

INTERNAL AUDIT REPORT

INCOME

PEAK DISTRICT NATIONAL PARK AUTHORITY

	Critical	Significant	Moderate	Opportunity
Findings	0	0	2	0
Overall audit opinion	Substantial assurance			

Status: Final

Date Issued: 19 May 2025

Responsible Officer: Chief Financial
Officer

INTRODUCTION

The Peak District National Park Authority (PDNPA) administers the Peak District National Park and looks after the national park to an agenda set out by central government. It works in partnership with other organisations and individuals. To do this it is funded by income areas including the DEFRA Core Grant, External Funding and Earned Income.

Farming in Protected Landscapes (FiPL) is a dedicated grant programme for farmers and land managers within the park authority, these grants are funded from the DEFRA FiPL grant. In 2023/24 grant funding was £1.921m and in 2024/25 the continued grant funding is £2.6m.

The PDNPA works closely with its official charity, the Peak District National Park Foundation. The charity was established to raise funds to care for the Peak District National Park and make it more inclusive. It is funded partially by an annual operating grant of £130k from the PDNPA, this grant has been agreed until 2028 (decreasing in size from 2026 onwards). Budgeted income from the Foundation for 2024/25 is circa £250k.

OBJECTIVES AND SCOPE

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

- ▲ All stages of the FiPL process are appropriately monitored and documented, and completion of the application is confirmed prior to payment of the grant.
- ▲ The terms of the Agreement between the PDNP Authority and the PDNP Foundation are complied with and value for money and growth being achieved.

The audit included a review of FiPL grant funding received to commitments and payments made to applicants (both farmers and internal Authority grants) ¹⁺² and the processes in place to ensure that the Foundation appropriately accounts for, and distributes all donations received.

¹ [FiPL Guidance for Applicants_04_2025.pdf](#)

² [Annex-O-Process-Flows-Applicant-and-PL-Journey.pdf](#)

KEY FINDINGS

We found that DEFRA grant funds for FiPL had all been received in full, however, funds had not always been received in line with the quarterly application schedule. These delays were caused by DEFRA in 2024/2025, due to the nature of funding being split between capital and revenue. Additional funding has been applied for and received for specific projects via bid application. We found appropriate approval mechanisms in place for the FiPL application process. Applications above £10k are approved at regular meetings of the Local Assessment Panel (LAP), and applications below £10k are scored and approved by the Head of Landscape and Engagement. Meetings of the LAP include reporting of the budget position, new applications for approval and updates for applications relating to additional funding requests.

We reviewed a sample of applications for FiPL grants, including one from the PDNPA, and found compliance with the process set out in the guidance published for applicants on the PDNPA website, including recording of applications received, correspondence for successful applications, and receipt and retention of appropriate records for payment claims. We found that claims were received and paid upon completion of item/activity recorded in the Agreement, and where payment was made in advance of full completion of an activity (within the project) the details within the claim schedule were sufficient to evidence that the claim was appropriate to be paid. We confirmed that monitoring returns are completed, and submitted to DEFRA quarterly, these detail all projects, claims and progress. However, we found that some improvements could be made relating to the completion of fields within the monitoring returns, and with the issuing of extension letters for projects that were not completed within the agreed timescale.

The Agreement between the PDNPA and the Peak District National Park Foundation (the Foundation) sets out the terms to be met by both parties. We confirmed that the direct grant payment of £130k to the Foundation was made in line with the schedule and appropriately approved by the Head of Service. The direct grant has enabled the Foundation to support its philanthropy and increase third party funding. The PDNPA has applied for funds from the Foundation, which transactional detail in the finance report received for the audit showed that the PDNPA had received donations and contributions that provided a return of £545k (419%) in 2024/25 when comparing the value of the grant to income received. These included donations of £237k to support the operation of Visitor Centres, £10k for an AI project, and £5.5k for a sensory and vegetable garden, demonstrating a good use of funds with the investment leading to positive outcomes and growth in projects for the PDNPA.

Discussion with the Foundation Director and through examination of the Foundation Annual Accounts confirmed that the terms of the Agreement are being complied with and that the grant funding is stated along with confirmation that the grant is being used for the purposes for which it was paid, and the accounts also provide details of third-party funding. However,

we found some areas of non-compliance with the Agreement which are detailed in finding 2.

From examination, whilst we found that the Foundation has linked social media posts to the PDNPA social media accounts, there has been no clear use of the PDNPA logo and any references are only linked to text.

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.

1 Consistency and completeness of the DEFRA monitoring report and supporting documents

Moderate

Control weakness

Lack of completion of fields in monitoring returns.

Lack of evidence of a project timescale extension where we expected to see one.

What is the risk?

The FiPL team do not record sufficient information to enable adequate review that project timescales are being achieved.

Findings

The application process includes that applicants provide updates to the PDNPA on progress of the project, and that completion of the project is confirmed.

We reviewed a sample of 10 applications and entries in the monitoring return and found the following:

- ▲ All projects were supported with satisfactory evidence of progress and completion where required.
- ▲ Records of site visits and updates from the applicant and/or consultants were retained.
- ▲ Extension letters were sent for 3 out of 4 projects that had not achieved the agreement end date.
- ▲ The PDNPA project 'Chee Dale Footbridge Replacement' was expected to be completed by 31 January 2025, no claims have been made against this project and no extension letter was evident in the documents supplied.
- ▲ Date fields for 'start confirmed' and 'progress visits' were not completed in the monitoring spreadsheet.

In addition, we undertook a wider review of the monitoring return. This identified that, for the 134 applications recorded as received and completed since 1 April 2023:

- ▲ 3 had the start date confirmed.
- ▲ 1 had progress visit(s) recorded.
- ▲ 11 had progress on outputs/outcomes recorded.
- ▲ 91 had date completed recorded, 63 of which had date confirmed and by whom recorded.

The FiPL team should ensure that fields are recorded for visits and completion to facilitate accurate monitoring for the completion of projects. A consistent approach to recording the values in the monitoring return will assist in analysis of

projects achieving outputs within agreed timescales.

Agreed action:

We will ensure that extension letters are sent to all approved projects, where required, including any internal projects relating to Peak District National Park

From 2025/26, we will ensure the monitoring return is completed fully, to include start dates, progress visits, outcomes and outputs and completion dates. This is key information should we be audited externally by DEFRA or other Government led audits.

Responsible officer: FIPL Manager

Timescale: 30 June 2025

2 Compliance with the Foundation Agreement

Moderate**Control weakness**

Presentation of the Foundation annual financial and operational report could not be supplied or evidenced within PDNPA meeting records.

What is the risk?

Lack of evidence supplied to the Authority that the Foundation are achieving the aims of the Agreement.

Findings

The Agreement between the PDNPA and the Foundation includes that:

Monitoring and Reporting:

6.2 The R shall provide the A with an annual financial and operational report on its use of the Grant and delivery of the Project...

6.3 The R shall provide the A's Performance and Resource Committee with a financial report and operational report on its use of the Grant and delivery of the Project annually...

The Foundation confirmed that they had supplied annual accounts and update reports to the Authority for each financial year, yet copies were not supplied to us due to the Director not being able to access the documents presented as they were not in post at the time of the last reporting period. We found the supply of the 2021/22 report recorded in the meeting record of the National Park Authority February 2023. Whilst we were supplied with the Agenda for the NPA Members Forum, July 2024, which confirmed an item 'Peak District National Park Foundation – Presentation', a record of the meeting to confirm that the presentation had been supplied in line with the Agreement could not be provided for the audit.

Agreed action:

The Foundation will present the annual financial and operational report in July 2025 to the Programme & Resources Committee. This will fulfil the grant clauses to include 1) How the Authority funding is being utilised. 2) Other funding secured by the Foundation and how this has been spent and 3) Operationally, what has been delivered. This will then be

presented annually, and the reporting will be recorded in meeting minutes, most likely to the new Resources Committee in July.

Responsible officer: Foundation Chief Executive

Timescale: 31 July 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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