



[Draft] Auditor's Annual Report
Peak District National Park Authority – year ended 31 March 2025

November 2025

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Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to Peak District National Park Authority. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

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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 2025. 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

Our audit of the Authority’s financial statements remains in progress. We expect to issue an unqualified opinion in our audit report before the backstop deadline of 27 February 2026



Reporting to the group auditor

We have been unable to conclude our work as we have not yet received confirmation from the NAO that the group audit of the WGA has been completed and that no further work is required to be completed by us.



Value for Money arrangements

We did not identify any significant weaknesses in the Authority’s arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Authority’s arrangements.

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK) (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 2025 and of its financial performance for the year then ended. We expect to issue an unqualified opinion on the financial statements for the year ended 31 March 2025 before the backstop deadline of 26th February 2026.

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.

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 of 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 officers

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.

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's 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 outcome 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	11	No	No	No
	Governance	15	No	No	No
	Improving economy, efficiency and effectiveness	17	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 reporting criteria

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 Forecast (MTFF) 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 and the budget for 2024/25 was presented to Members at the February 2024 authority meeting and the 2025/26 equivalent at the 21st March 2025 meeting.

The MTFF is set over a three-year timeframe and is presented to members alongside a covering report which highlights key figures and assumptions used.

The Authority set a balanced revenue budget for the 2024/25 financial year. The National Park Grant, provided by DEFRA, is the Authority's largest source of income. The National Park Core Grant for 2024/25 was held at the same value as 2023/24 & 2022/23 at £6.7m as part of the three-year settlement agreed in May 2022. The Authority also received additional grants in 2024/25, being £250k for revenue expenditure, to help offset rising inflationary pressures and £250k towards Capital expenditure. This additional funding did not form part of the original balanced revenue budget which was approved by Members in February 2024.

We have reviewed the Financial Outturn and Reserve Appropriation for 2024/25 as presented to the National Park Authority meeting of 11th July 2025, showing a revenue surplus of £530k (2023/24: £422k underspend). 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.

The Audit, Budget and Project Risk Group (ABPRG), replaced the Budget Monitoring Group in 2024/25. This group is made up of Members, the Head of Resources, the Finance Manager and Officers, where required. The group meets quarterly to discuss budget monitoring, adjusted forecasts, significant risks to budget and review the level of reserves.

Arrangements to ensure financial plans are consistent with other strategies

The MTFF is prepared with due regard to other plans and strategies and there is a process in place for challenging assumptions. In addition to the MTFF 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.

Arrangements to identify and manage risks to financial resilience

The Authority's reserves position provides some mitigation against future financial challenges. It 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. Notwithstanding this, our work has not highlighted a risk of significant weakness in the Authority's arrangements for ensuring financial sustainability. We have also reviewed trends in the Authority's useable reserves. As shown on the charts on the next tab, there has been an overall upward trend over the last five years and total useable reserves have grown by 11% on the prior year.

- General Fund balances of £9.989m (£8.650m at 31 March 2024)
- Usable capital reserves of £1.054m (£1.321m at 31 March 2024)

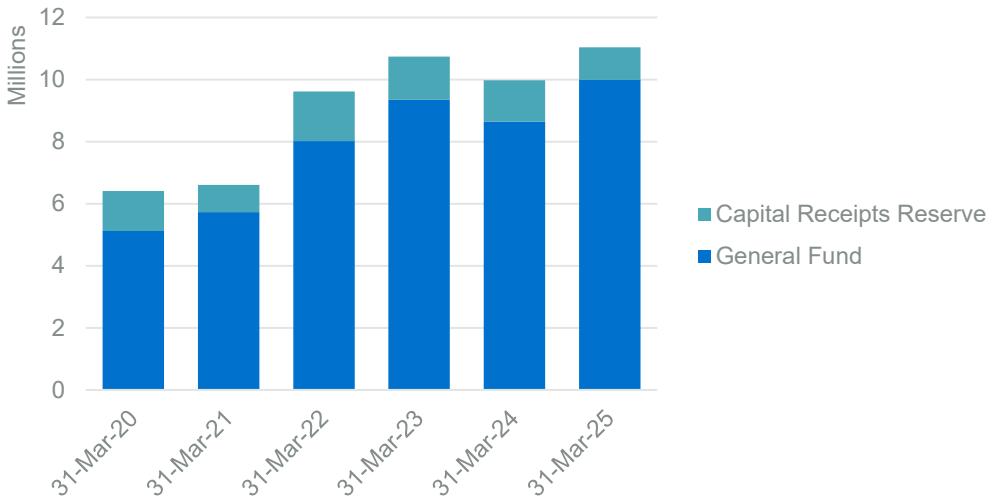
VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability reporting criteria - continued

Our review of the MTFF 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 have not identified any indication of weaknesses in arrangements. The latest Medium Term Financial Forecast, 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. In January 2025, it was announced that the Authority would undertake an organisational restructure, due to the financial outlook within the Medium Term Financial Forecast (MTFF). 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. The reserves 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 is not 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 (MTFF) Reserve, to start planning for known future deficits that are forecast in the MTFF.

Useable Reserves: Peak District National Park Authority



VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability reporting criteria - continued

We have reviewed the Authority’s capital financing over time as shown in the charts opposite. For the year ended 31 March 2025, capital expenditure has significantly increased by £1.2m on the prior year and the underlying capital financing requirement has also increased by just over £0.5m, caused partly by the introduction of the IFRS 16 Leases standard from 2024/25, which brings a number of leases onto the balance sheet for the first time.

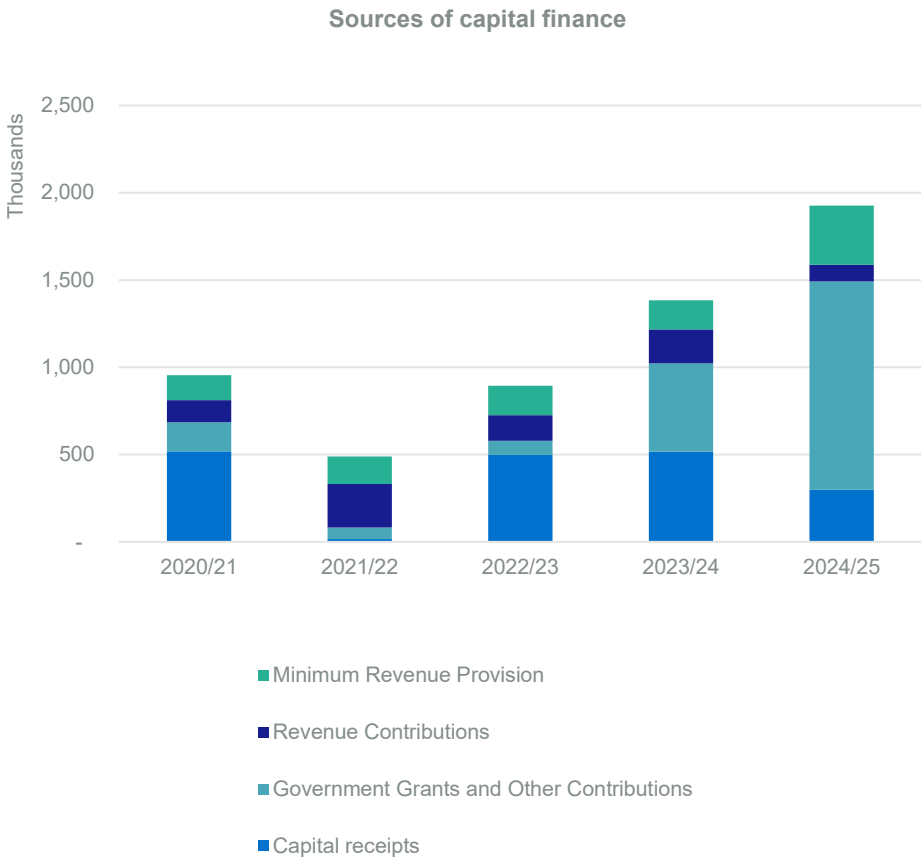
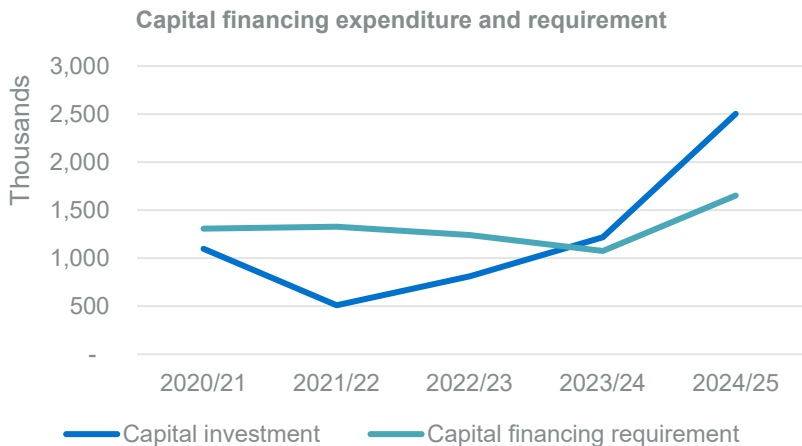
New capital projects undergo a business case approval process and require approval from Senior Management or Members to ensure alignment with wider objectives. The Authority’s capital outturn was presented to Members alongside the revenue outturn in July 2025, showing an underspend of £563k.

Minimum Revenue Provision (MRP)

The Minimum Revenue Provision is a charge that the Authority makes in its financial statements for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt i.e. the Capital Financing Requirement).

From our review of the financial statements, we noted that for 2024/25, the Authority’s total MRP charge is 20.5% of the closing Capital Financing Requirement (£339k/£1,652k), which is an improvement over the prior year position of 15.5%. The lower this percentage, the greater the risk of over-reliance on accounting measures to support the general fund budget, although it does not currently present a risk of significant weakness in arrangements, it is an area for continued scrutiny for the Authority.

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 2025



VFM arrangements

Governance

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



VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

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 as required and produces an annual Review of Performance against the Code of Corporate Governance. We have confirmed that the group presented upward reports to full Authority during 2024/25, in May 2024.

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 2024/25 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 2024/25. 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 2024/25 revenue budget was approved by Members in February 2024 and the 2025/26 budget was presented in February 2025. 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.

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 2025

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 the Improving Economy, Efficiency and Effectiveness reporting criteria

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

KPI Monitoring

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 a progress report on the NPMP was presented to members in May 2025. 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 has a formal complaints procedure. Members receive annual complaints reports.

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.

Projects, Partnerships and Procurement

The Authority, as one of the UK’s 15 National Parks, works with national partners through National Parks Partnerships. On a local level, the Authority works with several organisations, of which the Moors for the Future Partnership. This aims to raise awareness of the Peak District/South Pennine moors’ conservation value and status, protect and manage the moorlands as well as developing expertise to continue this work into the future.

Members receive an annual financial and operation report on the Peak District National Park Foundation, as part of the requirements of the Grant Agreement and Memorandum of Understanding between the Authority and the Foundation, beginning in May 2023 for five years. We have confirmed that this report was received by members for 2024/25 in July 2025.

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 2025.

Other reporting responsibilities

Other reporting responsibilities

Wider 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 group auditor

Whole of Government Accounts (WGA)

The National Audit Office (NAO), as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We have been unable to conclude our work as we have not yet received confirmation from the NAO that the group audit of the WGA has been completed and that no further work is required to be completed by us.

Audit fees and other services

Fees for our 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 full Authority meeting in May 2025. Having substantially completed our work for the 2024/25 financial year, we can confirm that our expected fees are as follows

Area of work	2024/25 fees	2023/24 fees
Planned fee in respect of our work under the Code of Audit Practice	£51,215	£55,533
Additional work required around the implementation of IFRS 16 – Leases	TBC	

Fees for other work

We confirm that we have not undertaken any non-audit services for the Authority in the year.

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