

New Forest National Park Authority

Auditor's Annual Report
Year ended 31 March 2025
13 January 2026



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New Forest National Park Authority,
Lymington Town Hall,
Avenue Road,
Lymington,
SO41 9ZG

13 January 2026

Dear Authority Members

2024/25 Auditor's Annual Report

We are pleased to attach our draft Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for New Forest National Park Authority. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25. This report has been issued as draft and will be finalised as part of issuing the 2024/25 audit report.

This report is intended to draw to the attention of the New Forest National Park Authority any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

The [2025 Transparency Report](#) for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 27 June 2025.

Yours faithfully

Simon Mathers

Partner, For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Authority members and management of New Forest National Park Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Authority members and management of New Forest National Park Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Authority members and management of New Forest National Park Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to New Forest National Park Authority and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we presented to the 2 June 2025 Resources, Audit and Performance Committee. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the Authority and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the New Forest National Park Authority;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- if we identify a significant weakness in the New Forest National Park Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Authority

The Authority is responsible for the preparation of the financial statement, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (cont'd)

2024/25 conclusions

Financial statements	<p>As reported in our 8 January 2025 Audit Results Report we issued a disclaimer of opinion on the New Forest National Park Authority's 2023/24 financial statements, and as reported in our 30 October 2024 Audit Completion Report, we issued a disclaimer of opinion on the New Forest National Park Authority's 2022/23 financial statements, under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taking into account the requirement to conclude our work by the 2024/25 backstop date, we will not be able to rebuild assurance over these balances as part of the 2024/25 audit. We are considering the form of our audit report, and whether we can issue a qualified 2024/25 audit opinion this year rather than a disclaimer. This is consistent with LARRIG01 and the illustrative timescale for progress to full assurance, which sets out that there is potential for qualified except for, but more likely to be disclaimed.</p>
Going concern	<p>We have not yet fully completed our audit procedures to conclude whether the Head of Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p>
Consistency of the other information published with the financial statements	<p>Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>
Value for money (VFM)	<p>We anticipate having no matters to report by exception on the Authority's VFM arrangements. We have included our VFM commentary in Section 03.</p>
Consistency of the annual governance statement	<p>We were satisfied that the annual governance statement was consistent with our understanding of the Authority.</p>

Executive Summary (cont'd)

2024/25 conclusions (cont'd)

Additional powers and duties	We had no reason to use our auditor powers.
Whole of Government Accounts	We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We cannot issue our Audit Certificate until these procedures are complete.
Certificate	We will be able to issue our certificate once the NAO have confirmed whether there are any additional group audit procedures required following the Whole of Government Accounts submission.

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

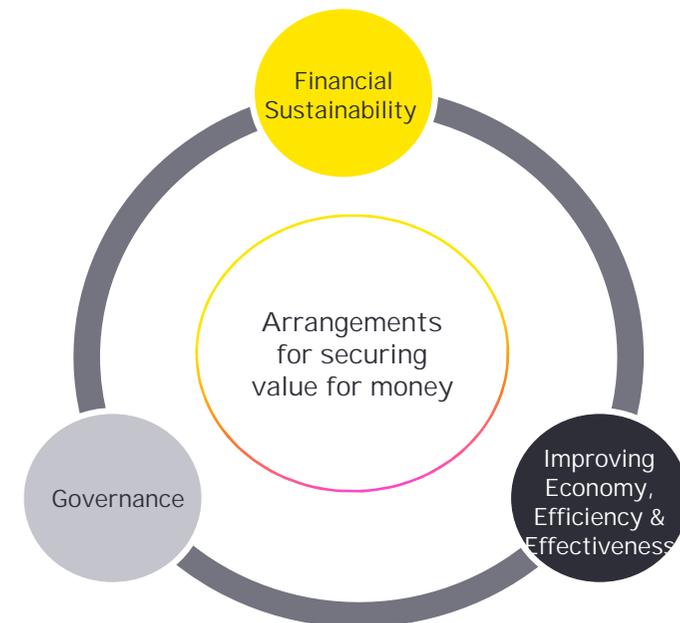
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified 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.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Authority committee reports;
- meetings with the Head of Resources (CFO);
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Authority management and the finance team.



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the Authority, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor's Annual Report, which must be issued by 30 November.

The final version of this report will be issued alongside the signed audit report concluding on the 2024/25 year.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
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	No significant risks identified	No significant weakness identified

Executive Summary (cont'd)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 27 June 2025:

[EY UK 2025 Transparency Report](#)



02 Audit of financial statements

Audit of financial statements

Key findings

The Statement of Accounts is an important tool for the Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

Our audit of the 2024/25 financial statements is currently in progress. We have reported our current findings in our Audit Results Report as presented to the 29 January 2026 Authority meeting.

Financial Statement reporting assessment

Management, and the Authority, as those charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the Authority's arrangements to support external financial across a range of relevant measures.

Where we are unable to undertake all planned procedures this is likely to extend the timetable to recover assurance on the Authority's financial statements.

In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Authority's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on page 15. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

Audit of financial statements

Financial Statement reporting assessment

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30th June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			Although some misstatements have been identified in the draft financial statements and accompanying disclosures, we did not identify a significant number of material internal inconsistencies or arithmetic errors in the draft accounts that should have been detected through internal quality review prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Effective			Working papers were provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Requires Improvement			<p>Working papers and supporting evidence were generally of an adequate standard. However, some discrepancies were identified in the working papers provided to support the IFRS 16 calculations and associated accounting treatment.</p> <p>In addition, we identified discrepancies in the working papers provided, specifically the transaction breakdown to support the balance of REFCUS spend recorded in the financial statements. Additional work was therefore required by the audit team to reconcile the workings papers to the financial statements and to test the completeness and accuracy of the balances disclosed. As a result of this work, two misstatements were identified with the REFCUS balance recorded in the financial statements being understated, along with the Property, Plant and Equipment balance.</p>	We consider this further in our VFM reporting. See Section 03.
Timeliness and quality of evidence supporting key accounting estimates	Effective			The quality of evidence and explanations to support key accounting estimates was generally of a good standard and was provided on a timely basis. Whilst a revised IAS 19 report was requested in relation to the Pension Liability estimate, this arose as a result of an error by the actuary and was not a result of the work performed by management.	N/A

Audit of financial statements

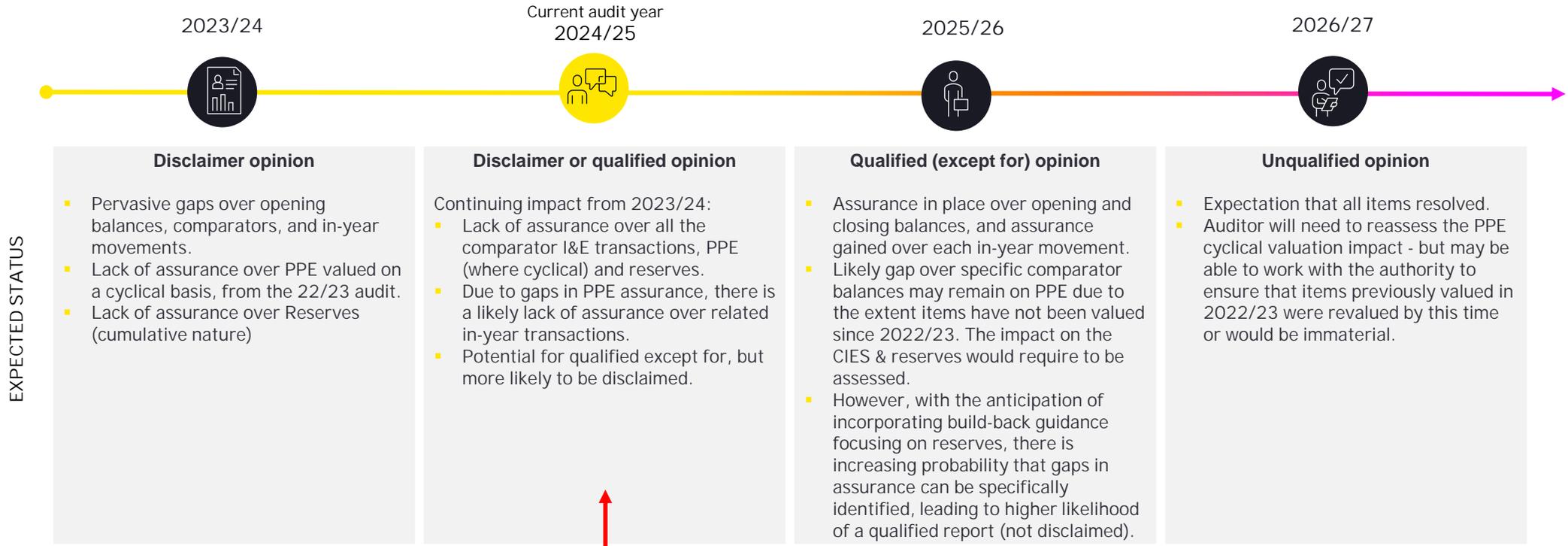
Financial Statement reporting assessment

Area	Status			Explanation	Further detail
	R	A	G		
Access to finance team and personnel to support the audit in accordance with agreed project plan	Requires improvement			Although Management were available to support the audit, and the working papers prepared were generally of an adequate standard, delays were experienced in relation to a number of audit requests. This included areas of our audit identified as risks in the Audit Planning Report, such as the implementation of IFRS 16 and testing of REFCUS. As a result, we were not able to complete our audit in line with the initial project plan communicated. Further resources were provided in August 2025, but responses were not provided to a number of audit requests in line with this additional resource. This lack of response adversely impacted our ability to progress our planned procedures in some areas, which in turn impacted the efficiency of our approach.	We consider this further in our VFM reporting. See Section 03.
Volume and value of identified misstatements	Effective			We did not detect a significant number of material misstatements as a result of our work. However, we note that testing on some risk areas such as the implementation of IFRS 16 remains ongoing.	N/A
Volume of misstatements in disclosure	Effective			A relatively small number of misstatements in disclosure were detected in our work.	N/A

Audit of financial statements

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Authority's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.



CURRENT AUDIT STATUS OF NEW FOREST NATIONAL PARK AUTHORITY

- As set out in the 2023/24 Audit Results Report, there remained a lack of assurance for the 2023/24 financial statements on the income and expenditure transactions which were based on balances disclosed in the 2022/23 financial statements, being the reversal of 2022/23 year-end accruals. Our procedures performed during the 2023/24 audit enabled us to obtain assurance over the closing PPE balances disclosed in the 2023/24 financial statements, which was as a result of the fact that there were no PPE assets revalued during the disclaimed 2022/23 financial year.
- In 2024/25, it is therefore expected that there would be a continuing lack of assurance over reserves, and those comparatives for which full assurance was not obtained in 2023/24. However, the extent of assurance obtained over the other financial statement balances was likely to be sufficient such that a qualified except for opinion could be issued.



03 Value for Money commentary

Value for Money

The Authority's responsibilities for value for money

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Authority is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Our responsibilities

Under the revised NAO Code we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified
 <p>Financial sustainability How the Authority plans and manages its resources to ensure it can continue to deliver its services.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified
 <p>Governance How the Authority ensures that it makes informed decisions and properly manages its risks.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified
 <p>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.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified



VFM commentary: Financial Sustainability

Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Authority's arrangements for financial sustainability. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Authority's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Authority had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.



Financial Sustainability considerations

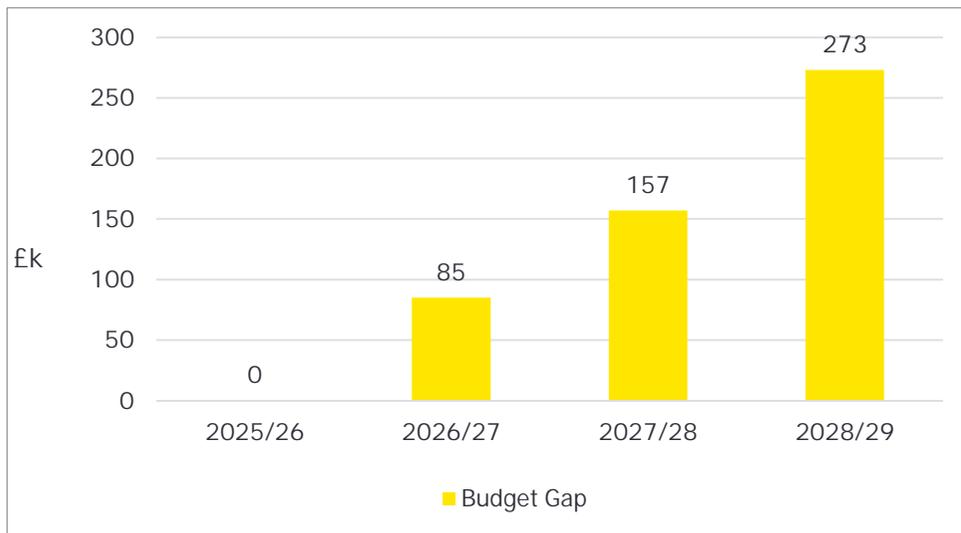
Medium Term Financial Strategy

The Authority presented an updated Medium Term Financial Strategy in March 2025. The Strategy highlights the continuing levels of financial uncertainty, particularly in relation to the level of grant funding being received from DEFRA. In addition to this, key risks and uncertainties outlined within the Authority's planning include:

- Planning Fee Income and Applications
- Inflation
- Salaries
- Legal Costs
- Listed Building Urgent Works
- Externally-Funded Projects
- Unknown Opportunities, Investments or New Costs

The below exhibit shows the cumulative budget gap over the 4-year period, up to and including 2028/29. The Authority plans on balancing the budget gap in future financial years through income generation, partnership working, external funding, and, if required, cost cutting. New Forest National Park Authority does not have a formal savings programme, however, possible savings are considered as part of budget setting and quarterly reporting shows where savings have been made. The Authority has a good track of successful financial planning and living within its means and therefore has a good base to close the current forecast budget gaps.

Exhibit A: The Authority's MTFP outlines a cumulative gap of £515,000 by 2028/29



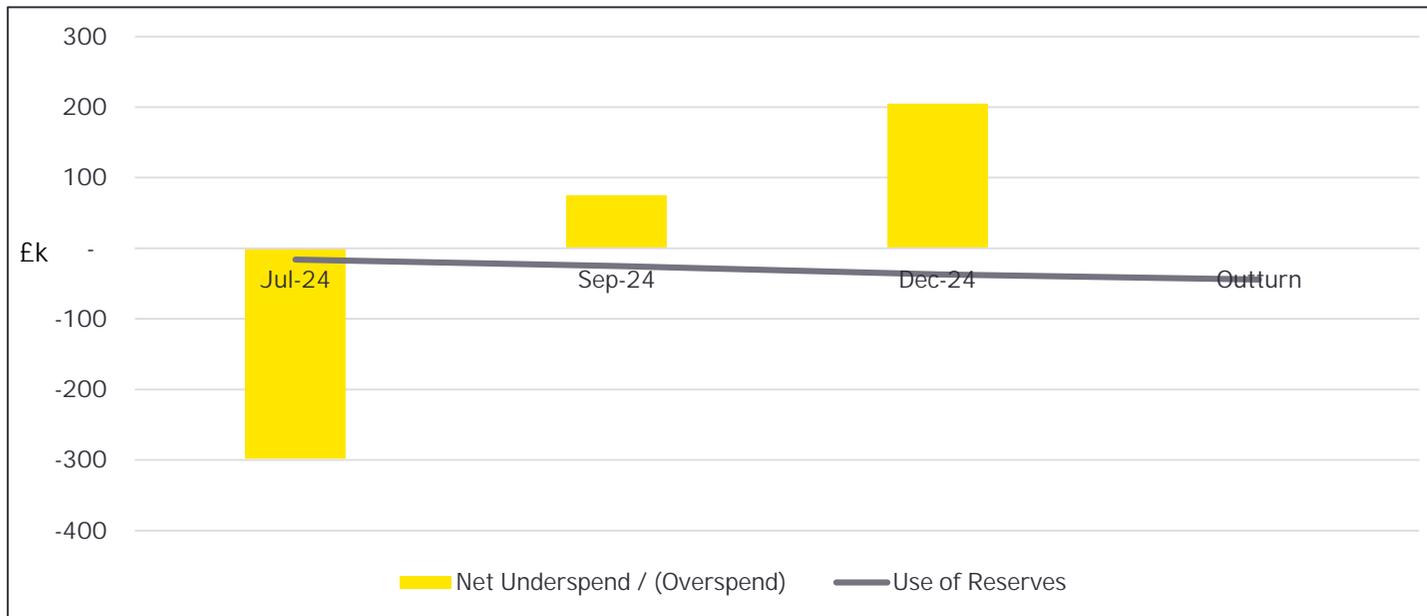


Financial Sustainability considerations

Budget Monitoring

Budget monitoring reports are critical for members to make decisions about the prioritisation of resources. Exhibit B below highlights that forecasting for most of the year projected a growing underspend, and a resulting performance in line with budget.

Exhibit B: The Authority's budget monitoring reports outlined a consistent performance in line with Budget





Financial Sustainability considerations

Outturn position

Based on the draft 2024/25 outturn report, the Authority was able to achieve their budgeted position. This was as a result of overspends in relation to employee costs and strategy & planning, offset by favourable variances in investment and interest income.

* The information presented in the below Exhibit is based on the draft 2024/25 outturn report presented to the Resources, Audit and Performance Committee on 2 June 2025 and does not reflect late changes reflected in the financial statements or adjustments arising as a result of the 2024/25 audit.

Exhibit C: The Authority was able to achieve the budget set in 2024/25 *

Title	Budget £k	Expenditure £k	(Underspend) /Overspend £k
Conservation of the Natural Environment	405	449	44
Conservation of Cultural Heritage	278	271	(7)
Recreation Management and Transport	366	374	8
Promoting Understanding	562	548	(14)
Rangers, Estates and Volunteers	212	207	(5)
Development Control	1,132	1,120	(12)
Forward Planning and Communities	502	517	15
Corporate and Democratic Core	473	495	22
Net Cost of Services	3,930	3,981	51
National Park Grant	(3,751)	(3,751)	-
Investment & Interest Income	(130)	(186)	(56)
Use of Reserves	(49)	(44)	5

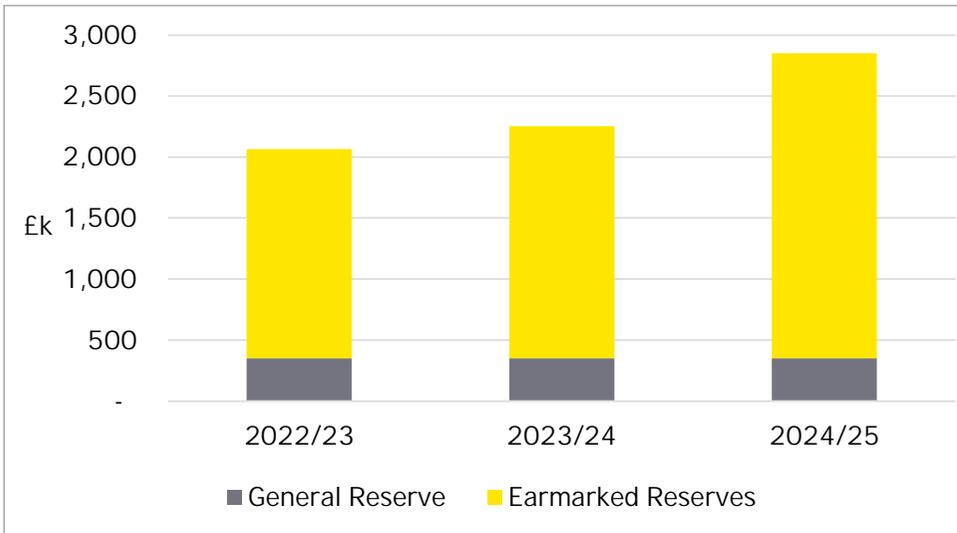


Financial Sustainability considerations

Reserves position

The Authority approved the Reserves Budget in March 2024. The Authority's Reserves Budget outlines that the minimum reserves to be held as uncommitted general funds is £350k, equating to 11% of the DEFRA National Park Grant. As in previous years, an operational surplus for the year resulted in transfers to the Authority's General Fund Reserves. Overall, the Authority's earmarked General Reserves increased by £598k, to £2,851k between 2023/24 and 2024/25. This balance is sufficient to address the budget gap from the 2026/27 to 2028/29 Medium Term Financial Strategy if required.

Exhibit D: The Authority's unallocated General Reserve continued to increase by £598k in 2024/25





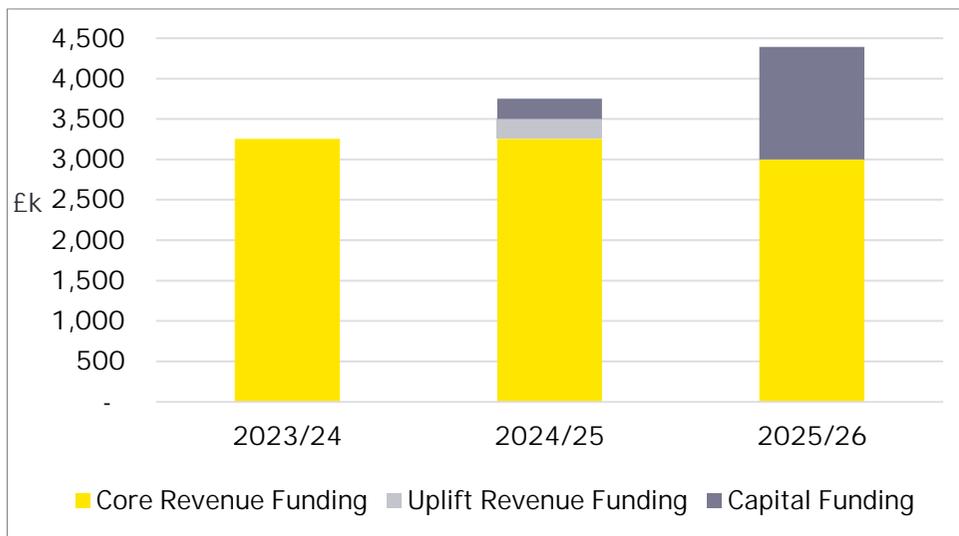
Financial Sustainability considerations

DEFRA National Park Grant

A key financial pressure for the Authority remains the uncertainty surrounding the Authority's main source of income being the Department for Environment, Food and Rural Affairs (DEFRA) grant allocation. In 2024/25, the core revenue funding award remained flat at £3,252k, with a revenue uplift grant of £250k and a capital uplift grant of £250k also being awarded. For 2025/26, the core revenue fund award has decreased to £2,999k, with an additional capital grant of £1,393k having been awarded.

As result of the financial uncertainty over revenue and capital finding, the Authority has established the Resources and Facilities Task & Finish Group and has created a 'forward projection' to assess the future budgets in the longer term of up to 10 years. This financial pressure has also been reflected in the Authority's Risk Register as both a short-term and medium to long-term pressure.

Exhibit E: The Authority continues to face financial pressures as a result of the decreasing DEFRA Revenue Grant Funding

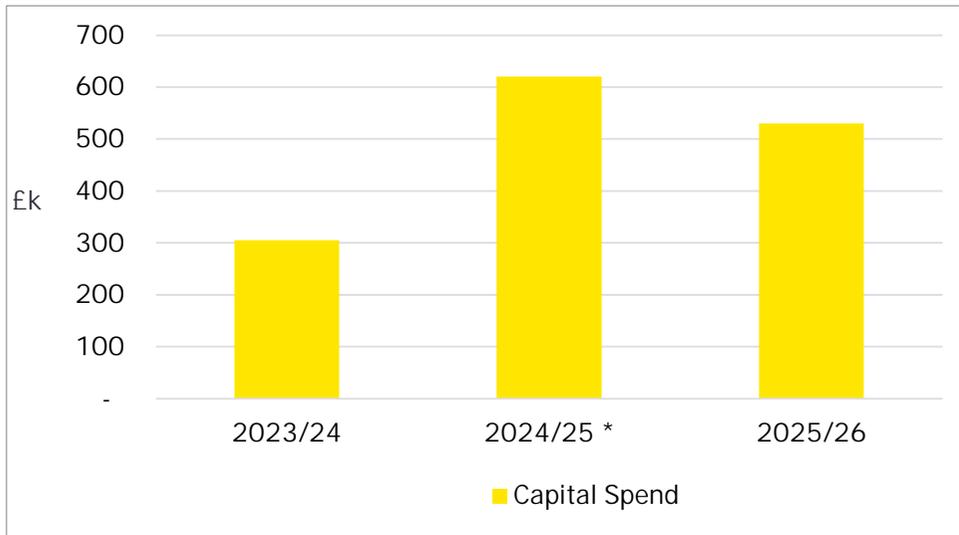


Whilst the revenue funding has seen a gradual decrease over recent years, there has been an increase in the capital funding provided to the Authority. New Forest National Park Authority have historically incurred capital spend only to the extent that it is funded by existing financing. As a result, lower capital expenditure has been incurred. However, the availability of increased capital funding has resulted in an increase in capital spend incurred and forecasted.



Financial Sustainability considerations

Exhibit F: The Authority has incurred and forecast increased Capital Spend as a result of the increased Capital Financing



* The Capital Spend incurred for 2024/25 excludes the transition adjustment required on implementation of IFRS 16.



VFM commentary: Governance

Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Authority's governance arrangements. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Authority's underlying arrangements in relation to governance are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the New Forest National Park Authority had proper arrangements in place in 2024/25 to make informed decisions and properly manage its risks.



Governance considerations

Annual Governance Statement

New Forest National Park Authority has prepared an Annual Governance Statement which was presented to the Audit, Resources and Performance Committee in June 2025. The statement complies with the requirements of the Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy's framework; Delivering Good Governance in Local Government. The report therefore details the effectiveness and compliance with the governance framework at the end of each financial year. We noted that there were significant governance issues which the Authority has disclosed in relation to:

- The Authority's review of its Counter Fraud policies and procedures which was not progressed as expected in 2024/25 and therefore will be prioritised in 2025/26.
- The Authority is looking to complete its work on establishing best practice in records management to ensure compliance with data protection legislation and retention schedules.

From review of the AGS, we note that these are not driven by failures in arrangements in place at the Authority during 2024/25, instead being driven by a need for continual improvement.

Informed decision making and member challenge

Regular meetings are held by the Authority and its committees, of which the meetings, agendas and minutes are open to the public. This gives New Forest National Park Authority an opportunity to discuss key issues, including with those charged with governance, based on decision making papers prepared by officers. The members can then debate and challenge the issues in their discussions.

For their specific role as supporting those charged with governance, the Resources, Audit and Performance Committee are informed by the Standing Orders. The internal audit function also provides an objective opinion on the Authority's performance. In-year Internal Audit performed reviews that resulted in an overall reasonable assurance opinion being issued.

Statutory financial reporting requirements

We have evaluated the financial statements for 2024/25 and note that, whilst the Authority adjusted the statements in relation to the adoption of the IFRS 16 Leases standard, significant misstatements were identified in the adjustments processed, which included the following:

- The Cash Flow Statement incorrectly assumed that the right of use asset was funded through a cash payment.
- Inconsistencies were identified between the Capital Financing Requirement, which incorrectly stated that the right of use asset had been fully funded in the year, and the Capital Adjustment Account which stated that a Minimum Revenue Provision charge had been levied.
- The Adjustments between Accounting and Funding Basis disclosure note incorrectly excluded the depreciation charge as an in-year adjustment.

Further detail on the work performed by the audit team and the misstatements identified is included within our 2024/25 Audit Results Report.



Governance considerations

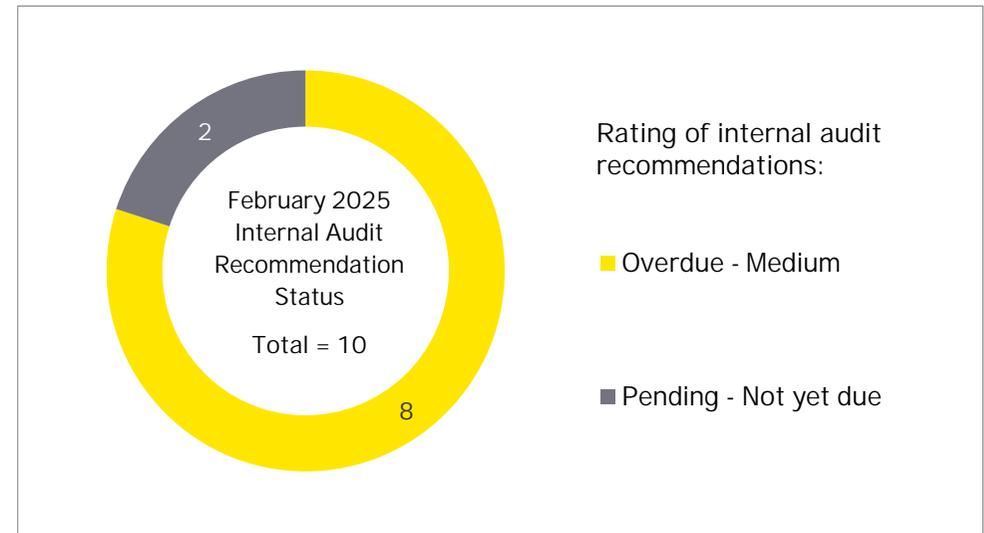
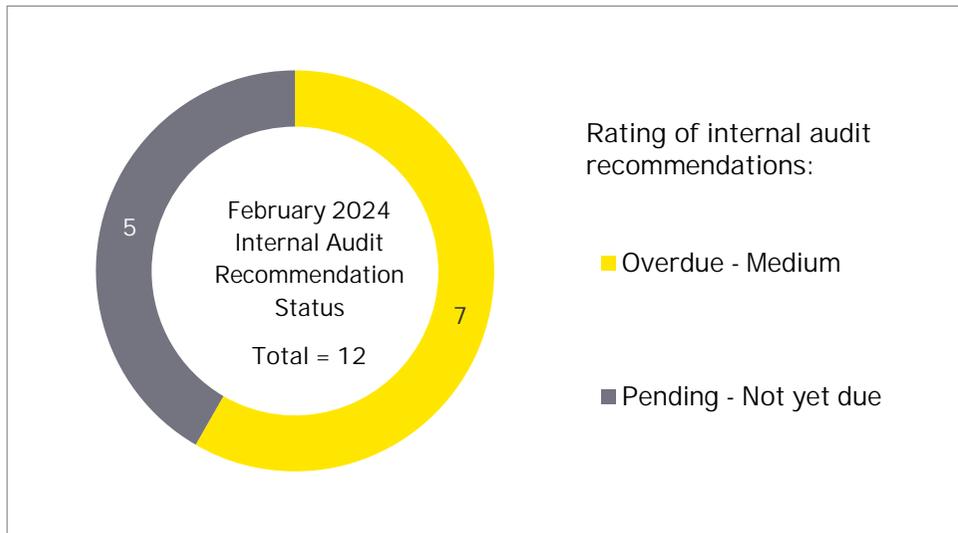
Internal audit arrangements

The Authority has an internal audit function provided by Southern Internal Audit Partnership (SIAP) who provide an Internal Audit Plan which is approved by the Resources, Audit and Performance Committee alongside the Internal Audit Charter. For 2024/25, the Internal Audit Plan focused on 4 key areas:

- Grants Awarded
- Payroll
- Human Resources
- IT Disaster Recover / IT Business Continuity Plans / Cyber Response Plans

New Forest National Park Authority have achieved a reasonable assurance rating from Internal Audit in 2024/25 as part of the Head of Internal Audit Annual Opinion, consistent with 2023/24. There has been an overall decrease in the number of open Internal Audit recommendations as at February 2025 compared to February 2024.

Exhibit G: Internal audit's follow up of recommendations noted that the number of open actions has reduced





Governance considerations

Risk Register

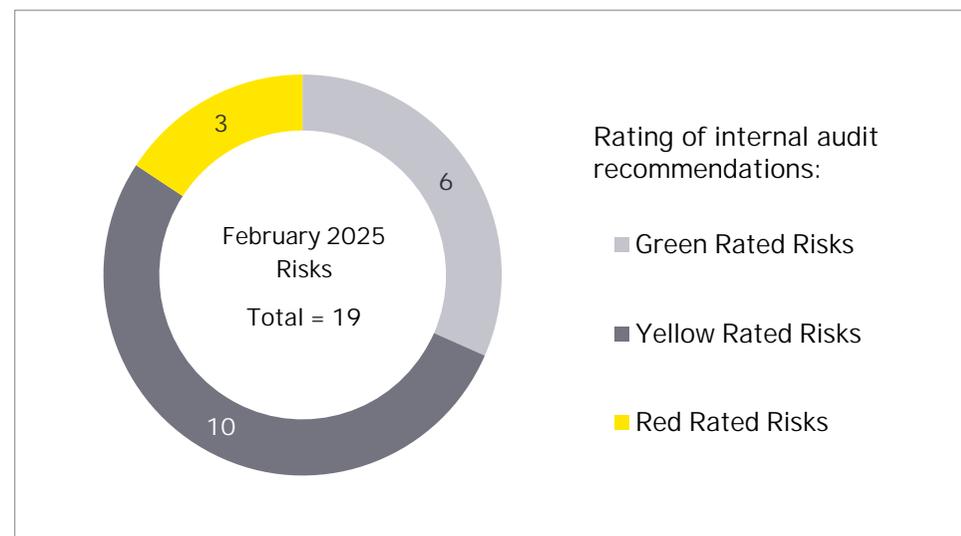
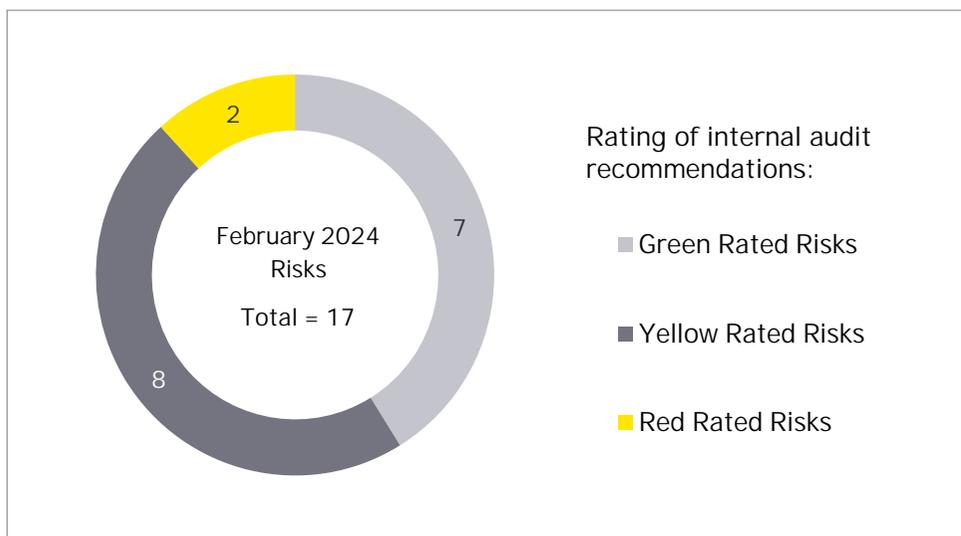
The New Forest National Park Authority has oversight of decision making and risk management, and provides regular updates to the Resources, Audit and Performance Committee. The Authority's risk management includes updating and maintaining the risk register, as well as identifying mitigations and countermeasures for each risk. When this is reported to the Resources, Audit and Performance Committee, they will challenge the risks and countermeasures which provides assurance that all risks are included with appropriate mitigations.

The Authority maintains a Risk Register which includes strategic, financial, and operational risks. This allows it to address any risks that they are facing, which includes potential risks which could effect the Park's services. The Risk Register includes mitigating factors to address these risks.

The total number of risks present at the Authority has increased between February 2024 and 2025, along with an increased number of risks designated as "Red". The Red rated risks at February 2025 were, with the first risk listed being the new Red rated risk, having increased from Yellow in February 2024:

- Short-term core budget becomes insufficient due to cumulative reductions in DEFRA grant and/or in-year requirement for savings - exacerbated by the strain on government finances. Failure to achieve sufficient short-term external partnership funding.
- Medium/Long-term core budget becomes insufficient due to cash and/or real-terms reductions in DEFRA grant - exacerbated by the strain on government finances. Failure to achieve steady external partnership funding.
- Planning decisions challenged through judicial review.

Exhibit H: The number of entries within New Forest National Park Authority's risk register has increased since February 2024





VFM commentary: Improving economy, efficiency and effectiveness

Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Authority's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Authority had proper arrangements in place in 202x/2x in how it uses information about its costs and performance to improve the way it manages and delivers its services.

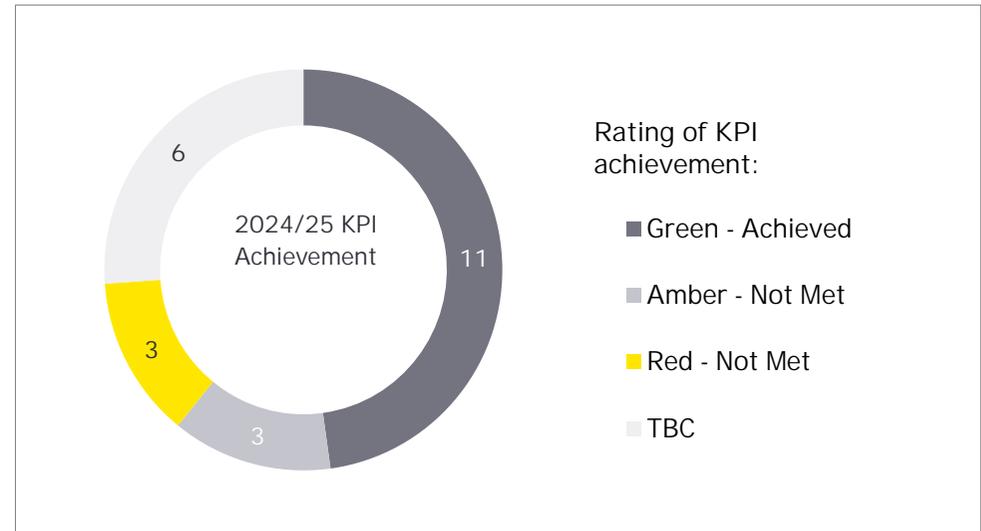
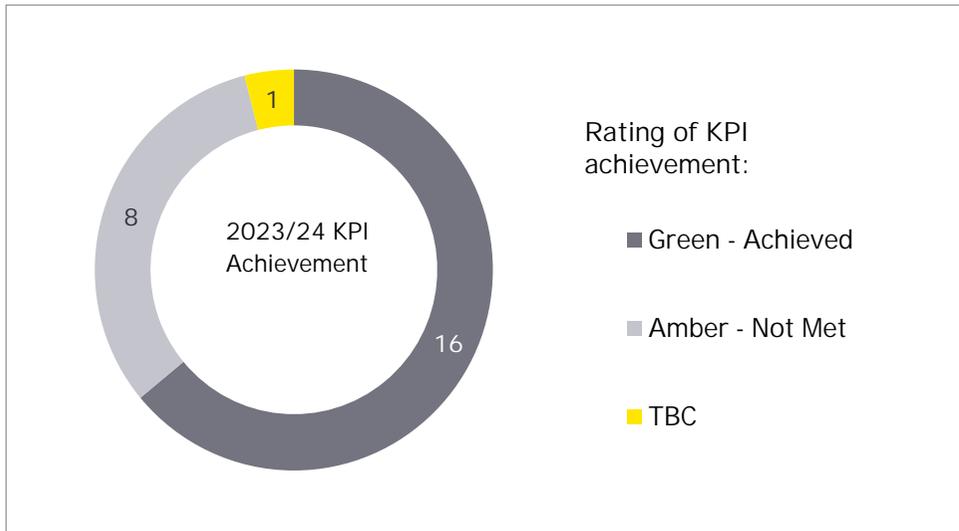
Improving economy, efficiency and effectiveness considerations

Financial and performance information

Quarterly reporting to the Resources, Audit and Performance Committee includes Budgetary Control Reports and Performance Progress Reports. The Performance Progress Reports include the performance against key performance indicators (KPI's) and whether they are being achieved. Where the indicators are not rated green during the financial year, the Authority appropriately identifies any mitigating reasons or actions which can be implemented to ensure that the targets are met by the end of the financial year.

During the year, there has been a reduction in those KPIs met and an increase in those KPIs not met by a significant amount. However, 6 KPIs were pending determination at the point of reporting to the June 2025 Resources, Audit and Performance Committee. These KPIs contributed 5 green rated achievements and 1 amber rated variance in 2023/24. The 3 red rated variances compared to their respective KPI in 2024/25 were:

- Percentage change in New Forest Tour passenger numbers which decreased by 14% in the year, compared to the annual target of a 1-2% increase.
- Complaints processed within 20 working days which experienced a 68% achievement, compared to the annual target of 100%. It was noted that this equated to 6 out of 19 complaints.
- Member participation in attending committees which experienced a 75% achievement, compared to an annual target of over 82%.





Improving economy, efficiency and effectiveness considerations

Partnership working

The Park continues to adhere to the National Parks Partnership targets/standards, and we can see which of these that New Forest National Park Authority have aligned themselves with as the Partnership Plan is disclosed on the website within the meeting agendas.

To reduce budget gaps, the Authority looks for further sources of income, such as additional income generation either internally through the Fundraising Group or externally through the work of National Park Partnerships Ltd.

Procurement and commissioning of services

There are internal controls in place to ensure correct procurement, i.e. budget levels are set for certain employees; there are budget levels in capital purchases, if an item is above a set amount, a budget control officer must sign this off. Contracting and Procurement processes are set out in the Contract Standing orders, which are published on the Authority's website.

The Transparency section of the website publishes opportunities to provide goods and services, and links to the Procurement Strategy. Bids over £10k are published on the Authority's website where interested suppliers can bid for the services.

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UKC-038566 (UK) 03/25. Creative UK.
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