



INTERNAL AUDIT REPORT

RENT REVIEWS, LEASES, AND CONCESSIONS

PEAK DISTRICT NATIONAL PARK AUTHORITY

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

Status: Final

Date Issued: 10 April 2026

Responsible Officer: Finance Manager

INTRODUCTION

The Peak District National Park Authority (the authority) leases 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.

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.

In 2024/25, Veritau provided reasonable assurance that the authority is able to properly assess the suitability of tenants, and that tendering procedures were followed. We also found areas for improvement, including data quality in the asset management system to monitor rent reviews, consultation with Finance when deciding not to raise rent, and property maintenance monitoring. The authority agreed to implement actions to improve these processes.

OBJECTIVES AND SCOPE

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

- ▲ Tenancy data is kept up to date and is accurate and complete.
- ▲ 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 the authority and tenants are meeting their obligations under the lease agreements.

The audit was undertaken as a high-level review of the processes and controls for rent reviews and property management. It was carried out to offer assurance on the progress made implementing the actions agreed at the end of the 2024/25 audit.

KEY FINDINGS

Over the last twelve months, it is evident that improvements have been made within the authority for recording tenancy data, ensuring rents have been reviewed and condition reports have been completed. Nonetheless, it was communicated by the staff at the authority that there is a general lack of capacity to keep the property asset management system (Civica Property Management) up to date. This issue may become exacerbated as inspection schedules and remedial actions are added to Civica.

Rent reviews have been carried out for properties held by the authority. These reviews correspond to the dates listed on the lease agreements which are all appropriately held. Documentation of the reviews undertaken is comprehensive, which will allow the authority to maximise the income generated from the rents. There has been a slight delay in issuing rent review letters that are overdue. In addition to this, decisions made to postpone rent reviews for particular properties, while reasonable, have not been signed off by the Finance Manager as set out as an agreed action in the previous audit. This occurred due to a lack of awareness by the staff carrying out the rent reviews and suggests a need for written guidance on the topic.

Some progress has been made on the development of an annual inspection schedule as inspections have been undertaken. However, no planned dates for reinspection have been recorded. Testing has confirmed that condition reporting has been undertaken for properties held by the authority. These reports have identified remedial work that needs completed within each property, and there is generally a good understanding of whether outstanding work needs to be completed by the authority in the capacity of landlord or by tenants as per lease agreements. However, it is significant to note that despite these condition reports being completed in quarter 2 2025/26, remedial actions have not yet been taken, according to the property asset management system. This is significant as statutory checks such as asbestos inspections and legionella testing were recorded as needing to occur 'as soon as possible'.

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 reviews

Significant

Control weakness

Rent reviews are in place, but limited resourcing has negatively impacted implementation and record-keeping in this process.

What is the risk?

Increased rents are not updated in a timely manner, meaning that the authority may not collect monies owed to them.

Findings

Based on the outcomes of the previous audit, it is evident that significant improvements have been made in the last twelve months, with most rents having been reviewed in this period. However, discussion with staff indicates that there is continued pressure on staff resourcing which makes it difficult to ensure that the property management software is kept up to date. In the sample of rent review dates on the property management software, 3 of 5 properties sampled did not match the dates listed on the rent review tracker.

This can also be seen in the delay in issuing 2 overdue rent review letters. When asked about this, the staff explained that they were waiting on internal confirmation for rent reviews to be issued. Although these letters were ready to be issued in January 2026, they have not yet been issued.

Agreed action: All rent review letters/notices have now been issued, to take effect in 2027. (12 month rent review notice period required.)

Responsible officer: Head of Assets and Enterprise, Assets Manager, Rural Estates Manager **Timescale:** Completed

2 Property maintenance monitoring

Significant

Control weakness

There is no fixed annual schedule in place for the inspection and maintenance of leased properties and proactive maintenance has not taken place.

What is the risk?

The authority is failing in their statutory responsibilities as a landlord and there is an increased risk of harm to tenants.

Findings

In the previous audit, it was agreed that an annual inspection schedule would be developed after it was discovered that there was no formal mechanism in place to routinely schedule inspections. This continues to be an issue at the authority. While there is a schedule that sets out when inspections have been completed, no reinspection dates are listed. This is significant as failure to carry out regular and timely inspections can lead to the deterioration of properties, delay the detection of any issues, and may even lead to harm to tenants and legal problems for the authority acting in the capacity of landlord.

A majority of condition reports were completed between July and September 2025. In the 5 sampled reports, several tests were overdue and required completing 'as soon as possible'. Despite this, proactive maintenance such as legionella testing, asbestos testing and carbon monoxide alarm testing remains outstanding. In addition to this, there does not seem to be any record or schedule of outstanding remedial action.

Agreed action: A compliance schedule has been created for all let properties, supported by cloud-based database to manage inspection schedules and deadlines. Remedial works identified in historic condition surveys will be carried out during 2026/27, subject to the identification of appropriate funding streams and staffing resource. Given that new condition surveys will continue, work will need to be prioritised accordingly. All statutory compliance matters are expected to be completed by September 2026, or as soon as possible.

Responsible officer: Assets Manager

Timescale: 31 March 2027

3 Decision 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?

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

Findings

In the previous audit on rent reviews, it was determined that a form will be completed when decisions are taken not to review rents. This is to document the rationale and consider the financial implications for such decisions. However, this has not occurred. When testing the completion of rent review letters, it was ascertained that the staff responsible for reviewing rents had not known of the development of a form or any process concerning rent review.

Related to the opportunity finding set out in the previous audit which encouraged the creation of procedure documents for the management of rent reviews, there was no written guidance for what processes should occur when the decision is made not to raise rent. This has resulted in a form not being developed and the officers responsible for making these decisions not understanding that the process was in place.

Agreed action: The consultant surveyors responsible for undertaking rent reviews and issuing rent review notices were acting upon the instruction of the Asset Manager and Head of Service and that although no form was completed the decision and impacts of rent reviews had been considered and analysed internally at the highest level. The team will ensure to discuss and agree any findings with the Finance Manager going forward and have adequate evidence for audit review. A new form, including guidance around waiving rent reviews, will be collated by the Rural Estates Manager and be available for inspection per timescales agreed.

Responsible officer: Asset Manager**Timescale:** 30 September 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.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.