7m annually. The 2023/24 pay budget is main source of assumptions for the MTFS and was set on the basis that the current proposal of an assumed 5% pay award before the end of the financial year.

We have read reports to Authority covering the budget setting for 2022/23 and 2023/24 as well as the associated Medium Term Financial Strategy. We also held a number of meetings with Officers throughout the year and attended the Authority meeting where the budget was set. The arrangements in place for budget setting and updating the Medium Term Financial Strategy are as expected for a park authority with arrangements for the evaluation of financial risk, alignment to business plans and sources of funding.

Overall, we have not identified any indicators of a significant weakness in the Authority's arrangements relating to the Governance criteria for the year ended 31 March 2023.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness

Risk of significant weakness in arrangements	
2021-22	Nil
2022-23	Nil

Position brought forward from 2021/22

As set out in the table above, there are no indications of a significant weakness in the Authority's arrangements for financial sustainability brought forward from 2021/22

The Authority has in place a performance management framework with processes for regular performance reporting and corrective action if required. The Authority's budget endeavours to ensure the provision of the appropriate resources required to deliver the Corporate Plan, and the types of action necessary to enable them to be affordable, to allow balanced budgets to be delivered.

The Authority produces a detailed annual report where performance is considered following the year-end. This report provides the public with an overall assessment of the Authority activities for the financial year with no indicators of a risk of significant weakness in arrangements.

We identified no significant changes in arrangements regarding partnership working and are satisfied the Authority continues to have arrangements for standing financial instructions, purchase order controls and our work on the financial statements has not identified any significant internal control deficiencies regarding purchasing controls.

No significant issues have been raised by regulators.

Overall, we have not identified any indicators of a significant weakness in the Authority's arrangements relating to the Improving Economy, Efficiency and Effectiveness criteria for the year ended 31 March 2023.

04

Other reporting responsibilities and our fees

Other reporting responsibilities and our fees

Other reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The National Audit Office issued its group instructions for 2022/23 on 28 April 2024. They have yet to confirm their sampled components as result we cannot issue the audit certificate.

Fees for work as the Authority's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Authority in May 2023. Having completed our work for the 2022/23 financial year, we can confirm that our fees are as follows:

Area of work	2021/22 fees	2022/23 fees	2023/24 fees
Scale fee under the Code of Audit Practice	£10,209	£13,727	£44,821
Additional costs not included in the scale fee:			
• Additional testing on IAS19 Pension Liabilities and valuation of land & buildings (including errors)	£4,200	£6,085	-
• Additional work from the introduction of new auditing standards (ISA 540 Estimates)	£1,188	£1,188	-
• Additional work from the introduction of new auditing standards (ISA 315 Identifying and Assessing the Risks of Material Misstatement)	-	£3,501	TBC
• Additional cost in respect of the new VFM approach	£4,400	£4,446	-
Total fees	**£20,309**	**£28,946**	**TBC**

The Authority received a grant to continue towards audits cost of £5,263

Appendices

A: Further information on our audit of the financial statements

Significant risks and audit findings

As part of our audit, we identified significant risks to our audit opinion during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
Valuation of property, plant and equipment Land and buildings are a significant balance on the Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of management assumptions and judgements. Due to the high degree of estimation uncertainty associated, we have determined there is a significant risk in this area.	We addressed this risk by: • critically assessing the Authority's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; • considering whether the overall revaluation methodologies used by the Authority's valuer are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies; • assessing whether valuation movements are in line with market expectations by considering valuation trends; • critically assessing the treatment of the upward and downward revaluation movements in the Authority's financial statements with regards to the requirements of the CIPFA code of practice. • critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2022/23 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers. Findings: Our review of the fixed asset register noted that the North Lees Campsite washrooms had been double counted as a result of a current non-enhancing addition not being impaired to nil and being revalued alongside the main asset. We have raised a control recommendation and an unadjusted misstatement in the sections 05 and 06 of this report. We also noted an overstatement of £47k in the land value of Lathkill Dale. Upon revaluation, the Valuer included the area of three neighbouring dales in their calculation, along with an incorrect passing rent value of £120/annum, rather than £100. PDNPA made an error by taking the Valuer's finance lease value, rather than the appropriate operating lease value. We have raised a control recommendation and an unadjusted misstatement documented in this report. Finally, there is a variance in area used to revalue Aldern House, comparing the Valuer's net internal area to Peak District's building plans and calculations. Using Peak District's internal areas, the recalculation shows Aldern House's valuation has been overstated by £95k.

Appendix A: Further information on our audit of the financial statements

Significant risks and audit findings

As part of our audit, we identified significant risks to our audit opinion during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
Net defined benefit asset/liability valuation The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Authority's balance sheet. The Authority uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.	We have addressed the risk by: • critically assessing the competency, objectivity and independence of the Derbyshire Pension Fund's Actuary; • liaising with the auditors of the Derbyshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This assurance received covered the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation is complete and accurate; • reviewing the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This included comparing them to expected ranges, utilising information by the consulting actuary engaged by the National Audit Office; and • agreeing the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Authority's financial statements. Findings: As a result of an audit adjustment found by the Derbyshire Pension Fund auditor, there is an unadjusted misstatement of the plan assets of £109k.

Appendix A: Further information on our audit of the financial statements

Summary of uncorrected misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £9k. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Impairments	77			
	Cr: Land and buildings NBV				-77
	When reviewing the fixed asset register, we identified a non-enhancing addition in the register was input onto its own asset line and not subsequently impaired, causing land and buildings to be overstated by £77k. We understand that the Authority is in the process of sourcing a new fixed asset register.				
2	Dr: Revaluation losses to the SDPS	47			
	Cr: Land and buildings				-47
	Errors were noted in relation to Lathkill Dale, which increases the error from £38k to £47k in total. These errors relate to: Incorrect area being used Incorrect passing rent being used Incorrect lease type used in the valuation This resulted in an overall overstatement of £47k in the land value of Lathkill Dale. The Authority had not noticed this error on their review of the valuation report				

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Summary of uncorrected misstatements, continued

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
3	Dr: Pension Asset			109	
	Cr: OCI		-109		
	As a result of an audit adjustment found by the Derbyshire Pension Fund auditor, there is an unadjusted misstatement of the plan assets of £109k.				
4	DR: Revaluation Reserve			95	
	Cr: Land and buildings				-95
	There is a variance in area used to revalue Aldern House, comparing the Valuer's net internal area to Peak District's building plans and calculations. Using Peak District's internal areas, the recalculation shows Aldern House's valuation has been overstated by £95k.				
	Total unadjusted misstatements	124	-109	204	-219

5. Internal control recommendations

Deficiencies in internal control – Level 2

Description of deficiency

Our journals testing highlighted that there had been authorisation of journals with no formal documentation of approval. We understand that these were posted by a finance team member before being approved by Head of Finance.

Potential effects

There is a heightened risk of management override of controls and fraudulent posting of journals where there is insufficient segregation of duties. We note that it would be very difficult to misappropriate Authority assets and this risk relates to manual journals with an impact on financial performance. From our testing we have not identified any instances of this occurring.

Recommendation

Whilst it is not possible to evidence review on the current finance system, excel journal preparations which are then transferred into the finance system should have evidence of review to show appropriate segregation of duties and approval.

Management response

The journals for 2022/23 were completed by another Accountant during the process and reviewed by the Finance Manager. A new finance system was implemented in October 2023, which now provides an approval workflow and user log for journal records. The new system now ensures that a journal is uploaded and approved by different users, therefore ensuring segregation of duties. The user log is auditable, thereby providing a record of the different users involved in processing a journal.

Deficiencies in internal control – Level 2

Description of deficiency

The fixed asset register lacks sufficient clarity to facilitate accurate accounting. We have identified that as a result, a non-enhancing addition in the register was input onto its own asset line and not subsequently impaired, causing land and buildings to be overstated by £77k. We understand that the Authority is in the process of sourcing a new fixed asset register.

Potential effects

There is the potential for material misstatement in the financial statements as a result of information on assets being missed or duplicated in the preparation of the financial statements.

Recommendation

To update the fixed asset register to ensure all required information is retained.

Management response

It is accepted that there was a non-material error in the fixed asset register during the 2022/23 process. The Authority is currently procuring a new asset management system which will have an accounting module to facilitate year end processes for the statement of accounts. It is hoped that this will be in place for the 2023/24 statement of account process.

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

Testing of income cut-off identified a weakness relating to the year-end accruals process and controls. One misstatement (£3,256) related to income recognised in 2023/24 which related to 2022/23.

We cannot extrapolate this error to give a precise value because this is not taken from a full year's population which is complete, but the indicative error is immaterial but greater than trivial in relation to the first two months of the 23/24 financial year. As the factual error is below trivial, this is not reported in section 06.

Potential effects

The CIES and Debtors in the financial statements could be misstated in future.

Recommendation

Review year end processes and controls around accruals to ensure they are appropriately robust.

Management response

It is accepted that there was a small error in the recognition of income that related to 2022/23, however we feel that this is an exceptional occurrence. Nonetheless the accruals process will be reviewed for the 2023/24 year end to ensure that any error of this type is unlikely to occur again or would be corrected before completion of the year end processes.

Other recommendations in internal control – Level 2

Description of deficiency

Land and buildings revaluation testing identified that the area used in one of the Valuer's calculations did not agree to the Authority's site plans of the asset. This was caused by the Valuer including the area of three neighbouring dales in their calculation, resulting in an overstatement of £38k in the land value of Lathkill Dale. The Authority had not noticed this error on their review of the valuation report.

Potential effects

There is the potential for material misstatement of Land and Buildings and Surplus assets in the financial statements as a result of the valuer using incorrect inputs or assumptions.

Recommendation

Management should review the inputs and assumptions used by the Valuer to ensure the estimates in the financial statements are reasonable.

Management response

The Authority is currently procuring a new asset management system and this will mean that all information relating to fixed assets will be held in one place and this will reduce the likelihood of a similar mistake not being noticed. The fixed asset register held by finance does not include detailed information on the land area and is reliant on the valuer using the correct information supplied by our asset management team.

Contact

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11. PROPOSED CHANGE OF DATE OF 2025 ANNUAL AUTHORITY MEETING

1. Purpose

To propose a change of date for the 2025 Annual Authority meeting due to key staff being unavailable on the originally agreed date.

2. Context

2.1 The calendar of meetings is set around necessary deadlines for finance, audit and performance reporting and the dates are agreed at the annual Authority meeting for the following year. Standing orders state that the day for holding the Annual meeting is fixed by the Authority at the previous Annual meeting when the calendar of meetings is approved. So, any change to the Annual meeting date needs to be agreed by the Authority.

2.2 The dates for 2025 were agreed at the annual Authority meeting on 5th July 2024, with the Annual meeting being set as 4th July. As it was also agreed to only have one Authority meeting in July in 2025 there are more items for the Annual meeting agenda, including audit and financial items. Unfortunately, some of the key officers required at the Annual meeting are now unavailable on the agreed date.

3. Proposals

3.1 To enable all the key officers required to attend the Annual meeting it is proposed that the agreed dates of the Annual meeting and the Programmes and Resources Committee meeting in July 2025 are swapped around. So, the Annual meeting would be held on 11th July and the Programmes and Resources Committee meeting would be held on 4th July.

4. Recommendations

1. **To change the date of the 2025 Annual Authority meeting to 11th July 2025 and to change the date of the Programmes and Resources Committee meeting to 4th July 2025.**

5. Corporate Implications

a. Legal
There are no adverse legal implications in relation to this proposal. The relevant constitutional requirements are set out and explained in the report.

b. Financial
There are no additional resource implications arising out of the report.

c. National Park Management Plan and Authority Plan
The Authority Plan includes objective F which states the Authority will have best practice governance arrangements in place. Having a calendar of meetings which is set around necessary business reporting deadlines contributes to this.

d. Risk Management
If all key officers are not present at the Annual meeting there is a risk that items may have to be deferred causing an impact on implementation of any necessary actions.

e. Net Zero
There are no issues arising out of the report.

6. Background papers (not previously published)
None.

7. Appendices
None.

Report Author, Job Title and Publication Date

Emily Fox, Head of Resouces, 30 January 2025

Responsible Officer, Job Title
Phil Mulligan, Chief Executive.

12. REQUEST FOR APPROVAL OF REASONS FOR MEMBER NON-ATTENDANCE AT MEETINGS

1. Purpose

To a consider a request to approve medical reasons for being unable to attend face-to-face meetings of the Authority since 13th September 2024 for Andrew Hart. If approved this will waive the provisions of section 85 “Vacation of Office by Failure to Attend Meetings” of the Local Government Act 1972, which would otherwise have the effect of Andrew Hart ceasing to be a Member of the Authority on 27th March 2025.

2. Context

2.1 Section 85(1) of the Local Government Act 1972 states that:

“if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.”

2.2 Andrew Hart is appointed to the Authority by Staffordshire Moorlands District Council and he last attended a meeting on 13th September 2024 and has been unable to attend since due to medical reasons.

2.3 The Authority can only consider a reason to waive the legislative requirements prior to the expiry of the 6 month period. This cannot be approved retrospectively and consequently this meeting is the last opportunity for the Authority to consider an exemption to the attendance requirements.

3. Proposals

3.1 It is proposed that the Authority agrees to allow Andrew Hart’s absence due to medical reasons until the Annual Authority meeting in July 2025.

4. Recommendations

1. **That having regard to the circumstances resulting in the absence of Andrew Hart from Authority meetings, the provisions of section 85(1) of the Local Government Act 1972 are waived until the Annual Authority meeting in July 2025.**

5. Corporate Implications

a. Legal
The applicable legislative provisions are set out and explained in the report.

b. Financial
Although a Member will continue to receive their basic allowance while absent due to medical reasons, if agreed these proposals would not incur any further costs.

c. National Park Management Plan and Authority Plan
Our committee and decision making processes contribute to the Authority Plan Objective F, to have best practice governance arrangements in place. To meet this objective the Authority must comply with relevant legislation on appointments to the National Park Authority and its Committees.

d. Risk Management
   Although there would be risks around a long term reduction in the number of Members available to carry out their duties, and there may be risks for the appointing body by not having their representative physically present at meetings, there are no significant risks arising from approving the recommendation in these cases.

e. Net Zero
   There are no issues raised in the report.

6. Background papers (not previously published)
None.

7. Appendices
None.

Report Author, Job Title and Publication Date

Ruth Crowder, Customer and Democratic Support Manager, 30 January 2025.

Responsible Officer, Job Title

Emily Fox, Head of Resources.