

CONTRACT PROCEDURE RULES

PEAK DISTRICT NATIONAL PARK AUTHORITY

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

Status: Final

Date Issued: 5 December 2025

Responsible Officer: Authority
Solicitor

INTRODUCTION

The Peak District National Park Authority's (the Authority) Contract Procedure Rules (CPRs) set out the rules the Authority must follow when procuring goods, services or works. The rules are intended to ensure that the Authority's procurement practices ensure best value, a competitive and transparent process, compliance with legislative requirements, demonstrate good governance, and protect from allegations of wrongdoing relating to specific procurement decisions.

The CPRs also include guidance for contracts exempt from the usual procurement rules. Exemptions may be granted for a variety of reasons such as partnership arrangements, emergencies, and where goods or services are only available from one supplier. Exemptions should still be given proper oversight and authorisation according to the CPRs.

OBJECTIVES AND SCOPE

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

- ▲ Adequate arrangements are in place to ensure any contract exemptions to CPRs are monitored and appropriately authorised.

The audit included a targeted review of the Authority's draft CPRs to check financial thresholds are in line with best practice.

KEY FINDINGS

Our review found that contract exemptions were generally well-justified in accordance with the predefined list of acceptable reasons outlined in the CPRs. In addition, the requesting officers had provided detailed and reasonable explanations for the exemptions they sought.

The relevant documentation for contract exemptions had also been retained, which should allow the Authority to respond if challenged. The Chief Finance Officer and Monitoring Officer had approved the exemptions, usually via signatures on the exemption request form, although there was once instance where the signatures had not been dated. An issue was identified where purchase orders were raised before exemption forms had been approved by the Monitoring Officer and Chief Finance Officer.

The CPRs require exemption requests to be signed by an officer with a sufficient level of delegated authority before being passed to the Monitoring Officer and Chief Finance Officer for approval. While this process was followed in most cases, exceptions occurred where VAT was omitted from the estimated value on the exemption form. Including VAT, as required by the CPRs, sometimes moved the estimated value into a higher threshold, which affected the approval process.

The legal department are responsible for monitoring exemptions and retaining the relevant documentation. To assist with this, the team use a spreadsheet, the Central Procurement Exemption Register, to record exemption details. Our review of the spreadsheet found that this had been fully completed for each exemption granted in 2025. However, the spreadsheet did not always capture the name of the supplier, and there were inconsistencies regarding whether VAT was reflected in the exemption values.

We also reviewed the financial thresholds for procurement exemptions in the draft of the Authority's new CPRs. The new arrangements at the Authority should ensure that officers or bodies with sufficient seniority give scrutiny and approval to procurement exemptions. The level of control appears to be higher than at other similar authorities, particularly regarding exemptions valued at over both £50,000 and £150,000. The number of exemptions (13 in 2025 as per the Central Procurement Register) also means that the level of scrutiny should not be too onerous, although this could change if the number of exemptions were to significantly increase.

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 Orders are raised prior to exemptions being authorised

Significant

Control weakness

Orders are being raised before procurement exemptions are authorised.

What is the risk?

The Authority may place an order that deviates from the procurement rules without the Chief Finance Officer and Monitoring Officer's agreement.

Findings

Under the Authority's procurement exemption process, the Chief Finance Officer (CFO) and Monitoring Officer (MO) must authorise each request prior to the order being placed, or the contract agreed. Our review identified five of the exemptions had purchase orders raised before the CFO and MO had signed the exemption request form. Although the justifications provided for these exemptions appeared legitimate, there is a risk that non-compliant orders are raised if proper review and authorisation by the CFO and MO is not carried out beforehand.

By ensuring that orders are only raised once exemptions are approved, the Authority can better ensure compliance with their Contract Procedure Rules, and that exemptions are only granted for legitimate reasons.

Agreed action

A staff wide email will be issued reminding staff that purchase orders should not be raised until exemptions have been approved by the relevant officers in accordance with the process set out in Standing Orders Part 2 (Contract Procedure Rules) CP13 and the requesting officer notified.

The Authority Solicitor will provide a training session at the next Wider Management Team meeting, which will then be cascaded to all staff.

In addition, the Exemption Form will be amended to include a reminder that Purchase Orders should not be raised until exemptions have been approved by the relevant officers in accordance with the process set out in Standing Orders Part 2 (Contract Procedure Rules) CP13 and the requesting officer notified.

Responsible officer: Authority Solicitor

Timescale: 30 January 2026

2 Exclusion of VAT in contract values and authorising signatory limits

Moderate

Control weakness

VAT is not being included in estimated contract exemption values leading to authorising signatory financial thresholds not being adhered to.

What is the risk?

Exemptions are authorised by officers without sufficient financial authority.

Findings

The Contract Procedure Rules requires exemption requests to be signed by officers with the appropriate level of authority, based upon the estimated contract value. For orders under £30,000 this is the relevant Head of Service or Moors for the Future Partnership Manager. For orders over £30,000 and below £50,000, the relevant Head of Service or Moors for the Future Partnership Manager must agree a business case with the Chief Finance Officer.

Our review identified two exemptions that had been recorded on their exemption forms as being valued at £29,964.75 and £25,690 respectively. They had been signed by the Head of Service for Planning in the first instance, and the Moors for the Future Partnership Manager in the second. However, as per the Contract Procedure Rules, VAT should be included in the total estimated value of contracts. VAT was not included in the estimated value in either of these instances. When VAT was included, the actual estimated values were £35,957.70 and £30,828. This therefore pushes the values into the next financial threshold, requiring a business case to be agreed with the Chief Finance Officer, of which we did not see any evidence.

The Authority should ensure that those requesting exemptions include VAT in the total estimated value of contracts as per the Contract Procedure Rules. Legal should also check and ensure that estimated values include VAT, and that authority thresholds are adhered to, based on the gross estimated value.

Agreed action

A staff wide email will be issued reminding staff that the values stated in Standing Orders Part 2 (Contract Procedure Rules) are inclusive of VAT and that estimated values in exemption requests should state (1) the estimated contract value exclusive of VAT and (2) the VAT on that sum.

The Authority Solicitor will provide a training session at the next Wider Management Team meeting, which will then be

cascaded to all staff.

The Exemption Form will be amended to include (1) the estimated contract value exclusive of VAT and (2) the VAT on that sum.

The Central Procurement Exemption Register will be amended to include (1) the estimated contract value exclusive of VAT and (2) the VAT on that sum.

Responsible officer: Authority Solicitor

Timescale: 30 January 2026

3 Central Procurement Exemption Register

Moderate**Control weakness**

There are inconsistencies in record keeping in the Central Procurement Exemption Register.

What is the risk?

The Register does not always accurately show the value of exemptions or the name of the supplier.

Findings

The Authority's legal department are responsible for keeping a record of procurement exemptions. They do this via the Central Procurement Exemption Register, a spreadsheet that includes the following fields: Name of Contract; Purpose of Contract; Proposed Contract Period; Total Contract Value; Category of Exemption; and Date.

Our review identified two issues:

1. Supplier Name Not Consistently Captured

The *Name of Contract* field did not always include the supplier's name. To improve transparency and traceability, the Authority should add a dedicated field for the supplier's name in the register.

2. Inconsistent VAT Recording

There were inconsistencies in how VAT was reflected in the *Total Contract Value* field. In some cases, VAT was included; in others, it was not. In one instance, the register stated that the recorded value was VAT-inclusive, while the corresponding purchase order showed that the figure was an exclusive value. The Contract Procedure Rules require that total contract values be inclusive of VAT, and the register should align with this requirement. For clarity, the net value, VAT value, and gross value should be recorded on the register.

Agreed action

A staff wide email will be issued reminding staff that the values stated in Standing Orders Part 2 (Contract Procedure Rules) are inclusive of VAT and that estimated values in exemption requests should state (1) the estimated contract value exclusive of VAT and (2) the VAT on that sum. Staff will also be asked to include the identity of the proposed supplier in their exemption request.

The Authority Solicitor will provide a training session at the next Wider Management Team meeting, which will be cascaded

to all staff.

The Exemption Form will be amended to include (1) the estimated contract value exclusive of VAT, (2) the VAT on that sum, and (3) the name of the proposed supplier.

The Central Procurement Exemption Register will be amended to include (1) the estimated contract value exclusive of VAT, (2) the VAT on that sum, and (3) the name of the proposed supplier.

Responsible officer: Authority Solicitor

Timescale: 30 January 2026

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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