

YORKSHIRE DALES
National Park

# HEAD OF INTERNAL AUDIT ANNUAL REPORT 2025/26

14 April 2026

ANNEX 1

Veritau
Assurance for the public sector

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## BACKGROUND

**Circulation list:** Members of the Audit and Review Committee

## Background

1 The work of internal audit is governed by the Global Internal Audit Standards in the UK public sector[1] and the Authority's audit charter. These require the Head of Internal Audit to bring an annual report to the Audit and Review Committee. The report must include an opinion on the adequacy and effectiveness of the Authority's framework of governance, risk management and control. The report should also include:

(a) any qualifications to the opinion, together with the reasons for those qualifications (including any impairment to independence or objectivity)
(b) any particular control weakness judged to be relevant to the preparation of the annual governance statement
(c) a summary of work undertaken to support the opinion, including any reliance placed on the work of other assurance bodies
(d) an overall summary of internal audit performance and outcomes from the internal audit service's quality assurance arrangements, including a statement on conformance with professional standards.

## Internal audit work carried out in 2025/26

2 During 2025/26, internal audit work was carried out across a range of areas of the Authority as agreed by the Audit and Review Committee on 15 July 2025.

3 The results of completed audit work have been reported to relevant officers during the course of the year. All planned work has been completed.

4 Appendix A summarises the internal audit work carried out during the year and the opinion given for each report. Appendix B provides details of the key findings arising from our internal audit work and Appendix C provides an explanation of our assurance levels and priorities for audit findings.

## Follow up of agreed audit actions

5 All actions agreed with services as a result of internal audit work are followed up to ensure that issues are addressed. As a result of this work, we are satisfied that sufficient progress has been made to address the control weaknesses identified in previous audits. A summary of the current status of follow up activity is included at Appendix D.

[1] The Global Internal Audit Standards (GIAS) and the Application Note: Global Internal Audit Standards in the UK Public Sector make up the standards and are referred to as GIAS (UK Public Sector).

## Professional standards

6 In order to comply with professional standards, the Head of Internal Audit is required to develop, implement and maintain ongoing quality assurance arrangements. Our Quality Assurance and Improvement Programme (QAIP) is designed to assess whether the internal audit service conforms to the Global Internal Audit Standards and is operating effectively.

7 We will report the results of the latest QAIP to this committee in July 2026.

## Opinion of the Head of Internal Audit

8 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides **Substantial Assurance**. No reliance was placed on the work of other assurance providers in reaching this opinion, and there are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the Annual Governance Statement.

9 The opinion given is based on work that has been undertaken directly by internal audit, and on cumulative knowledge gained through our ongoing liaison and planning with officers.

# Appendix A: Internal audit work in 2025/26

**Final reports issued**

| Audit | Status | Opinion |
|---|---|---|
| Administration of National Trails | Completed | Substantial assurance |
| Creditors | Completed | Substantial assurance |
| IT Security | Completed | Substantial assurance |
| Local Government Transparency Code | Completed | Substantial assurance |

## Appendix B: Summary of findings

| System / area | Opinion | Area reviewed | Date issued | Comments | Management actions agreed |
|---|---|---|---|---|---|
| Administration of National Trails | Substantial assurance | We reviewed the controls in place to ensure:<br>▲ The Natural England grant is spent appropriately, allocated only to eligible projects, and its outcomes and achievements can be evidenced.<br>▲ Appropriate governance arrangements are in place for the Partnership and the administration of the grant funding. | January 2026 | Grant funding was properly allocated, monitored and managed. Condition surveys are completed to ensure projects and grant money is prioritised appropriately. Site inspections are conducted with Natural England for quality assurance and monitoring purposes prior to release of the final grant claims.<br>All eligible Partners provided the required documentation to the Authority, as the Lead Partner, and all expenditure was made within the grant guidelines. The Authority submitted its annual report to Natural England to demonstrate outcomes had been met.<br>Appropriate governance arrangements are in place, but the Partnership Agreement and Terms of Reference require updating due to changes in the membership of the Partnership. The Agreement was last reviewed in 2021 as part of an internal governance review, but it has not been updated since. | Two Moderate findings were raised, with two actions agreed:<br>▲ The current Partnership Agreement and Terms of Reference will be reviewed, updated and re-signed by all Partners. It will be reissued with the Delivery Framework, which is also under review in 2026.<br>The timescale for completion is 31 March 2027.<br>▲ The 'Maintenance Grant – application and funding process' notes will be developed to provide further details and clarity regarding the grant process and Lead Partner's oversight processes for |

| System / area | Opinion | Area reviewed | Date issued | Comments | Management actions agreed |
|---|---|---|---|---|---|
| | | | | Procedure documents could be further developed to improve business resilience. The maintenance grant process flowchart breaks down the Natural England Grant process into nine steps. However, the explanations of each step are minimal, and do not explain the role of the Authority as the Lead Partner within the Natural England Grant, or the process that goes alongside this role. | allocating, monitoring and reporting the grant.<br>The timescale for completion is 31 March 2026. |
| Creditors | Substantial assurance | We reviewed the controls in place to ensure:<br>▲ Payments are made only for goods and services that are suitably authorised, received and ordered.<br>▲ Invoices are paid within an appropriate timescale.<br>▲ Requests to change supplier's details are evaluated in | January 2026 | Our review confirmed that payments are only made for goods and services that are suitably authorised, receipted and ordered. There is a suitable scheme of delegation in place and approval levels are coded into Access Financials. No orders had been approved for values over these limits.<br>Payment runs are completed and invoices are paid in a timely fashion.<br>Supplier data was cleansed prior to moving to Access Financials. Checks are undertaken before new suppliers are set up or supplier details are changed in the system. However, there was a lack of detail in procedure manuals regarding | Two Moderate findings were raised, with three actions:<br>▲ Staff will be reminded of the Financial Regulations and the proper procedure for raising purchase orders.<br>**Implemented**<br>▲ The finance manual will be updated with detailed instructions on updating supplier and customer details. Emails will be retained |

| System / area | Opinion | Area reviewed | Date issued | Comments | Management actions agreed |
|---|---|---|---|---|---|
| | | accordance with procedures.<br>▲ Appropriate access controls, permissions and segregation of duties is built into the new system.<br>The audit only reviewed transactions made since Access Financials went live on 1 August 2025. | | the checks that should be undertaken and how these checks should be evidenced and recorded.<br>Suitable access controls are in place and users have appropriate roles within the system. However, while the system enforces segregation of duties between raising and approving orders, it was noted that a number of users were able to raise and approve their own orders.<br>This was raised with the Head of Finance, who confirmed that it was a conscious choice by the Authority, the reasoning being that requiring separation of duties for these officers would be inefficient given the Authority's limited resources. Self-approval is capped at £10,000, with orders above that value requiring approval by a different officer. Review of a sample of these orders found that all were appropriate. | where there are changes.<br>▲ Forms will be updated so checks conducted can be recorded on the forms, and staff signatures will be added to evidence checks have been conducted.<br>The timescale for completion is 31 March 2026. |
| IT Security | Substantial assurance | We reviewed the controls in place to ensure: | January 2026 | We reviewed the Authority's IT security control framework against the best practice CIS and ISO/IEC control frameworks. Overall, we found that the | One Significant and one Moderate finding were raised, with two actions agreed: |

| System / area | Opinion | Area reviewed | Date issued | Comments | Management actions agreed |
|---|---|---|---|---|---|
| | | ▲ IT security governance policies are adequate and effective.<br>▲ IT assets are adequately protected and stored.<br>▲ Suitable network security measures are in place.<br>▲ Access to user accounts and the Authority's IT network is suitably controlled.<br>▲ IT users are provided with suitable training and awareness. | | Authority's cybersecurity controls are broadly in line with these frameworks. Policies, procedures and incident response plans are in place.<br>Physical IT assets are actively managed to ensure that only authorised assets are connected to the network and that they are configured securely.<br>Suitable network security measures are in place, with devices actively managed to prevent attackers exploiting vulnerable services and applications. Audit logs are kept enabling diagnosis and remediation of issues. Automated alerts allow officers to track suspicious activity.<br>We found there is a lack of dedicated administrator accounts for staff with privileged IT access. IT administrators should have separate accounts for general activities, such as internet browsing, and administrator accounts for conducting activities that require privileged access. | ▲ Secondary administrator accounts will be created for IT Team staff and administrator privileges will be removed from IT Team current 'general' accounts.<br>The timescale for completion is 31 July 2026.<br>▲ All Members will be provided with an Authority issued email address.<br>The timescale for completion is 30 June 2026. |

| System / area | Opinion | Area reviewed | Date issued | Comments | Management actions agreed |
|---|---|---|---|---|---|
| | | | | Members currently do not use Authority email addresses, which increases the risk of impersonation or phishing emails, and this has occurred unsuccessfully on several occasions.<br><br>The Authority also carries out training on cybersecurity, including how to recognise social engineering attacks and how to respond to cybersecurity incidents. | |
| Local Government Transparency Code | Substantial assurance | We reviewed the controls in place to ensure:<br><br>▲ The data requirements specified by the Code are being complied with, and the data is published in an accessible format.<br><br>▲ Data is published in a timely manner, as per the timeframes specified in the Code, and adheres to retention periods. | January 2026 | We reviewed mandatory datasets across each of the twelve relevant areas of the Code. The majority of the data required for publication by the Code was available on the Authority's website. However, we noted some gaps in the datasets and some inconsistencies in the in the published information, such as missing purchase order details, contractual information, property reference numbers and grant details.<br><br>While the Code does not specify timescales for retention of information, we noted that some datasets dated back as far as 2014, which was beyond the Authority's own retention schedule. | Two Moderate and one Opportunity findings were raised, with three* actions agreed:<br><br>▲ Provide updated guidance on publishing responsibilities under the Local Government Transparency Code to relevant officers.<br><br>▲ Review published data to ensure it aligns with the Authority's retention guidelines.<br><br>**All actions have been implemented.** |

| System / area | Opinion | Area reviewed | Date issued | Comments | Management actions agreed |
|---|---|---|---|---|---|
| | | ▲ Effective governance arrangements are in place, including defined roles and responsibilities for ensuring continued compliance with the Code. | | There are arrangements in place to ensure that officers prepare and publish data as required by the Code, and annual checks are conducted on published data. Internal guidance on preparing and publishing data is available, but it had not been reviewed for several years.<br><br>We also reviewed guidance on reconciling publication requirements of the Procurement Act 2023 and the Code. From February 2025, an additional requirement to publish contracts over £30,000 on the Find a Tender website has been in force. We were able to identify all contracts over the value of £30,000. | *Note that the first action on providing updated guidance applied to both Moderate findings. |

# Appendix C: Audit opinions and priorities for actions

| 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. |

## Appendix D: Follow up of agreed audit actions

Where weaknesses in systems are found by internal audit, the auditors agree actions with the responsible manager to address the issues. Agreed actions include timescales for completion. Internal audit carries out follow up work to check that the issues have been resolved once timescales are reached. Follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by internal audit where necessary.

In total, 16 actions were followed up in 2025/26, including four actions agreed as part of 2025/26 audits, with all having been satisfactorily implemented. There are six actions outstanding. Actions agreed as part of 2025/26 audits will be followed up when they come due.

| Status | Critical | Significant | Moderate | Opportunity | Total |
|---|---|---|---|---|---|
| Action completed | 0 | 1 | 12 | 3 | 16 |
| Action overdue | 0 | 0 | 0 | 0 | 0 |
| Revised date | 0 | 0 | 0 | 0 | 0 |
| Actions not yet due | 0 | 1 | 5 | 0 | 6 |
| **Total** | **0** | **2** | **17** | **3** | **22** |