AWDURDOD PARC CENEDLAETHOL BANNAU BRYCHEINIOG

BANNAU BRYCHEINIOG NATIONAL PARK AUTHORITY

Statement of Accounts

for the year ended

31st March 2026

STATEMENT OF ACCOUNTS 2025/26

Contents

NARRATIVE REPORT

1. INTRODUCTION

Brecon Beacons National Park Authority is now three years into working with partners and other stakeholders to deliver the vision and missions of our National Park Management Plan *Dyfodol y Bannau*. Overall, some good progress is being made both with delivery and with the push to address issues of financial sustainability and to ensure appropriate capacity and capability within the Authority itself.

Highlights this year have included continuing to progress the Local Development Plan; significant work with partners to develop a new destination website, *Visitor information - Bannau Brycheiniog* and alongside this consulting on our approach to sustainable tourism; continuing the important work to address the health of the River Usk through the Usk Catchment Partnership; focusing on nature recovery at landscape scale and investigating potential funding models for this work; continuing to showcase our international designations and their importance for all our work, from engaging visitors to understanding the impact of climate change on our landscape and heritage.

Important day to day work has continued, from bringing groups of all kinds into our landscape to discover, recover and be inspired and informed to delivering our local planning services and restoring our peatland. In many aspects of our work, we have been fortunate to have the time and commitment of our volunteers, and we continue to work with a wide range of partners whether statutory or the many community organisations and groups.

These Statements are produced to inform stakeholders, funders, Members of the Authority and the public about the financial performance and standing of the Authority. This Narrative Report gives a summary of the Statement of Accounts. It contains key financial information including a summarised revenue account, in addition to supporting information, to set out the cost of services and how costs were funded.

The Authority is required by law to produce an annual Statement of Accounts in accordance with proper accounting practices as laid down by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Code of Practice on Local Authority Accounting 2025-26 (the Code). It is also required to comply with the Accounts and Audit (Wales) 2014 Regulations, as amended, and the Accounts, Audit (Wales) (Amended) Regulations 2018 and Public Audit (Wales) Act 2004, as amended.

This Narrative provides a brief explanation of the more significant matters reported in the accounts. Accounting statements are set out on later pages and consist of: -

A Statement of Accounting Policies - the basis upon which amounts have been included in the accounts using accepted accounting principles.

The Core Financial Statements

- **The Comprehensive Income and Expenditure Statement (CIES)** - the income and expenditure during the financial year, accompanied by notes which explain the figures further. The Code requires that this statement is structured and is in line with the service breakdown of income and expenditure reported by the Authority. The CIES therefore reports an analysis of expenditure and income by Directorate.
- **The Statement of Movements in Reserves** – shows the movement in year on reserves held by the Authority, analysed into 'usable' reserves and 'unusable' reserves. The statement shows the true economic cost of providing the authority's services and how those costs are funded from the various reserves held.
- **The Balance Sheet** - the assets and liabilities, cash held, and amounts set aside in reserves at the financial year-end. Notes are provided to give further details of specific balances.
- **The Cash Flow Statement -** shows the changes in cash and cash equivalents of the Authority during the reporting period. Further explanation is provided in the notes to the statement.

The responsible finance officer signed the statement of accounts on 19/8/2026. Significant events after the Balance Sheet date and up to the date of approval have been considered in preparing the Statement. The Statement has been audited by the Auditor General for Wales, and a copy of his report is published with the Statement when this becomes available on completion of the audit. The Authority is also required to publish a Governance Statement. For further information and explanation of items in this document, please contact the Authority's Finance team finance@beacons-npa.gov.uk

2. ABOUT BANNAU BRYCHEINIOG NATIONAL PARK AUTHORITY

The Authority covers 520 square miles and is one of three National Parks in Wales. The Authority became an independent Special Purpose Local Authority with effect from 1st April 1996 and has two statutory purposes and one duty:

Purposes:

- To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park.

- To promote opportunities for public enjoyment and understanding of the special qualities of the National Park.

Duty:

- To foster the economic and social well-being of communities living within the National Park.

We are a special purpose local Authority. The Bannau Brycheiniog National Park Authority is governed by 18 Members appointed by our constituent Local Authorities (12 Members) and Welsh Government (6 Members). The Members are responsible for setting the strategic direction and priorities through the National Park Management Plan, taking into account the Term of Government Remit Letter from Welsh Ministers.

The Authority is the statutory Local Planning Authority for the area and is responsible for preparation of the Local Development Plan and determining planning applications.

Each year the Authority is required to publish a Corporate Plan setting out how it intends to employ its resources for the coming year to fulfil the purposes and duty in line with its current Management Plan for the Bannau Brycheiniog National Park 2022-2027. A review of the Authority's performance against the Corporate Plan is carried out annually. These documents are published on the Authority's website www.beacons-npa.gov.uk

3. INCOME AND EXPENDITURE

The gross cost to the Authority of providing its services, as reported to Members during the year for management purposes was £8,813k. The table below summarises expenditure and sources of funding and shows that £325k net was transferred from Reserves to support total income of £8,488k.

The Welsh Government sets the Authority's approved level of net revenue expenditure for the year and pays 75% of this in National Park Grant. The remaining 25% can then be raised by the Authority by issuing a levy on the constituent Unitary Authorities. These are: Powys County Council, Carmarthenshire County Council, Monmouthshire County Council, Rhondda Cynon Taff County Borough Council, Merthyr Tydfil County Borough Council, Blaenau Gwent County Borough Council, and Torfaen County Borough Council. The Welsh Government provides specific revenue and capital funding for priority project delivery. Where this cannot be fully applied in the year in which it is received, it is held in an earmarked reserve and applied in future years.

Locally generated income and specific grants are allocated to individual services and are offset against the expenditure on those headings to arrive at the total net budgets and costs as reported to those responsible for management of the Authority. The table below shows how the net cost of services is derived from gross income and expenditure (see Note 1, Expenditure and Funding Analysis for a reconciliation of amounts reported to management on a directorate basis to the totals reported on the Comprehensive Income and Expenditure Statement).

The net costs for each service in the Comprehensive Income and Expenditure Statement include depreciation (the cost of wear and tear on buildings, equipment, etc.). Adjustments are also made for pension costs in accordance with the International Accounting Standard 19: Retirement Benefits (IAS 19). These technical adjustments are intended to bring the Authority's accounts into line with UK Generally Accepted Accounting Policies. They indicate the full cost to the Authority in the relevant financial year of meeting all future commitments to its current and former employees under the Local Government Pension Scheme.

These adjustments do not affect the net revenue spend of the Authority, paid for by the Welsh Government and local taxpayers, supplemented by income generated by providing services. For a full explanation of the basis for the charges under IAS 19, see Note 30. The adjustments are not included in the budgeted figures as they have no impact on the cost of the Authority's operations for management purposes.

The pension assets of the Authority not recorded in the Balance Sheet were £31.8m (£29.7m as at 31/3/25) and liabilities of £26.7m (£24.5m as at 31/3/25), with an unrecognised net asset of £5.1m. In the CIES, the actuarial assessment of the Authority's assets and liabilities in the Fund has produced a net actuarial loss of £0.21m; last year an actuarial loss of £0.02m was advised.

Comparison of actual income and expenditure: Current and previous financial years

	2025/26 £000	**2024/25 £000**
National Park Grant	3,340	3,499
National Park Levy	1,088	1,036
Government Grants and Contributions	2,682	2,285
Fees, Charges and other Service income	1,221	1,275
Interest Receivable	157	174
Total Income	**8,488**	**8,269**
Employee Expenses	5,187	4,902
Other Service Expenses	3,626	3,436
Total Expenditure	**8,813**	**8,338**
Transfers to/(from) Reserves	(325)	(69)
Total Expenditure after net transfers to/from Reserves	**8,488**	**8,269**
Net (cost)/income of Services (Contributions to/from General Fund)	**0**	**0**

The 2025/26 National Park core Revenue Grant from the Welsh Government, together with the associated Levy funding, increased by 1.6% compared with 2024/25 levels, placing continued pressure on all directorate budgets.

The total in year grant funding from all providers increased from £6.8m in 2024/25 to £7.1m in 2025/26 with details of the sources of grant funds contained in Note 9 to the Statements of Accounts. Fees, charges and services income slightly decreased during the year.

Overall expenditure for the Authority of £8,813k increased by £475k, (5.4%), from 2024/25. Employee related expenses represent nearly 60% of the annual expenditure and, with a salary uplift of 3.2%, costs exceeded the growth in core funding. Despite these financial pressures, the Authority was able to reduce its planned deficit during the financial year, resulting in lower reliance on reserves than originally anticipated.

Capital grants from various sources were successfully applied for during the year, and the Authority spent £1,033k on capitalised assets, details of which are shown in the Non-Current Assets (see Note 14: Property, Plant and Equipment and Note 15: Intangible Assets).

The Welsh Government 2026/27 Budget was published on 20th January 2026 and approved on 27th January 2026 and showed an increase of 4.01% in the National Park Grant. Including the levy this will result in an overall increase of £175k in core funding for 2026/27.

Earmarked reserves allow the Authority to set aside contingency funds to meet future commitments, such as the costs of Project Support, the Local Development Plan Enquiry and Sustainable Landscapes Sustainable Places Fund commitments. These reserves are used where the timing of funding receipts does not match the financial year of the related expenditure.

The Authority's total usable reserves decreased between 31 March 2025 and 31 March 2026; from £3.090m to £2.865m. Most of these reserves are ring-fenced for specific project work and other commitments. However overall, £267k of earmarked reserves were applied during the year to fund revenue and capital activities.

A comparison between the budgeted and actual income and expenditure account by service for 2025/26 is produced below. The table is in line with CIPFA's current Code of Practice, which requires authorities to account for expenditure and income in the same objective structure as is used for reporting to management.

To enable comparisons between the revised budget and the outturn, year-end recharges for capital charges (depreciation), accumulated absences and actuarially assessed pension scheme costs (in accordance with international accounting standards) have been applied to the budget figures to give an adjusted total.

Summary of principal variances between 2025/26 budget as adjusted and the Statement of Accounts.

Net Service Costs	2025/26 Adjusted Budget* £000	2025/26 Out-turn* £000	2025/26 Variance against adjusted Budget £000
Chief Executive's Office and Communications	508	423	(85)
Nature and Climate Change	1,701	1,402	(299)
Planning and Place	2,230	2,165	(65)
Support Services Department	1,199	1,079	(120)
Adjusted net cost of services*	**5,638**	**5,069**	**(569)**
Interest received	(150)	(157)	(7)
National Park Grant (Welsh Government)	(3,265)	(3,340)	(75)
National Park Levy (Constituent Authorities)	(1,088)	(1,088)	0
Capital Grants	0	(1,034)	(1,034)
Transfer to/(from) Reserves*	(948)	(165)	783
Adjusted net income	**(5,451)**	**(5,784)**	**(333)**
Accounting Adjustments reversed	(187)	673	860
Net Deficit /(Surplus)	**0**	**(42)**	**(42)**

*Adjusted to include notional depreciation, accounting standards adjustments for pension costs and other elements required by CIPFA for accounts preparation.

The above table shows that the Authority's net cost of services for the 2025/26 financial year of £4,911k was £569k (10%), below the revised budget of £5,480k. The underspend against budget was primarily due to a significant number of staff vacancies being held across the Authority during the year. While the nationally agreed pay award exceeded the level originally anticipated, the savings generated from vacant posts more than offset this, resulting in an overall saving on salaries of £419k.

In addition, the Authority benefited from higher than budgeted income from filming activities and increased car park revenue across increased at all locations, due to stronger visitor numbers during the summer season. The rise in visitor numbers also had a positive impact on retail income streams. Whilst increased footfall was a key factor, improvements to the Authority's commercial offering also contributed to the growth in retail income. As a result of these factors, the Authority did not have to draw upon reserves as originally anticipated.

Significant Variances by directorate reported to Management

Chief Executive's Office and Communications (£85k Underspend)
Chief Executive's Office and Communications' total directorate spend of £423k was £85k or 17% below the budget of £508k. Expenditure within the Chief Executive Department expenditure was below budget as Democratic Services had savings of £37k mainly due to a vacant post. The post was replaced as duties were reallocated amongst the remaining team members. The underspend was also impacted as a previous debt of £46k was recovered and additional Welsh Government grants were received to support corporate strategic and organisational development.

Nature and Climate Change (£299k Underspend)
Within the Nature and Climate Change directorate actual net expenditure of £1,402k compared to a budget of £1,701k, £299k or 18% below budget. Employment costs within the directorate were £141k under budget, predominantly due to vacancies. During the year the Authority received £1,667k in grant funding which was allocated to this directorate. The grants included; £504k under the W.C.V.A. Local Places For Nature Fund scheme, £830k from the Welsh Government Sustainable Landscapes Sustainable Places grant and funding from other sources including the UK Government Shared Prosperity Fund and the Access Improvement grant from NRW. A proportion of this grant funding was allocated to overhead recovery (up to 15%, depending upon the fund), which also contributed significantly to the 25/26 underspend.

Planning and Place (£65k Underspend)
Total staffing costs of £2,342k across the Planning and Place directorate was £216k below budget. Several positions remained vacant for part of the year, notably in Development Management, Strategy Policy and Heritage and Community Development, which offset budget overruns in other cost centres recorded in this directorate. During the year the Authority was very proactive in allocating £384k of S106 agreements which had been received in previous financial years. There had been a change of café tenants at the National Park Visitor centre from the previous year and due to emergency introductory terms this led to a rental income shortall versus that budgeted. However, due to good weather through the summer, high visitor footfall and improvements to the retail offering, income relating to Car Park Revenue and Retail was higher than budgeted. Car park income was higher than budgeted by £50k.

Total Planning Fee income of £197k was £6k below budget. Planning fees are set by the Welsh Government and there was an increase from 1st December 2025. The Authority expects this to have a positive financial effect in future financial years. During the year the Authority had to defend a judicial review at a cost of £38k.

Support Services Department (£120k Underspend)
Most of the underspend for the directorate was again in relation to employment costs, actual salary costs of £695k which were £111k below budget. This was due in part to vacancies within both the Legal Department and Communication/Public Affairs departments. Additional filming income of £38k also had a positive impact on the directorate.

Looking Forward
Looking to the future, the Authority core annual budgets for 2026/27 and beyond show annual deficits which are being balanced by drawing on the Authority reserves. Whilst the Budget includes some strategic use of reserves and precautionary estimates on cost increases that may be lower than anticipated, rising costs and static core funding continue to impact the ability of the Authority to balance the budget. Using reserves for day-to-day operations isn't sustainable in the longer term and once spent are difficult to replenish. Factors outside the Authority's control continue to dominate the future financial requirements for the Authority. Cumulative impacts of inflationary pressures of recent years have been challenging as they have not been reflected in the National Park Grant awarded however there will be a slight increase in 2026/27 to reflect the ongoing pressures. Pay awards continue to provide further uncertainties and pressures due to unpredictable international risks. The Authority is actively exploring options to grow alternative income streams and review its structural operating costs. However, organisational capacity is a limitation here.

4) CAPITAL EXPENDITURE

The Authority spent £1,033k on capital projects and a summary of expenditure qualifying as capital for accounting purposes is provided below:

	2025/26 Actual £000	**2024/25 Actual £000**
Upland Access and Rights of Way Improvement Projects	12	0
Peatland Restoration	506	515
Gunpowder works	0	52
Keepers Pond	46	39
Vehicles and Equipment	134	162
Enhancement work at Craig Y Nos	27	105
Redevelopment of Cwmporth Waterfall	309	79
Planning Software	0	22
Total expenditure classified as capital under accounting definition and policies*	**1,034**	**974**
Less:		
Grants & Contributions received in year	(1,034)	(974)
Transfer from the Capital Grants Unapplied Account	0	0
Use of Earmark Reserves	0	0
Net Expenditure	**(1,034)**	**(974)**

***Expenditure which meets the accounting definition of capital has been classified as capital and funded by in year grants, use of capital receipts, a legacy allocation and an appropriation from the Revenue Account. Expenditure meets the relevant accounting de minimis criteria (as outlined in the Authority's accounting policies). When projects are completed, the resulting asset is included in the Authority's Balance Sheet.**

5) Risks and opportunities

The National Park operates a risk management framework and documents its key risks in the Corporate Risk Register. This is reviewed by the Audit and Risk Committee. The Annual Governance Statement includes an assessment of current key weaknesses of the Authority's governance arrangements together with planned actions to address these.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:-

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority that officer is the Chief Financial Officer (Section 151 Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

THE CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES

The Chief Financial Officer/S151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom.*

In preparing the Statement of Accounts, the Chief Financial Officer has:-

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts gives a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2026. To comply with the Accounts and Audit (Wales) Regulations 2014, the responsible financial officer is required to re-certify the Statement immediately before their adoption by the Authority and after the completion of the audit, while the Chairman certifies approval of the audited Statement by the Authority.

Date:

Section 151 Officer
Brecon Beacons National Park Authority

Date:

Chairman
Brecon Beacons National Park Authority

The report of the Auditor General for Wales to the members of Brecon Beacons National Park Authority

Opinion on financial statements

I have audited the financial statements of Brecon Beacons National Park Authority for the year ended 31 March 2026, under the Public Audit (Wales) Act 2004.

Brecon Beacons National Park Authority's financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Brecon Beacons National Park Authority as at 31 March 2026 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of Brecon Beacons National Park Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Brecon Beacons National Park Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Brecon Beacons National Park Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Responsible Financial Officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;

- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Brecon Beacons National Park Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Brecon Beacons National Park Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, Brecon Beacons National Park Authority's internal auditors, and those charged with governance, including obtaining and reviewing supporting documentation relating to Brecon Beacons National Park Authority's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified the potential for fraud in respect of the posting of unusual journals.
- Obtaining an understanding of Brecon Beacons National Park Authority's framework of authority as well as other legal and regulatory frameworks that Brecon Beacons National Park Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Brecon Beacons National Park Authority.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, and the Audit and Risk Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Brecon Beacons National Park Authority;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Brecon Beacons National Park Authority's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Brecon Beacons National Park Authority in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Name	**1 Capital Quarter,**
Role	**Tyndall Street,**
Date	**Cardiff,**
	CF10 4BZ

Statement of Accounting Policies

General Principles

The accounts have been prepared in accordance with:

- The Code of Practice on Local Authority Accounting in the United Kingdom – which interprets International Financial Reporting Standard (I.F.R.S) guidelines. This document, prepared by CIPFA, pulls together legislative requirements and other guidance notes applicable to the preparation and publication of local authority accounts.
- Service Reporting Code of Practice for Local Authorities (SeRCOP)
- The accounting convention primarily adopted is historic cost, modified by the revaluation of some classes of fixed assets.

The 2025-26 CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code') introduced a significant change to the accounting treatment of non-investment assets. The principal change requires the Authority to revalue fixed assets once every five years and to apply the indexation valuation method in the four intervening years. Further, that intangible asset to be valued on the historical basis removing the revaluation method, and clarification that full revaluations should not automatically be used to evidence the absence of material impairment.

The change in the Code of Practice came into effect from the 1st April 2025 however the application of indexation was carried out as at the balance sheet date i.e. 31st March 2026 and had minimal impact on the Authority's Statement of Accounts. Notes to the accounts clarify the choice of indices adopted.

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its financial position at the year-end of 31 March 2026. The purpose of the Statement of Accounting Policies is to explain the calculation bases of the figures in the accounts.

Accounting Concepts

The accounts have been prepared in accordance with the following accounting principles and concepts.

Principles: relevance, reliability, comparability, understandability.

Concepts: materiality, faithful representation, timeliness, accruals, going concern, primary of legislative requirements.

These principles and concepts have been used in the selection and application of accounting policies and estimation techniques and in the exercise of professional judgement.

Accruals of Income and Expenditure

Activity is accounted for in the year in which it occurs, not simply when cash payments are made or received. In particular:

- Revenue from the sales of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is reduced, and a charge is made to the expenditure and income account for the income that might not be collected.
- Transactions with a value of less than £1,000 will not be accrued unless there are specific operational reasons for doing so, such as grant claim administration.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

Charges to Revenue for Non-Current Assets

Services, and support services are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- Amortisation of intangible fixed assets attributable to the service

Leases

The Authority as Lessee

IFRS 16 Leases, which was mandatory from 1 April 2024, requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 *Leases* to include arrangements with zero consideration, peppercorn or nominal payments.

Initial measurement of Right of Use Assets

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured
- using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee

- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.
- The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or zero consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or zero consideration leases have been valued using market prices or rentals for equivalent land and properties. The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure
Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Authority as lessor

Operating leases
Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset if material and charged as an expense over the lease term on the same basis as rental income.

Contingent Liabilities, Contingent Assets and Provisions

Contingent Liabilities
A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts where they are material.

Contingent Assets
A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.
Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential and they are material.

Provisions
Provisions are made where both of the following conditions apply: -

- an event has taken place that imposes on the Authority a legal or constructive obligation that probably requires settlement or a transfer of economic benefits or service potential

- a reliable estimate can be made of the amount of the obligation

Provisions are charged as an expense in the appropriate service line in the Comprehensive Income and Expenditure Statement when a quantifiable potential obligation is identified. The value of the potential cost is estimated as at the Balance Sheet date and carried in the Balance Sheet as a liability. When a payment is eventually made, it is charged directly to the provision.

Estimated settlements and their probability are reviewed at the end of each financial year and if it becomes unlikely that the expense will be incurred or the amount is expected to be reduced, the reduction or removal of the provision will be credited back to the service originally charged. Where some, or all, of the expense associated with a provision is expected to be recoverable from a third party, such as an insurer, this related income will not be recognised unless it is virtually certain to be received on discharge of the obligation.

Employee Benefits

Benefits payable during employment are received by current employees and are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services and then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises the costs of a restructuring.

Post-employment benefits (pensions) are earned by employees during their working life in return for services to their employer. Employees of the Authority are members of the Local Government Pension Scheme, administered by Powys County Council. The scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees work for the Authority and is accounted for as a defined benefits scheme.

The liabilities of the Powys Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirements benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees. Liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. The assets of the Powys Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value. As follows:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

The change in the net pension liability is analysed into the following components:

Service cost comprising:
current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.

Net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:
the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Powys Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.
Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after audit certification are not reflected in the Statement of Accounts.

Foreign Currency

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting material gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that the Authority has complied with the conditions attached to the payments, and the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until there is reasonable certainty that conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor. Where capital grants are credited to the Comprehensive Income and

Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to Capital Grants Unapplied Account. Where a grant has been used to finance capital expenditure, it is posted to the Capital Adjustment Account.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Receipts in Advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost and carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Inventories

These have been included in the accounts at cost. This is a departure from the requirements of the CIPFA Code of Practice, which require stocks to be shown at the lower of actual cost or net realisable value, whichever is the lower. The difference is not considered to be material.

Overheads and Support Services

In accordance with the current CIPFA Code of Practice, the cost of support services is accounted for in the same format as presented to Authority Members in the management accounts. Support services and departmental management costs are shown in the department under which they are managed.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

<u>Property, Plant and Equipment</u>

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Authority has set a minimum level of £10,000 for capitalising expenditure, with the exception of land and buildings which are always capitalised. Expenditure below the minimum level is treated as revenue. However, when there are projects with aggregated spend above £10,000 the project is capitalised.

Measurement

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent measurement in the balance sheet is as follows:

Land and Buildings - current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Non-specialised operational properties (such as commercial property) – existing use value (EUV)

Specialised operational properties (such as public conveniences) – depreciated replacement cost (DRC)

Vehicles, plant and equipment – depreciated historical cost as a proxy for current value on materiality grounds

Infrastructure assets – depreciated historical cost or nominal value if unavailable

Community assets – historic cost where available

Assets under construction – historical cost

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.
Where decreases in value are identified, they are accounted for by:

- Either, where there is a balance of revaluation gains the difference between historical carrying value and its re-value is written off against that balance
- Or, where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment
Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.
Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation
Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). Deprecation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer
- infrastructure (rights of way, trails and associated structures) – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer

In the absence of specific advice, the estimated asset lives used are as follows:

Vehicles and other equipment	5 years
IT equipment	3 years
Community and Infrastructure assets	20 years
Buildings	20 years
Intangible Assets	3-5 years

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale
When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. As the Authority is debt free, 100% of any such receipts can be used to finance new capital expenditure.

The written-off value of disposals is not a charge against taxation, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Surplus Assets
Where an asset is no longer being used for operational purposes but is not being actively marketed, abandoned or scrapped, it is classified as a surplus asset. Surplus assets are valued at fair value (i.e. the price which would be received in an orderly transaction between market participants at the measurement date.

Reserves

The Authority sets aside specific amounts as usable reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated in the Movement in Reserves Statement.

Unusable reserves are maintained to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the Authority.

Value added Tax

The accounts have been prepared on a VAT exclusive basis. Where VAT on an item of expenditure cannot be reclaimed, it is charged to the related service or capital project.

THE PRINCIPAL ACCOUNTING STATEMENTS

Explanatory note on the information included in the core financial statements.
The Statement of Accounts sets out details of the Authority's income and expenditure for the financial year 2024/25 and its Balance Sheet as of 31 March 2025. The four core financial statements reflect the National Parks activities including the specific projects undertaken and are as follows:

The **Comprehensive Income and Expenditure Statement** (CIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. It also brings together all the gains and losses of the Authority for the year.

The **Movement in Reserves Statement** (MIRS) shows the movement in year on reserves held by the Authority, analysed into 'usable' reserves and 'unusable' reserves. The statement shows the true economic cost of providing the authority's services and how those costs are funded from the various reserves held.

The **Balance Sheet** shows the value of the assets and liabilities recognised by the National Park. The net assets of the National Park (assets less liabilities) are matched by the Usable and Unusable Reserves held by the National Park. Usable Reserves are those the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitation on their use. Unusable Reserves are not available to fund services and include reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the National Park during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flow arising from operating activities is a key indicator of the extent to which the operating activities of the authority are funding by way of grant and levies or from the recipients of services provided by the National Park. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash follows by providers of capital (i.e. borrowing) to the authority.

The notes on pages (18 – 32) Accounting Polices and pages (38 – 75) form part of the statement of accounts. provide more details about items contained in the statements.

Comprehensive Income and Expenditure Statement for the year ended 31st March 2026

	2025/26 Gross Expenditure £000	2025/26 Gross Income £000	2025/26 Net £000	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net £000
Chief Executive's Office and Communications	454	(31)	423	537	(92)	445
Nature and Climate Change Revenue	3,188	(1,787)	1,401	3,033	(1,548)	1,485
Planning and Place Revenue	4,154	(1,989)	2,165	3,998	(1,916)	2,082
Support Services	1,175	(96)	1,079	1,112	(3)	1,109
Cost of Services	**8,971**	**(3,903)**	**5,068**	**8,681**	**(3,560)**	**5,121**
Other Operating Expenditure (Note 6)			127			36
Financing and Investment Income and Expenditure (Note 7)			(173)			(189)
Taxation and Non-Specific Grant Income (Note 8)			(5,627)			(5,507)
(Surplus)/ Deficit on the Provision of Services			**(605)**			**(539)**
Surplus or deficit on revaluation of Fixed Assets			(14)			0
Actuarial (Gains)/Losses on Pension Assets/Liabilities (Note 30)			213			20
Other Comprehensive (Income) and Expenditure			**199**			**20**
Total Comprehensive (Income) and Expenditure			**(406)**			**(519)**

Movement in Reserves Statement
Year Ended 31st March 2026

	General Reserve £000	Earmarked Reserves £000	Capital Grants Unapplied Account £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2025	**1,111**	**1,624**	**335**	**20**	**3,090**	**10,043**	**13,133**
Movement in reserves during 2025/26							
Total Comprehensive Income and Expenditure	406				406		406
Adjustments between accounting basis and funding basis under regulations (Note 11)	(631)				(631)	631	
Net (Decrease)/Increase before Transfers to Earmarked Reserves	**(225)**	**0**	**0**	**0**	**(225)**	**631**	**406**
Transfers from Earmarked Reserves (Note 12)	267	(267)					
(Decrease)/Increase in 2025/26	**42**	**(267)**	**0**	**0**	**(267)**	**631**	**406**
Balance at 31 March 2026	**1,153**	**1,357**	**335**	**20**	**2,865**	**10,674**	**13,539**

The Movement in Reserves in Statements is reported in £'000 and to ensure the account balances are reported accurately at the end of the Financial Year there are several rounding adjustments.

Movement in Reserves Statement
Year Ended 31st March 2025

	General Reserve £000	Earmarked Reserves £000	Capital Grants Unapplied Account £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2024	**1,167**	**1,520**	**438**	**0**	**3,125**	**9,490**	**12,615**
Movement in reserves during 2024/25							
Total Comprehensive Income and Expenditure	519				519		519
Adjustments between accounting basis and funding basis under regulations (Note 11)	(472)		(103)	21	(554)	554	
Net (Decrease)/Increase before Transfers to Earmarked Reserves	**47**	**0**	**(103)**	**21**	**(35)**	**554**	**519**
Transfers from Earmarked Reserves (Note 12)	(104)	104					
(Decrease)/Increase in 2024/25	**(56)**	**104**	**(103)**	**20**	**(35)**	**554**	**519**
Balance at 31 March 2025	**1,111**	**1,624**	**335**	**20**	**3,090**	**10,043**	**13,133**

The Movement in Reserves in Statements is reported in £'000 and to ensure the account balances are reported accurately at the end of the Financial Year there are several rounding adjustments.

Balance Sheet as at 31st March 2026

	2025/26 £000	2024/25 £000
Property, Plant And Equipment (Note 14)	10,669	10,089
Right of use Assets (Note 14)	275	81
Intangible Assets (Note 15)	12	19
TOTAL LONG-TERM ASSETS	**10,956**	**10,189**
Inventories (Note 18)	79	56
Short-term Debtors (Note 19)	2,044	1,558
Cash and Cash Equivalents (Note 20)	6,469	6,040
CURRENT ASSETS	**8,592**	**7,654**
Provisions	0	0
Short-Term Creditors (Note 21)	(5,831)	(4,690)
CURRENT LIABILITIES	**(5,831)**	**(4,690)**
Liability - Defined Benefit Pension Schemes (Note 30)	0	0
Long-Term Creditors (Note 21)	(178)	(20)
LONG TERM LIABILITIES	**(178)**	**(20)**
NET ASSETS	**13,539**	**13,133**
Capital Grants Unapplied Account	(335)	(335)
Other Usable Reserves	(2,530)	(2,755)
Total Usable Reserves (Note 12)	**(2,865)**	**(3,090)**
Unusable Reserves (Note13)	**(10,674)**	**(10,043)**
TOTAL RESERVES	**(13,539)**	**(13,133)**

Cash Flow Statement

	2025/26 £000	2024/25 £000
Net (surplus) or deficit on the provision of services	(605)	(539)
Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 22)	881	(81)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(75)	(58)
Net cash flow from operating activities	**201**	**(678)**
Investing activities (Note 23)	(634)	(323)
Financing activities (Note 24)	4	6
Net (Increase) or decrease in cash and cash equivalents	**(429)**	**(995)**
Cash and Cash equivalents at the beginning of the reporting period	**6,040**	**5,045**
Cash and Cash equivalents at the end of the reporting period (Note 20)	**6,469**	**6,040**

Notes to the Financial Statements

NOTE 1: Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate how funding available to the National Park (e.g. from National Park Core Grant, levies) for the year has been used in the provision of services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the National Park's Directorates. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

	Net Expenditure Chargeable to the General Reserve 2025/26 £000	Adjustments between the Funding and Accounting Basis 2025/26 £000	Net Expenditure in the CIES 2025/26 £000
Chief Executive's Office and Communications	454	31	423
Nature and Climate Change	1,169	(233)	1,402
Planning and Place	2,210	45	2,165
Support Services Department	1,079	0	1,079
Net Cost of Services	**4912**	**(157)**	**5,069**
Other Income and Expenditure	**(5,711)**	**(80)**	**(5,631)**
Deficit/(Surplus)	**(799)**	**(237)**	**(562)**
Movement on General Reserves and Earmarked Reserves:			
Opening Balance	2,735		
Movement	(267)		
Closing Balance	**2,468**		

	Net Expenditure Chargeable to the General Reserve 2024/25 £000	Adjustments between the Funding and Accounting Basis 2024/25 £000	Net Expenditure in the CIES 2024/25 £000
Chief Executive’s Office and Communications	454	9	445
Nature and Climate Change	1,221	(264)	1,485
Planning and Place	1,992	(90)	2,082
Support Services Department	1,111	2	1,109
Net Cost of Services	**4,778**	**(343)**	**5,121**
Other Income and Expenditure	**(4,882)**	778	(5,660)
Deficit/(Surplus)	**(104)**	**435**	**(539)**
Movement on General Reserves and Earmarked Reserves:			
Opening Balance	2,687		
Movement	48		
Closing Balance	**2,735***		

*Figures adjusted from those published in 2024/25 to agree with Movement in Reserves Statement

Adjustments between Funding and Accounting basis

The following explains the main adjustments from the Net Expenditure Chargeable to the Authorities General Reserve and Earmarked Reserves to arrive at the amounts in the CIES. Adjustments from Capital purposes include (where they have taken place in year) depreciation, impairments and revaluations gains and losses. It also adjusts for revenue contributions to capital expenditure that are not chargeable under generally accepted accounting practices to the General Reserve. Pension Adjustment show where costs have been affected by the removal of pension contributions and replaced with IAS19 costs. Other adjustments are items that cannot be allocated to either Capital or Pension adjustments.

	Adjustments for Capital Purposes 2025/26 £000	Net Change for the Pension Adjustments 2025/26 £000	Other Adjusts 2025/26 £000	Total Adjusts 2025/26 £000
Adjustments between funding and accounting basis				
Chief Executive’s Office and Communications	0	16	15	**31**
Nature and Climate Change	(282)	91	(42)	**(233)**
Planning and Place	(122)	145	23	**46**
Support Services	(42)	41	0	**(1)**
Cost of Services	**(446)**	**293**	**(4)**	**(157)**
Other Income and Expenditure	**0**	**(80)**	**0**	**(80)**
Difference between General Reserve surplus or deficit and CIES surplus or deficit on the provision of services	**(446)**	**213**	**(4)**	**(237)**

	Adjustments for Capital Purposes 2024/25 £000	Net Change for the Pension Adjustments 2024/25 £000	Other Adjusts 2024/25 £000	Total Adjusts 2024/25 £000
Adjustments between funding and accounting basis				
Chief Executive’s Office and Communications	0	3	6	**9**
Nature and Climate Change	-286	16	6	**-264**
Planning and Place	-139	25	24	**-90**
Support Services	-6	8	0	**2**
Cost of Services	**-431**	**52**	**36**	**-343**
Other Income and Expenditure	**972**	**-30**	**-164**	**778**
Difference between General Reserve surplus or deficit and CIES surplus or deficit on the provision of services	**541**	**22**	**-128**	**435**

NOTE 2: Accounting Standards Issued and Not Adopted

The CIPFA Code of Practice on Local Authority Accounting requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. At the balance sheet date, there are no relevant standards or amendments to existing standards that have been published but not yet been adopted by the Code that will have any impact on the financial statements. The following details have been provided for information purposes.
The 2026/27 Code introduces changes arising from the accounting guidance in relation to:

• Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.

• Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.

• Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.

• Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024. As the Code requires implementation of these standards after 1st April 2026 there is no impact on the 2025/26 Statement of Accounts.

.

NOTE 3: Critical Judgements in Applying Accounting Policies

In applying the Authority's Accounting Policies, certain judgements have been made involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is uncertainty about future levels of funding for National Park Authorities in Wales beyond the 2025/26 financial year. However, the assumption has been made that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired because of a need to close facilities and reduce levels of services provision.

NOTE 4: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures which are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. There was a review of valuations by the valuer in 24/25 however a full valuation took place in 23/24. The

Authority's valuer was consulted with regards to appropriate Indices for Indexation applied in the 25/26 financial year.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability/Asset	Estimation of the net liability to pay pensions depends on several complex judgements relating to corporate bond yields, the discount rate used, projected rates of salary increase, mortality rates and expected returns on pension fund assets. An assessment of the pension liability has been provided by AON Solutions UK Limited, who also provide actuarial advice on the assumptions to be applied and their effect.	Changes in assumptions may interact in several ways and may have a large impact on the pension net liability in the financial statements. The accounting standard governing the accounting basis for Pension Scheme costs is known to cause volatility in estimates of assets and liabilities between years and hence large swings in both the CIES total and net assets figure in the balance sheet.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be carried out on individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. Valuations ascribed to Property by the Authority's valuers are affected by market values which are substantially dependent on economic factors outside the Authority's control.	A reduction in useful life or identification of impairment increases the charge to the Cost of Services in the CIES and reduces the value of assets in the Balance Sheet. 2025/2026, asset values were subject to a full revaluation were reviewed using relevant indexation factors where available and professional judgement in accordance with CIPFA Bulletin 22 – Indexation Application Guidance. Valuers exercise professional judgement in determining the appropriateness of indices used, which are kept under review. Changes in the market value of assets may result in the Authority's land and buildings being under- or over-valued. As a result of the conflicts in Ukraine and Iran and difficult financial conditions in 2025/26, there is significantly more uncertainty in relation to property values. These impacts are potentially material but not yet quantifiable.

IFRS 16	IFRS 16 requires entities to make certain judgements and estimations	Critical judgements include: determining whether or not a contract contains a lease, establishing whether or not it is reasonably certain that an extension option will be exercised, considering whether or not it is reasonably certain that a termination option will not be exercised, determining whether or not variable leased payments are truly variable, or in-substance fixed, for lessors, determining whether the lease should be classified as an operating or finance lease, calculating the appropriate discount rate to use, estimating the lease term, estimating variable lease payments dependant on an index or rate.

NOTE 5: Events after the Balance Sheet date

The Statement of Accounts was authorised for issue by Chief Financial Officer on 19th August 2026. Where events taking place before this date provided information about conditions existing on 31 March 2026, the figures in the Statements and notes have been adjusted in all material respects to reflect the impact of this information.

NOTE 6: Other Operating Income & Expenditure

	2025/26 £000	2024/25 £000
Pension Fund Administration Costs	100	50
Net proceeds from sale of assets	27	(14)
Total	**127**	**36**

NOTE 7: Financing and Investment Income and Expenditure

	2025/26 £000	2024/25 £000
Interest on Pension Scheme net defined benefit liability	(20)	(20)
Interest receivable and similar income	(157)	(174)
Right of Use Finance Cost	4	5
Total	**(173)**	**(189)**

NOTE 8: Taxation and Non-Specific Grant Income (see also Note 9 - Total Grant Income)

	2025/26 £000	2025/26 £000	2024/25 £000	2024/25 £000
Levies on Constituent Local Authorities				
Powys County Council	640		609	
Carmarthenshire County Council	160		153	
Monmouthshire County Council	122		116	
Rhondda Cynon Taff County Borough Council	55		53	
Merthyr Tydfil County Borough Council	43		41	
Blaenau Gwent County Borough Council	34		32	
Torfaen County Borough Council	34		32	
Subtotal		**1,088**		**1,036**
Non-Specific Grant Income – National Park Grant		3,340		3,499
Capital Grants and Contributions applied in year		1,034		972
Other Grants		165		0
Total		**5,627**		**5,507**

NOTE 9: Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in the year.

	2025/26 £000	2024/25 £000
Credited to Taxation and Non-Specific Grant Income		
National Park Grant	3,340	3,499
National Park Capital Grant included in the Comprehensive Income and Expenditure Statement	1,034	972
Other Welsh Government Grant	165	0
Levies – Powys County Council	640	609
Carmarthenshire County Council	160	153
Monmouthshire County Council	122	116
Rhondda Cynon Taff County Borough Council	55	53
Merthyr Tydfil County Borough Council	43	41
Blaenau Gwent County Borough Council	34	32
Torfaen County Borough Council	34	32
Total	**5,627**	**5,507**

Credited to Services		
EU–funded Grants	0	0
Other Government Grants	1,488	1,219
Other Local Authority Grants and Contributions	288	113
Other Grants	897	954
Donations and Legacies	2	1
Total credited to services	**2,675**	**2,287**
Total Grants, Contributions and Donations	**8,260**	**7,794**

NOTE 10: Subjective Analysis of Expenditure and Income

This note explains the nature of expenditure and income of the Authority as shown in the CIES

	2025/26 £000	2024/25 £000
Expenditure		
Employee benefits	4,899	4,812
Other services	3,753	3,472
Depreciation, amortisation, revaluations	446	432
Interest Payments	4	5
Total expenditure	**9,102**	**8,721**
Income		
Fees, charges & services income	(1,221)	(1,275)
Interest & investment income	(177)	(193)
Levies	(1,088)	(1,036)
Government grants and other contributions	(7,221)	(6,756)
Total Income	**(9,707)**	**(9,260)**
Surplus / (deficit) on provision of services	**605**	**539**

NOTE 11: Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. Below is a description of the General Reserve, against which the adjustments are made.

General Reserve
The General Reserve is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Reserve, which is not necessarily in accordance with proper accounting practice. The General Reserve therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment. Details of the adjustments are provided below:

Adjustments between accounting basis and funding basis 2025/26	General Reserve £000	Capital Grants Unapplied Account £000	Capital Receipts Reserve £000	Movement in Unusable Reserves £000
Adjustments to the revenue resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements.				
Pension Costs (transfers to/from Pensions Reserve)	0			0
Accumulated Absences	(5)			5
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure	(458)			458
Total adjustment to revenue resources	**(463)**			**463**
Adjustments between revenue and capital resources				
Minimum Funding Requirement for Right of Use Assets	60			(60)
Transfer of capital grants and contributions to capital grants unapplied				
Transfer of capital grants and contributions to revenue (non-qualifying items not capitalised)				
Capital expenditure financed from revenue balances	1,033			(1,033)
Allocations to / from capital receipts reserve				
Total adjustments between revenue and capital resources				
Adjustments to capital resources	**1,093**	**0**	**0**	**(1,093)**
Total adjustments to capital resources	**-**	**-**	**-**	
Total adjustments	**630**	**0**	**0**	**630**

Adjustments between accounting basis and funding basis 2024/25	General Reserve £000	Capital Grants Unapplied Account £000	Capital Receipts Reserve £000	Movement in Unusable Reserves £000
Adjustments to the revenue resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements.				
Pension Costs (transfers to/from Pensions Reserve)	1			(1)
Accumulated Absences	38			(38)
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure	(513)			513
Total adjustment to revenue resources	**(474)**			**474**
Adjustments between revenue and capital resources				
Minimum Funding Requirement for Right of Use Assets	56			(56)
Transfer of capital grants and contributions to capital grants unapplied	16	(16)		
Transfer of capital grants and contributions to revenue (non-qualifying items not capitalised)	(119)	119		
Capital expenditure financed from revenue balances	972			(972)
Allocations to / from capital receipts reserve	21		(21)	
Total adjustments between revenue and capital resources				
Adjustments to capital resources	**946**	**103**	**(21)**	**(1,028)**
Total adjustments to capital resources	-	-	-	
Total adjustments	**472**	**103**	**(21)**	**(554)**

NOTE 12: Total Useable Reserves

	2025/26 £000	2024/25 £000
Capital Grants Unapplied Account	(335)	(335)
General Reserves	(1,153)	(1,111)
Earmarked Reserves	(1,357)	(1,624)
Capital Receipts Reserve	(20)	(20)
Total Usable Reserves	**(2,865)**	**(3,090)**

Movement In Earmarked Reserves

This note details the amounts set aside by the Authority out of its revenue resources to meet future costs whose timing and extent are uncertain. These reserves are held until required or until the Authority decides that the anticipated costs will not arise.

A summary of movements in earmarked reserves for the last two financial years is provided below:

	Balance at 31 March 2024 £000	Transfers out £000	Transfers in £000	Balance at 31 March 2025 £000	Transfers out £000	Transfers in £000	Balance at 31 March 2026 £000
Welsh Government Specific revenue grants committed to projects	85	(6)	0	79	0	0	79
S106/Affordable Housing sums received by the Authority but not yet applied	261	(31)	0	230	(230)	0	0
Other Earmarked Reserves	1,174	(56)	197	1,315	(37)	0	1,278
Total	**1,520**	**(93)**	**197**	**1,624**	**(267)**	**0**	**1,357**

The purposes of earmarked reserves, with balances greater than £30k, contained in the table above are given below.

Welsh Government Specific Revenue Funding 2017 £41k (2024/25 £41k). This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2016/17.

Planned Deficit Reserve £404k (2024/25 £404k). This reserve for the planned deficit of the Authority was set up in 2022/23 to reflect the impact on the balance held in General Reserves. It is expected that future expenditure will be above income in core activities of the Authority, in the medium term. As the Authority has forecasted deficits for the forthcoming years, it is prudent to prepare for this impact.

Legacy Receipts Reserve £93k (2024/25 £104k). This reserve was set up to earmark funding in the form of bequests until it can be appropriately used to benefit the National Park.

Conservation Fund Reserve £83k (2024/25 £83k). Fees received by the Authority from organisations using Authority land for filming, net of any related costs, are set aside to use on environmental improvement projects and other expenditure to benefit the National Park.

The Sustainable Development Fund £36k (2024/25 £36k).

Project Support £155k (2024/25 £155k). Established to fund additional demands and costs that may potentially arise on the implementation of time specific projects.

Local Development Plan Enquiry Reserve £40k (2025/26 £59k). The Authority is legally required to publish a Local Development Plan periodically. This involves extensive consultation and data collection, a public enquiry held by an external Planning Inspector and publication costs at intervals of 3-5 years. Funds were set aside each year to help fund these recurring costs.

Reserve provision for termination costs of temporary project officer posts £50k (2024/25 £50k). Established in recognition of the increasing proportion of employees who are temporarily employed for specific projects, to cover potential unfunded expenses incurred at termination of contracts. Reserve provision for Pooled Vehicle Replacement £60k (2024/25 £60k). This reserve is held to fund the future replacement of pooled vehicles. The aim is to add each year to the balance where funds are available.

In addition to the above the following reserves were created and have not changed since 2023/24; Peatland Project £30k, Nature Mission and Biodiversity Revenue Priorities Fund £72k, Knowledge Management Revenue Fund £17k. In 2024/25 a reserve of £150k was created to cover the repairs required to Keepers Pond under the Reservoirs Act 1975 enforced by Natural Resources Wales. These works are significant in nature, and the reserve has not been accessed in 2025/26.

NOTE 13: Unusable Reserves

Unusable Reserves are those that are restricted and cannot be used to finance the Authority's operational activities.
This is due to one of two reasons:

- They represent assets recognised in the accounts, but which are not readily available to support current spend
  or
- They represent future liabilities that will fall to the Authority in later years but under statute are not chargeable against the budget until they become due, e.g. pensions deficits.

	31 March 2025/26 £000	31 March 2024/25 £000
Revaluation Reserve	3,394	3,388
Capital Adjustment Account	7,397	6,767
Accumulated Absences Account	(117)	(112)
Pensions Reserve	0	0
Total	**10,674**	**10,043**

Revaluation Reserve
The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of service and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only net revaluation gains accumulated since it was established on 1 April 2007. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2025/26 £000	2024/25 £000
Balance at 1 April	**3,388**	**3,397**
Difference between fair value depreciation and historical cost depreciation	(9)	(9)
Revaluation in year	15	0
Amount written off to the Capital Adjustment Account	0	0
Balance at 31 March	**3,394**	**3,388**

Capital Adjustment Account
The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory

provisions. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and subsequent expenditure. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. The movement on the reserve during the year is as follows:

	2026 £000	2025 £000
Balance at 1 April	**6,767**	**6,243**
Adjustment		
Revised at 1 April	**6,767**	**6,243**
Capital funded items charged to the CIES		
Charges for depreciation and impairment of non-current assets	(440)	(426)
Amortisation of intangible assets	(6)	(6)
Subtotal	(446)	(432)
Values released from revaluation reserve		
Depreciation costs funded from revaluation reserve	9	9
Revaluations Charged to Capital Adjustment Account	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(27)	(81)
Net costs of non-current assets used in year	**(464)**	**(504)**
Capital financing applied in the year		
Use of capital receipts reserve to finance capital expenditure	0	0
Capital grants and contributions from CIES	1,034*	972
Funding from the capital grants unapplied account	0	0
Use of Earmarked Reserved	0	0
Minimum Funding Requirement for Right of Use Assets	60	56
Subtotal	**1,094**	**1,028**
Balance at 31 March	**7,397**	**6,767**

** adjusted for rounding*

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid. During the year the Pension Reserve remained at a nil balance. A further explanation of the movement is provided in Note 30.

	2025/26 £000	2024/25 £000
Balance at 1 April	**0**	**0**
Actuarial gains/(losses) on funded pensions assets and liabilities	(210)	(20)
Adjustment for restriction of surplus	(10)	4,000
Interest	(20)	0
Past Service Cost	30	0
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(510)	(690)
Employer's pension contributions and direct payments to pensioners payable in the year	733	711
Effect of IAS 19 and IFRIC adjustment to negate Pension Asset	(13)	(4,001)
Balance at 31 March Surplus / (Deficit)	**0**	**0**

The Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement due but untaken at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2025/26 £000	2024/25 £000
Balance at 1 April	**(113)**	**(150)**
Settlement or cancellation of accrual made at the end of the preceding year	113	150
Amounts accrued at the end of the current year		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(117)	(113)
Balance at 31 March	**(117)**	**(113)**

NOTE 14: Property, plant and equipment

Movements in 2025/26	Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation:	5,995	1,172	3,287	1,571		22	12,047
At 1 April 2025							
Additions	27	145	815			46	1,033*
Valuation increases/(decreases) recognised in the Revaluation Reserve	15						15
Valuation increases/(decreases) recognised in the surplus/deficit on the provision of services*							
De-recognition (disposals and write-offs)		-36					-36
Transfers (assets re-classified)							
At 31 March 2026	**6,037**	**1,281**	**4,102**	**1,571**		**68**	**13,059**
Accumulated depreciation and Impairment							
At 1 April 2025	38	607	1,044	270			1,959
Less accumulated depreciation written out on revaluation/disposals	1	-9					-8
Depreciation written out to the surplus/deficit on the provision of services	43	154	178	64			439
Total depreciation charge for the year	**44**	**145**	**178**	**64**			**431**
At 31 March 2026	82	752	1,222	334			2,390
Net Book Value							
At 31 March 2025	***5,957***	***565***	***2,243***	***1,302***		***22***	***10,089***
At 31 March 2026	***5,955***	***529***	***2,880***	***1,237***		***68***	***10,669***

** adjusted for rounding*

Movements in 2024/25	**Land and Buildings £000**	**Vehicles, Plant, Furniture and Equipment £000**	**Infrastructure Assets £000**	**Community Assets £000**	**Surplus Assets £000**	**Assets under Construction £000**	**Total Property, Plant and Equipment £000**
Cost or Valuation:	5,717	1,104	2,774	1,570		65	11,230
At 1 April 2024							
Additions	277	161	514			22	974
Valuation increases/(decreases) recognised in the Revaluation Reserve							
Valuation increases/(decreases) recognised in the surplus/deficit on the provision of services*							
De-recognition (disposals and write-offs)		-94				-65	-159
Transfers (assets re-classified)							
At 31 March 2025	5,994	1,171	3,288	1,570		22	12,045
Accumulated depreciation and Impairment							
At 1 April 2024	2	524	879	204			1,609
Less accumulated depreciation written out on revaluation/disposals		-78					-78
Depreciation written out to the surplus/deficit on the provision of services	35	160	166	64			425
Total depreciation charge for the year	35	82	166	64			347
At 31 March 2025	37	606	1,045	268			1,956
Net Book Value							
At 31 March 2024	**5,715**	**580**	**1,896**	**1,366**		**65**	**9,621**
At 31 March 2025	***5,957***	***565***	***2,243***	***1,302***		***22***	***10,089***
Net Book Value							
At 31 March 2023	5,561	521	1,457	1,430	0	*143*	9,112
At 31 March 2024	5,715	*580*	*1,895*	*1.366*	*0*	*65*	*9,621*

Asset Valuations as at 31 March 2026

The 2025-26 CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code') introduced a significant change to the accounting treatment of non-investment assets. The principal change requires the Authority to revalue fixed assets once every five years and to apply the indexation valuation method in the four intervening years. Further, that intangible asset to be valued on the historical basis removing the revaluation method, and clarification that full revaluations should not automatically be used to evidence the absence of material impairment. The change in the Code of Practice came into effect from the 1st April 2025 however the application of indexation was carried out as at the balance sheet date i.e. 31st March 2026. The valuation of each property was on the bases and assumptions:

- For Owner Occupied non specialist property plant and equipment: Valued to Existing Use Value assuming that the property would continue in existing use.
- For Owner Occupied specialist property, plant and equipment: Valued to Existing Use Value using Depreciated Replacement Cost assuming that the properties would continue in existing use or
- For investment Properties: Valued to Fair Value assuming that the properties would be sold subject to any existing leases

Gross Value as at last valuation	**Land and Buildings £000**	**Vehicles, Furniture, Plant and Equipment £000**	**Infrastructure Assets £000**	**Community Assets £000**	**Surplus Assets £000**	**Assets under Construction £000**	**TOTAL £000**
Carried at historic cost		1,281	4,102	1,571		68	7,022
Valued at fair value as at 31 March 2026	6,038						6,038
TOTAL	**6,038**	**1,281**	**4,102**	**1,571**		**68**	**13,060**

See also Note 4 in relation to uncertainty affecting asset values.

Depreciation: All assets except land are depreciated, in line with the Authority's Statement of Accounting Policies.

Capital Commitments: As at 31 March 2026 the Authority had £55,241 (£377,084 at 31 March 2025) of capital commitments.

Right of Use Assets

Following the adoption of IFRS 16 for the 2024/25 financial year the Authority had two operating leases, the Head Quarters and Ffrwdgrech Depot, which were considered to fall under the standard as Right of Use assets. An additional lease was entered into in 202526 for vehicles. These are summarised below:

	Balance 1 April 2025 £000	Additions £000	Reclassifications £000	Disposals £000	In year Depreciation £000	Balance 31 March 2026 £000
Cost	81	268	0	0	0	349
Depreciation	0	0	0	0	(74)	(74)
Net	**81**	**267**	**0**	**0**	**(74)**	**275**

The weighted average of the incremental borrowing rates used to discount liabilities was 5.48%.

NOTE 15: Intangible Assets

	2025/26 £000	2024/25 £000
Balance at start of year		
Gross Carrying amounts	71	71
Less carrying amount of de-recognised asset		
Balance at start of year	**71**	**71**
Accumulated amortisation	53	46
Less Accumulated amortisation on de-recognised asset		
Net Amortisation at start of year	**53**	**46**
Net carrying amount at start of year	**18**	**25**
Additions – Purchases		
Intangible Assets under construction transferred to Intangible Assets		
Amortisation for the period	(6)	(6)
Net carrying amount at end of year	**12**	**19**

NOTE 16: Impairment Losses

The CIPFA Code of Practice requires the Authority to disclose any impairment losses or reversals charged to the Surplus or Deficit on the Provision of services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Notes 14 and 15, reconciling the movement in the year in the Property, Plant and Equipment and Intangible Asset balances.

There were no impairments identified during 2025/26 (none in 2024/25). Land and Buildings were revalued as at 31 March 2026 and their asset lives reassessed. Any changes to asset lives have been taken into account when calculating depreciation.

NOTE 17: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. If capital expenditure were to be financed in future years by charges to revenue as assets were used by the Authority, the expenditure would require a calculation of the Capital Financing Requirement. As the Authority is currently debt-free, this calculation is not required.

	2025/26 £000	**2024/25 £000**
Opening capital financing requirement	-	-
Capital investment Expenditure on capital assets		
Property, Plant and Equipment	988	952
Assets under construction	46	22
Right of Use Assets	267	133
	1,301	**1,107**
Less: Sources of finance		
Transfer from Capital Grants Unapplied Account	-	-
Government grants and other contributions applied	(1,034)	(974)
Capital Receipts applied	-	-
Legacy Funds	-	-
Revenue contributions	(267)	(133)
Closing Capital Financing Requirement	**0**	**0**

NOTE 18: Inventories

	2025/26 £000	2024/25 £000
Opening Inventories	**56**	**58**
Purchases	105	90
Stock Write Adjustments	18	2
Recognised as an expense in the year	(100)	(94)
Closing Inventories	**79**	**56**

NOTE 19: Short-Term Debtors

	31 March 2026 £000	31 March 2025 £000
Debtors falling due in less than one year		
Central Government Bodies	1,270	940
Other Local Authorities	126	428
Other	648	190
Total Short-Term Debtors	**2,044**	**1,558**

NOTE 20: Cash and Cash Equivalents

	31 March 2026 £000	31 March 2025 £000
Cash held by the Authority	2	2
Bank Current Accounts	6,467	6,038
Total	**6,469**	**6,040**

NOTE 21: Creditors:

falling due in less than one year

	31 March 2026 £000	31 March 2025 £000
Central Government Bodies	3,566	3,390
Local Authorities	183	119
Other Entities and Individuals	2,082	1,181
Total	**5,831**	**4,690**

falling due in more than one year

	31 March 2026 £000	31 March 2025 £000
Other Entities and Individuals	178	20
Total	**178**	**20**

NOTE 22: Cash Flow Statement: Operating Activities

	2025/26 £000	2024/25 £000
Adjustment for non-cash movements	(283)	(394)
Increase/(decrease) in Inventories	23	1
Increase/(decrease) in Short Term Debtors	(75)	423
(Increase)/decrease in Short Term Creditors	117	(1,063)
(Increase)/decrease in Long Term Creditors	(158)	(20)
(Increase)/decrease in Provisions	0	0
Movement in Pension Liability	223	0
Capital Grants included in the CIES	1,034	972
Other non-cash movements	0	0
Adjustments to net surplus or deficit on the provision of services for non-cash movements	**881**	**(81)**

NOTE 23: Cash Flow Statement - Investing Activities

	2025/26 £000	2024/25 £000
Purchase of property, plant and equipment and intangible assets	982	352
Proceeds from the sale of property, plant and equipment and intangible assets	0	(31)
Other receipts from investing activities (Capital Grants)	(1,674)	(701)
Purchase of Right of use Assets	58	57
Net cash flows from investing activities	**(634)**	**(323)**

NOTE 24: Cash Flow Statement - Financing Activities

	2025/26 £000	2024/25 £000
Purchase of Right of use Assets	4	6
Net cash flows from Financing activities	**4**	**6**

NOTE 25: Members' Allowances

The Authority paid the following amounts to members of the Authority during the year:

	2025/26 £000	2024/25 £000
Allowances	121	123
Expenses	1	1
Total	**122**	**124**

NOTE 26: Officers' Remuneration and termination benefits

The remuneration paid to the Authority's senior employees is as follows:

2025/26	Salary	Taxable Expenses	Employer's Pension	Total
	£000	£000	£000	£000
Chief Executive	95	0	19	**114**
Director of Nature Recovery and Climate Change	78	0	16	**94**
Director of Planning & Place	77	0	15	**92**
Chief Finance Officer	64	0	13	**77**

2024/25	Salary	Taxable Expenses	Employer's Pension	Total
	£000	£000	£000	£000
Chief Executive	92	0	18	**110**
Director of Nature Recovery and Climate Change	74	0	15	**89**
Director of Planning & Place	73	0	15	**88**
Chief Legal Officer*	50	0	10	**60**
Chief Finance Officer	65	0	13	**78**

There were four senior employees receiving remuneration of more than £60,000 per annum in 2025/26 (five in 2024/25). The Chief Legal Officer left employment with the Authority on 25th November 2024.The annual salary of the Chief Executive as a multiple of the median salary of an Authority employee of £36,363 is 2.61, (2.67 in 2024/25 of the median salary of £34,314).

Termination Benefits

In 2025/26 the Authority did not pay any termination benefits as there were no redundancies, nor in 2024/25.

NOTE 27: External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections provided by the Authority's external auditors.

Fees payable to Audit Wales, external auditors:	2025/26 £000 (expected)	2024/25 £000 (expected)
Financial Audit	44	41
Performance Audit	23	24
Total	**67**	**65**

NOTE 28: Related Parties

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. This includes any significant pecuniary interests and the need for members/senior officers to make any relevant declarations re their close family Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government
The Welsh Government has effective control over the general operations of the Authority providing most of its funding in the form of grants and by determining the total Levy which the Authority may make on its Constituent Local Authorities. It also sets objectives for the Authority by means of the Memorandum of Understanding and the annual Strategic Grant Letter. The Authority's operations and management are also controlled by a statutory framework encompassing a range of legislation which includes a definition of its statutory purposes and duty. Government grant receipts in the years to 31 March 2025 and 2026 are included in Note 9.

Members
The 18 Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2024/25 and in 2025/26 is shown in Note 25. Where members are personally affected by decisions made by the Authority, they are required to declare an interest and refrain from taking part in those decisions and discussions relating to them. Details of members' interests are recorded in the Register of Members' Interests, available on the Authority's website, together with further details of expenses if paid to Members for the year. No material transactions between the Authority and parties where Members were in a position of joint control or influence, other than those referred to elsewhere in this note, were identified.

Other Public Bodies
The Constituent Local Authorities, within whose boundaries the Authority's own boundary runs, contribute to the finances of the Authority by means of a statutory levy, determined by the Welsh Government. Each of these authorities provides a number of Councillors to serve as members of the National Park Authority, broadly in proportion to the size of the levy they contribute and their area within the National Park. Grants for specific purposes are also received from or via local authorities and the total of these is shown in Note 9.

Senior Management
The Chief Executive and senior management of the Authority are in a position to influence the Authority's policies and allocation of its resources. Payments to senior

officers with a remuneration of greater than £60,000 per annum are identified in Note 26. All staff are required to declare gifts and hospitality received.

Entities Controlled or Significantly Influenced by the Authority

The Authority gives grants for specific purposes to organisations under the Sustainable Development Fund Grant Scheme, but it is not considered that the Authority has control, joint control or significant influence over the entities assisted.

The Authority made a payment to Mid Wales CJC for £6,700, during the year, whilst an Authority Member was holding a member role in the recipient's Board.
During the financial year two Authority Members were also professionally related to the 1st Brecon Scout Group, a group that received £4,257 from the Authority.
Other 3rd party payments in relation to Members of the Authority during the year were: Friends of Hay Swimming Pool - £1,945, Gilwern Community Hall - £800, National Trust - £384, Talgarth festival £2,050, WLGA annual conference - £150.
Finally, two payments via the Ffermio Bro grant; £5,000 and £14,785, were made to two separate committee members. One of these members holds an interest in Crai Community Council, who received £5,080 from the Authority for Crai phone box and a further payment for National Forest River of £11,284.

A payment of £2,233 was made during the year to the Canal and River Trust for the rental of facilities and associated costs, where the Director of Planning and Place is a voluntary Board Member.

The Authority paid the Beacons Water Group a total of £33,903 during 2025/26; £21,013 for work on the Usk Catchment Project and £12,890 via the LNP Connector grant. One member of staff has a relative who is a director of Beacons Water Group.
A payment of £24,799 was made during the year to Stump up for Trees, a trustee of this organisation is related to a member of staff.
R.J.T Roderick, who is a relative of a staff member, also received £350 for training, and a grant for the Curlew Connections Project for £50.
A further payment of £13,577 was also paid to R.J.T Roderick's farm, as part of the Ffermio Bro grant, whilst a member of staff is also a partner in the farm.

The Authority's Section 151 Officer is also the S151 Officer at Pembrokeshire Coast National Park Authority. The Authorities exchange several services between themselves, but the Section 151 Officer is not directly involved in these arrangements.

NOTE 29: Leases

Right of Use Assets: After the adoption of IFRS 16 for 2024/25 the Authority currently has following financial leases obligations:

Total Commitments Under Right of Use Assets	31 March 2026 £000		31 March 2025 £000	
Payments within 1 year				
Buildings	34		62	
Vehicles	83		0	
Total		117		62
Payments 2-5 years				
Buildings	1		17	
Vehicles	83		0	
Total		99		17
Payments after 5 years		**0**		
Total Commitments		**216**		**79**

Operating Leases: After the adoption of IFRS 16 for 2024/25 the Authority currently has following operating leases obligations:

Total Commitments Under Operating Leases	31 March 2026 £000		31 March 2025 £000	
Payments within 1 year				
Buildings	0	0	0	
Vehicles	0	0	3	
Total				3
Payments 2-5 years				
Buildings	0	0	0	
Vehicles	0	0	0	
Total				0
Payments after 5 years				**0**
Total Commitments				**3**

The Authority as Lessor

Finance Leases: The Authority does not lease out property under terms which would be classified as finance leases under the terms of the current CIPFA Code of Practice. (Nor in 2024/25)

Operating Leases: The Authority leases out parts of its premises at the Craig y Nos Country Park and the National Park Visitor Centre to catering providers and small businesses. The minimum amount receivable from the first group of tenants is estimated to be £20,000 within 1 year. Several small businesses currently lease premises at Craig y Nos Country Park on a rolling monthly basis.

NOTE 30: Defined Benefit Pension Schemes

Introduction

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not be payable until employees retire, the Authority has a commitment to make the payments that must be disclosed at the time when employees earn their future entitlement. In accordance with International Accounting Standards, disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required in relation to future amounts.

The disclosures that follow relate to the funded liabilities within the Powys County Council Pension Fund ("the Fund") which is part of the Local Government Pension Scheme (the "LGPS"). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a career average revalued earnings scheme. Details of the benefits to be paid for the period covered by this disclosure are set out in the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

Unfunded pension arrangements arise from termination benefits paid on a discretionary basis upon early retirement in respect of a member of the LGPS. Brecon Beacons National Park Authority recognises gains and losses in full, immediately through Other Comprehensive Income and Expenditure.

The 2025 triennial actuarial valuation of the LGPS (England, Wales and Northern Ireland) was carried out as at 31 March 2025 and was concluded over the accounting period. The valuation report was signed at the end of March 2026, and new contributions came into effect from 1 April 2026. The standard approach for employer accounting for years ending on/after 31 March 2026 is to prepare figures using the results of the 2025 valuation (or commencement date if later). There is an experience gain or loss on assets and liabilities over this accounting period (charged to Other Comprehensive Income) due to updating to the results of the new valuation.

There is no further liability in relation to unfunded benefits as of 2025/26 and no disclosure is made in relation to unfunded benefits in the year of account.

Funding and Governance Arrangements of the LGPS

The funded nature of the LGPS requires Brecon Beacons National Park Authority and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was 31 March 2025 and the contributions to be paid until 31 March 2027 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. To calculate the level of contributions required to meet its share of the Fund's liabilities and to obtain the disclosures and calculations required to complete the annual Statement of Accounts, the Authority uses the services of a qualified actuary: AON Solutions UK Limited. The Fund Administering Authority, Powys County Council is responsible for the management of the Fund.

Key Assumptions

	31 March 2026 (% per annum)	31 March 2025 (% per annum)
Discount rate	6.2	5.8
CPI Inflation	2.8	2.5
Pension Increases	2.8	2.5
Pension Accounts revaluation rate	2.8	2.5
Salary increases	4.3	4.0

Mortality assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2025 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

Post-retirement mortality (retirement in normal health)	**31 March 2026 (years)**	**31 March 2025 (years)**
Males		
Member aged 65 at accounting date	22.3	21.9
Member aged 45 at accounting date	22.9	22.5
Females		
Member aged 65 at accounting date	24.9	24.5
Member aged 45 at accounting date	26.0	25.5

Assets

The assets allocated to the Employer in the fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a

consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures split by quoted and unquoted investments.
The Administering Authority may invest in a small proportion of the Fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.

Asset allocation

	Value at 31/3/2026 %			Value at 31/3/2025
	Quoted	**Unquoted**	**Total**	**Total**
Equities	40.9%	7.2%	48.1%	49.5%
Property	5.2%	0.0%	5.2%	5.8%
Government Bonds	11.8%	0.0%	11.8%	12.7%
Corporate Bonds	0.0%	0.0%	0.0%	0.0%
Multi Asset Credit	6.8%	0.0%	6.8%	7.4%
Cash	1.3%	0.0%	1.3%	0.6%
Other	15%	11.8%	26.8%	24.0%
Total	**81%**	**19%**	**100.0**	**100.0**

Reconciliation of funded status to Balance Sheet

	Value as at 31 March 2026	Value as at 31 March 2025
	£m	**£m**
Fair value of assets	31.80	29.65
Present value of funded defined benefit obligation	(26.65)	(24.49)
Cumulative IAS 19 and IFRIC 14 Adjustment	(5.15)	(5.16)
Pension asset/(liability) recognised on the Balance Sheet	**0**	**0**

The Pension Fund liabilities increased from £24.5m as at March 2025 to £26.65m at the end of March 2026 and was due to an increase in the discount rate by 0.4%, the CPI inflation assumption increase by 0.3% and salary increase assumptions by 0.3%. Further, past service cost includes £0.03M relating to the additional expected liabilities due to the equalisation of survivor benefits (Goodwin ruling).

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgement was appealed in June 2024, but the appeal was dismissed. For the Local Government Pension Scheme, GAD do not believe that there are any absent actuarial confirmations. Therefore, they do not expect any liability changes to arise following this judgement. GAD will confirm that actuarial confirmations are available in due course

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active Members	35%
Deferred Pensioners	23%
Pensioners	42%

Breakdown of amounts recognised in CIES (deficit on the Provision of Services) and Other Comprehensive Income and Expenditure

	Period ending 31 March 2026	**Period ending 31 March 2025**
	£m	**£m**
Operating Cost		
Current service cost (1)	0.51	0.71
Past service cost (incl curtailments)	0.03	0.00
Financing Cost		
Interest on net defined benefit liability	(0.32)	(0.07)
Interest on unrecognised Asset	0.30	0.05
Pension expense recognised in the deficit on provision of services	**0.52**	**0.69**
Re measurements in Other Comprehensive Income and Expenditure		
Return on plan assets (in excess of)/below that recognised in net interest.	(0.59)	0.94
Actuarial (gains)/losses due to changes in financial assumptions	(0.33)	(4.76)

Actuarial (gains)/losses due to changes in demographic assumptions	0.36	(0.21)
Actuarial (gains)/losses due to changes in liability experience	1.08	0.05
Adjustment loss (gain) due to restrictions of surplus	(0.31)	4.00
Total Amount Recognised in Other Comprehensive Income and Expenditure (2)	**0.21**	**0.02**
Total Amount Recognised	**0.73**	**0.71**

Changes to the present value of the defined benefit obligation

	Period ending 31 March 2026	**Period ending 31 March 2025**
	£m	**£m**
Opening defined benefit obligation	**24.49**	**28.04**
Current service cost	0.51	0.71
Interest expense on defined benefit obligation	1.40	1.33
Contributions by participants	0.24	0.23
Actuarial (gains)/losses due to changes in financial assumptions	(0.33)	(4.76)
Actuarial (gains)/losses due to changes in demographic assumptions	0.36	(0.21)
Actuarial (gains)/losses due to liability experience	1.08	0.05
Net benefits paid out	(1.13)	(0.90)
Past service curtailments	0.03	0.00
Closing defined benefit obligation	**26.65**	**24.49**

Changes to the fair value of assets	Period ending 31 March 2026 £m	Period ending 31 March 2025 £m
Opening fair value of assets	**29.65**	**29.15**
Interest Income on assets	1.72	1.4
Re-measurement gains/(losses) on assets	0.59	(0.94)
Contributions by the employer	0.73	0.71
Contributions by participants	0.24	0.23
Net benefits paid out	(1.13)	(0.90)
Closing fair value of assets	**31.80**	**29.65**

Actual return on assets	Period ending 31 March 2026 £m's	Period ending 31 March 2025 £m's
Interest Income on assets	1.72	1.40
Re-measurement gains/(losses) on assets	0.59	(0.94)
Actual return on assets	**2.31**	**0.46**

Risks associated with the fund in relation to accounting Asset volatility
The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform, this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which are expected to outperform corporate bonds in the long term, but creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield
A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

Inflation risk
The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

Life Expectancy
The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increase in life expectancy will result in an increase in the liabilities.

Exiting employers

An employer who leaves the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment, the liability may in certain circumstances fall on the other employers in the Fund. Further, the assets at exit in respect of 'orphan' liabilities' may in retrospect not be sufficient to meet the liabilities. This risk may also fall on other employers in the Fund. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation at 31 March 2026 and the projected service cost for the period ending 31 March 2027 is set out below. In each case only the assumption mentioned is altered; all other assumptions remain the same and are summarised in Section 1.

Discount Rate Assumption Adjustment to discount rate	**+0.1% p.a.**	**Base Figure**	**-0.1% p.a.**
Present value of total obligation (£m)	26.28	26.65	27.02
% Change in present value of total obligation	-1.40		1.40
Projected service cost (£m)	0.51	0.53	0.55
Approximate % change in projected service cost	-4.3		4.4
Rate of general Increases in salaries Adjustment to salary increase rate	**+0.1% p.a.**	**Base Figure**	**-0.1% p.a.**
Present value of total obligation (£m)	26.68	26.65	26.62
% Change in present value of total obligation	0.1		-0.1
Projected service cost (£m)	0.53	0.53	0.53
Approximate % change in projected service cost	0.0		0.0
Rate of increase to pensions in payment and rate of revaluation of pension accounts Adjustment to pension increase rate	**+0.1% p.a.**	**Base Figure**	**-0.1% p.a.**
Present value of total obligation (£m)	27.00	26.65	26.30
% Change in present value of total obligation	1.3		-1.3
Projected service cost (£m)	0.55	0.53	0.51
Approximate % change in projected service cost	4.4		-4.3

Post retirement mortality assumption Adjustment to mortality age rating assumption*	-1 year	Base Figure	+ 1 year
Present value of total obligation (£m)	27.24	26.65	26.06
% change in present value of total obligation	2.2		-2.2
Projected service cost (£m)	0.55	0.53	0.51
	3.5		-3.5
'* a rating of + 1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them			

Estimated pension expense in future periods	Period ending 31 March 2027 £m's	Period ending 31 March 2028 £m's
Current service cost	0.53	0.55
Interest on net defined benefit liability/(asset)	(0.02)	(0.02)
Total estimated pension expense	**0.51**	**0.53**
Allowance for admin expenses included in current service cost	0.07	0.07
Estimated pensionable payroll over the period:	3.82	3.99

Contributions for the period ending 31 March 2027:

The Authority's regular contributions to the Fund for the accounting period to 31st March 2027 are estimated to be £630,000. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period. The duration of funded liabilities is 14.3 years.

NOTE 31: Nature and Extent of Risks Arising from Financial Instruments

The Authority has no financial instruments of its own, but its activities expose it to three principal financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Authority because of changes in such measures as interest rates and stock market movements.

The Authority, being debt-free and placing its surplus funds, in accordance with its Treasury Management Strategy, in instantly accessible accounts or on short-term deposit, with a bank which has a very high credit rating has minimised its exposure to the risk of failure by another party to repay funds deposited.

The risk of losses from the failure of customers to pay the Authority is minimised through the Authority's debt management procedures. The majority by value of the Authority's debtors are other public bodies which are considered to have good credit ratings. (See Note 19: Short-Term Debtors).

As the Authority has funds in a mixture of immediately accessible bank accounts, short-term deposits and fixed notice accounts it has some limited exposure to liquidity risk. Interest rates and cash balances are regularly reviewed, and consideration given to placing further funds on deposit should interest rates become more favourable.

The Authority is not exposed to market risk except in relation to its share of the Powys Pension Fund. See Note 30 for further details.

NOTE 32: Contingent Liabilities

There were no contingent liabilities as of the 31st March 2026, nor 31st March 2025.

GLOSSARY OF TERMS

ACCRUALS: The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

CAPITAL CHARGE: A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of service.

CAPITAL EXPENDITURE: Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS: Proceeds of not less £10,000 from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

COMMUNITY ASSETS: Assets that the authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal.

CONTINGENT LIABILITIES/ASSETS: These arise from a past event which is dependent upon future uncertain events and timing prior to being recognised in the accounts.

DEFINED BENEFIT SCHEME: A pension scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

FINANCE LEASE: A lease that transfers all of the risk and rewards of ownership of a fixed asset to the lessee.

FIXED ASSETS: Tangible assets that yield benefits to the authority and the services it provides for a period of more than one year.

INDEXATION: An accounting adjustment to the value of Fixed Assets in between full and desktop revaluations. Based on suitable indices for the asset type.

OPERATING LEASE: A lease other than a finance lease. These assets are referred to as Right of Use Assets.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE: Expenditure classified as capital for funding purposes but which does not result in the expenditure being carried on the balance sheet as a fixed asset. These items are generally grants and expenditure on property not owned by the Authority.

USEFUL LIFE: The period over which the authority will derive benefits from the use of a fixed asset.

ABBREVIATIONS:

CIPFA Chartered Institute of Public Finance and Accountancy

LASAAC Local Authority (Scotland) Accounts Advisory Committee

IFRS International Financial Reporting Standard IAS International Accounting Standard

AWDURDOD PARC CENEDLAETHOL BANNAU BRYCHEINIOG BANNAU BRYCHEINIOG NATIONAL PARK AUTHORITY DRAFT ANNUAL GOVERNANCE STATEMENT 2025-26

Executive Summary

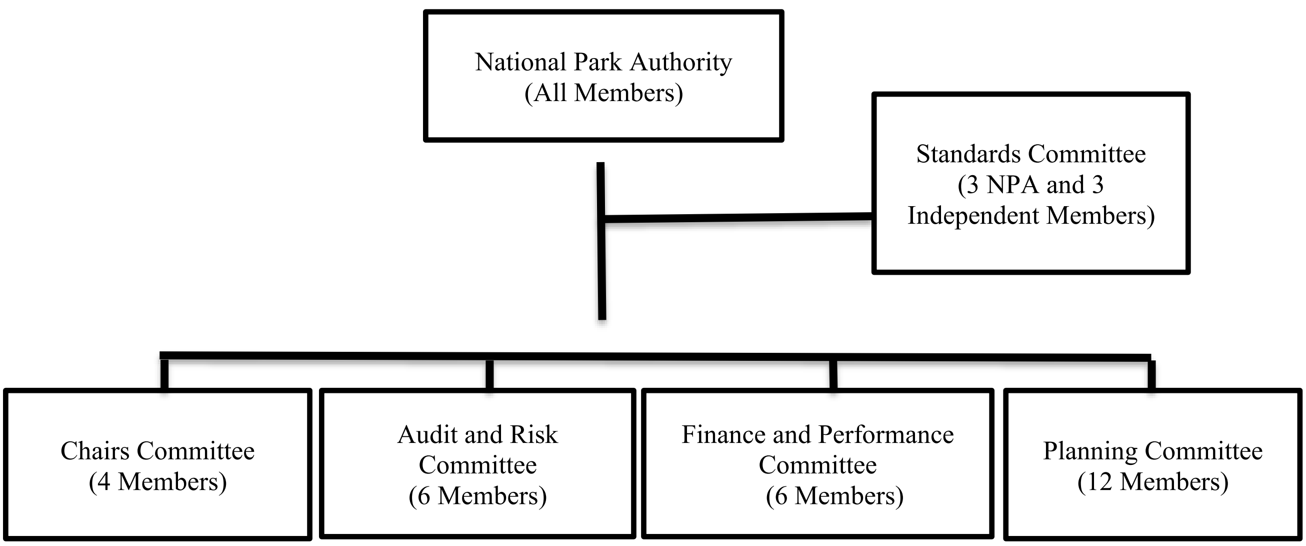
Bannau Brycheiniog (Brecon Beacons) National Park Authority (BBNPA) as an organisation aspires to high standards of governance, behaviour and compliance through a partnership of members, officers, stakeholder organisations and individuals as outlined in its Code of Corporate Governance.

The Code of Corporate Governance incorporates the sustainable development principles, and the goals set out in the Well-being of Future Generations (Wales) Act 2015. Accordingly, our decision-making processes will ensure that we keep the following principles at the heart of planning and delivering our work in order to contribute to the Wellbeing Goals. Responsibility for a sound system of governance sits with the National Park Authority which comprises 18 members - 12 appointed from the seven constituent Local Authorities and six appointed by the Welsh Government:

Powys County Council	6	Merthyr Tydfil County Borough Council	1
Monmouthshire County Borough Council	1	Rhondda Cynon Taff County Borough Council	1
Torfaen County Borough Council	1	Carmarthenshire County Council	1
Blaenau Gwent County Borough Council	1	Welsh Government Appointed Members	6

In doing this, it commits to the seven principles of good governance defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Delivering Good Governance in Local Government Framework 2016. The Authority has decided to adopt the CIPFA Framework and Annual Governance Statement approach.

There is a clear definition of the roles of Members and Officers and a clear committee and decision-making structure



Overall opinion on the level of assurance and if fit for purpose

This consists of opinions from internal audit (TIAA), external audit (Audit Wales), and the Authority.

Head of Internal Audit Opinion

"TIAA is satisfied that, for the areas reviewed during the year, Bannau Brycheiniog National Park Authority has reasonable and effective risk management, control and governance processes in place. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Bannau Brycheiniog National Park Authority from its various sources of assurance."
TIAA BBNPA Annual Report 25/26 – Feb 2026

External Audit

In October 2025 the Chair of the Audit and Risk Committee wrote to Audit Wales requesting confirmation that the Auditor General's statutory recommendations made in 2021 be regarded as complete.

In response to this request, the Audit General agreed to review the position. In a letter issued 4th November 2025 the Auditor General confirmed that they *"do not think it is necessary or helpful to revisit the specific actions taken in response to the statutory recommendations of 2021 and recognise that the Authority has completed the actions it intended to undertake in response. We therefore now consider these specific statutory recommendations to be concluded."*

The Authority's Opinion

It is recognised that the Authority continues to face a number of significant risks that must be addressed to ensure sustained improvement. Two key challenges remain: financial position and organisational capacity. While the Authority has historically held comparatively high usable reserves, rising inflation, ongoing budget pressures, and a flat cash settlement from Welsh Government present a persistent challenge.

Organisational capacity also remains stretched, particularly as the Authority seeks to implement a programme of transformation and build the capacity needed to deliver its strategic objectives and become a Mission led organisation. Despite this, there is strong leadership, effective collaboration between Members and Officers, and a clear commitment to addressing these challenges. The Annual Plan highlights the importance of this year in developing the capacity needed to fully realise the ambitions of the National Park Management Plan. In March 2025, Members approved a shift to a three-year Corporate Plan (2025–28) aligned with the Management Plan timeline, signalling a more strategic and integrated approach to planning and delivery. While resources remain limited and staff continue to operate under pressure, organisational development work is underway. There is a shared determination across the Authority to broaden income streams, improve processes, and build the resilience needed for long-term sustainability.

Signature

Cllr Gareth Ratcliffe (Chair)
Date:

Richard Griffiths (Interim CEO)
Date:

Identification of key governance arrangements

There are a number of key systems, processes and policies within the Authority that provide a body of evidence required to support continuous assessment of the effectiveness of its governance arrangements.

The Authority has identified 24 assurance areas and how they relate to the key principles of Good Governance (CIPFA).

- Principle 1: behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Principle 2: ensuring openness and comprehensive stakeholder engagement.
- Principle 3: defining outcomes in terms of sustainable economic, social and environmental benefits.
- Principle 4: determining the interventions necessary to optimise the achievement of the intended outcomes.
- Principle 5: developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Principle 6: managing risks and performance through robust internal control and strong public financial management.
- Principle 7: implementing good practice in transparency, reporting, and audit to deliver effective accountability.

Service managers are required to take overall responsibility for delivering their services in line with the Code of Corporate Governance and are required to provide assurance statements for their areas of responsibility.

Service managers are also responsible for setting the Corporate Oversight Function, which is separate from frontline delivery and provides assurance on:

- Corporate Process in Place: the existence and currency of key policies and procedures.
- Effectiveness: the effectiveness of key policies and procedures.

	Corporate Process in Place	Effectiveness
	Substantial Assurance: policies and processes have been put in place, cover the requirements of the Code of Corporate Governance and are up to date.	***Substantial Assurance:*** policies and procedures are working effectively across the Authority.
	Reasonable Assurance: policies and processes have been put in place, cover the majority of the requirements of the Code of Corporate Governance.	***Reasonable Assurance:*** there may be some examples of ineffectiveness or lapses of compliance across the Authority, but not significant.
	Limited Assurance: policies and processes may be considered to be insufficiently robust, consistent or up to date.	***Limited Assurance:*** there are significant examples of ineffectiveness or lapses of compliance across the Authority which represent a risk to effectively meeting objectives.
	No Assurance: policies and procedures are absent or significantly lacking.	***No Assurance:*** policies and procedures are ineffective and there is evidence that this has significantly impacted on performance in meeting objectives.

Evaluation of the Effectiveness of Governance

Governance Area:	**Governance Framework**	
Definition:	The Authority will maintain a Code of Corporate Governance and associated Assurance Framework and will review its governance arrangements periodically.	
Key principle:	6 and 7	
Assurance Level	Corporate Process in Place	**Substantial**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has an established Code of Corporate Governance and a Governance Assurance Framework which together provide a structured approach to reviewing governance arrangements on a periodic basis. An Annual Governance Statement is prepared each year and published alongside the Statement of Accounts. The Code of Corporate Governance was revised and approved in September 2024, and the Governance Assurance Framework was approved in the same month, with associated processes drafted and implemented in January 2026. As part of the new assurance process, Service Manager Assurance Statements were completed and used to inform the drafting of the Annual Governance Statement for 2025/26. The revised framework has been applied to support a more robust review of governance effectiveness, including the monitoring of internal and external audit recommendations, which are reported quarterly to the Audit and Risk Committee through a consolidated Audit Recommendations Tracker. The Scheme of Delegation was reviewed and updated in March 2026, with Standing Orders last reviewed and updated in May 2025. In October 2025, the Chair of the Audit and Risk Committee formally requested confirmation from Audit Wales that the Auditor General's statutory recommendations made in 2021 could be regarded as complete, and this was confirmed by the Auditor General in correspondence dated 4 November 2025. An operating model is in place and has been functioning during 2025/26, with a review underway.

Further action required

Further actions include the delivery of Member and Officer refresher training on the Code of Corporate Governance during 2026 and the scheduled three-year review of the Code in September 2027. The Governance Assurance Framework review, originally due after twelve months, has been rescheduled to September 2026 to allow completion of the first full assurance cycle informing the Annual Governance Statement for 2025/26. A formal review of the assurance process will be undertaken following the drafting of the 2025/26 Annual Governance Statement, which is scheduled for consideration by the Audit and Risk Committee in June 2026. The Scheme of Delegation and Standing Orders remain subject to their standard three-year review cycle, and a full review of the operating model is planned to commence during 2026/27.

Governance Area:	**Legal Framework**
Definition:	The Authority has a legal framework (Constitution, Policy & Procedures) which sets outs the rules and procedures that are to be followed by Members and Officers. This details how the Authority will utilise its powers to the benefit of the community, whilst observing the requirements of legislation and general responsibilities placed on it.
Key principle:	1

Assurance Level	Corporate Process in Place	**Substantial**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has an established legal framework comprising Standing Orders, policies and procedures which set out the rules and processes to be followed by Members and Officers. This framework defines how the Authority exercises its powers for the benefit of the community while meeting legislative requirements and wider statutory responsibilities, with many elements grounded in legislation and established local government practice. An approved Scheme of Delegation is in place, clearly defining decision-making powers delegated to the Chief Executive, Directors, the Monitoring Officer and other authorised officers, and was updated in March 2026 to support efficient and lawful decision-making. Committee Terms of Reference are clearly defined, aligned with the Scheme of Delegation and operating as intended, providing reasonable assurance that committees understand their roles, exercise delegated powers appropriately and support transparent decision-making and effective Member scrutiny. Standing Orders were updated in May 2025 and provide a sound procedural framework for committee operation and Member decision-making, aligned with the Scheme of Delegation and applied consistently in practice, supported by transparent publication of agendas, reports and minutes. The Hybrid Committee Meeting Policy was reviewed by Chairs Working Group and Executive Board in March 2026 and sets out the arrangements for formal committee meetings, including publication of papers, attendance, participation and streaming. This is due to be presents to Members for approval in May 2026. Contract Standing Orders were updated and agreed in May 2025 and set out the rules governing procurement and contracting, including delegated authority and reporting requirements. The Monitoring Officer provides effective oversight and advice on legality, governance and compliance, supporting the operation of the Authority's legal framework, with the current appointment made in September 2025.

Further action required

Further action is focused on continuing to embed and periodically review Committee Terms of Reference to ensure they remain aligned with the Scheme of Delegation, committee structures and evolving governance arrangements, supported by ongoing Member induction and development. In addition, understanding of Standing Orders and the revised Scheme of Delegation will continue to be reinforced through Member and Officer induction and development, alongside periodic review to ensure ongoing alignment with committee structures and governance arrangements. The Hybrid Committee Meeting Policy is scheduled to be presented to Members for approval in May 2026.

Governance Area:	**Shared Values**	
Definition:	The Authority will ensure that its values are embedded within its Policies and Procedures and that there is an expectation that those who work with the Authority will respect these.	
Key principle:	1	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Limited**

Review of Effectiveness

Authority values are in place and continue to be embedded across the organisation. They are closely aligned with the Authority's missions and wellbeing goals, and the transition to becoming a mission-led organisation is a key corporate priority for the period 2025–2028. During quarters three and four of 2025/26, consultants were commissioned to undertake a review of staff alignment with values and behaviours, supporting the continued embedding of a positive, inclusive and respectful organisational culture.

The Strategic Equality Plan was reviewed and updated in quarter three of 2025/26. It sets out how the Authority meets its statutory duties under the Equality Act 2010 and provides a clear framework to ensure that services are delivered fairly across all communities, user groups, businesses and visitors. The Authority remains committed to promoting diversity, inclusion and equality of access, and to eliminating inequalities across all areas of its work.

The Authority's Management Plan defines the wellbeing goals, supported by a Wellbeing Group that meets regularly to consider staff wellbeing and practical initiatives to support morale. Monthly Inform and Inspire sessions further support engagement, communication and wellbeing across the organisation.

An approved Code of Conduct for Employees is in place, setting out expected standards of behaviour and conduct and supporting the Authority's values in day-to-day activity. Compliance monitoring indicates generally strong adherence. Arrangements are also in place requiring Members to observe the Members' Code of Conduct, supported by declarations, Monitoring Officer oversight and training, with compliance remaining consistently strong.
Wellbeing values and behaviours have been defined and promoted, informed by external consultancy work undertaken in 2025/26. An Unreasonable Behaviour Policy is in place to define acceptable and unacceptable behaviour and to support staff and Members when dealing with challenging situations. Staff awareness is supported through briefings, and incidents are recorded using SharePoint logs. The Operating Model further supports the embedding of shared values by clarifying expectations around leadership, behaviours, decision-making and ways of working.

Further action required

Further action includes reviewing and updating the Officer Code of Conduct, introducing an annual refresher briefing for Members to strengthen awareness and understanding of conduct expectations, and improving the visibility of wellbeing values and behaviours through strengthened internal communications. Additional actions include embedding wellbeing behaviours within induction and PDR guidance, strengthening training on managing challenging behaviour, rolling out an updated PDR process alongside the new HR system in 2026/27 to reinforce the link between mission delivery and individual performance, and completing the planned review of the Operating Model in 2026, supported by leadership development activity.

Governance Area:	**Policy Framework**	
Definition:	The Authority will develop and produce Corporate and Service Plans and maintain effective policies, strategies and procedures to ensure effective delivery of its objectives.	
Key principle:	3, 4 and 5	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Limited**

Review of Effectiveness

The overarching policy framework for the National Park is set out in Dyfodyl y Bannau, the National Park Management Plan, which is in place and due to be reviewed in 2027/28. Corporate priorities for the period 2025–2028 were agreed in March 2025, moving away from an annual planning cycle to a three-year Corporate Plan aligned to the timescales of the Management Plan. These priorities focus on the key areas the Authority needs to progress to support delivery of Dyfodyl y Bannau, with progress reported quarterly to the Finance and Performance Committee and more substantial updates provided annually to the Authority. The corporate priorities also recognise the importance of developing organisational capacity to support delivery of the Management Plan. The Authority has an adopted Local Development Plan, and in March 2025 agreed the publication of a draft

Delivery Agreement for the replacement LDP for public consultation. The preparation of the replacement LDP will require significant resourcing in terms of time and funding, with additional mitigation provided through place-based planning approaches, including the development of place plans such as the Crickhowell Place Plan, which was presented to the Authority during the year. An internal steering group is in place to advise the Executive Board and Chairs Committee on progress with the replacement Local Development Plan. Corporate planning and reporting arrangements are aligned with statutory requirements and strategic priorities, with corporate priority progress reported quarterly. Records management, data protection and information governance policies are in place and were updated during 2025/26, with mandatory Data Protection Officer training delivered to all officers in February 2026.

Further action required

Further action is required to ensure that alignment of work programmes with the policy framework is fully embedded across the organisation. This includes consideration of reinstating a policy post within the corporate centre to provide additional capacity and coordination, an approach reinforced by external feedback received over the past year. Additional actions include strengthening corporate performance management and reporting arrangements, supported by the appointment of a Performance, Compliance and Risk Manager in late 2025/26, developing clearer outcome-based measures and reinstating key performance indicators aligned to the Management Plan. Further work is also required to address overdue service-specific policy reviews through improved monitoring and automated review reminders, and to strengthen records management and retention practices across the Authority.

Governance Area:	**Decision Making, Delegation of Duties, Roles and Responsibilities**	
Definition:	The Authority will effectively evidence and record decisions made in connection with the discharge of its functions and publish those appropriately. The Authority is clear about the roles and responsibility of Members to plan, run, monitor and develop Authority business, and Officers to effectively deliver Services and optimise the use of the full powers available for the benefit of the Park, citizens, communities and other stakeholders.	
Key principle:	1, 6 and 7	
Assurance Level	Corporate Process in Place	**Substantial**
	Effectiveness	**Reasonable**

Review of Effectiveness

All agendas and minutes are published online to evidence and record decisions made in connection with the discharge of the Authority's functions and to ensure transparency and appropriate public access. The Authority is clear about the respective roles and responsibilities of Members and Officers, with Members responsible for planning, running, monitoring and developing Authority business, and Officers responsible for delivering services effectively and maximising the use of the Authority's powers for the benefit of the National Park, citizens, communities and stakeholders. The Operating Model was approved by Members on 1 December 2023 and sets out, at a strategic level, how information and decision-making flows between the National Park Authority, its Committees and Officers, in line with the Scheme of Delegation, supporting a shared understanding of governance arrangements. Members undertook a Board effectiveness review in 2025, with the Chairs Committee Working Group overseeing implementation of the findings, and all Members have received training appropriate to their roles. The Scheme of Delegation was reviewed and updated in March 2026, and Standing Orders were reviewed and updated in May 2025, with training delivered to Members and Officers. The current Monitoring Officer and Data Protection Officer were appointed by the Authority in September 2025, and the statutory roles of Head of Paid Service, Section 151 Officer and Monitoring Officer are all in place. Committee report templates were reviewed and updated between January and March 2026 to support consistent and effective decision-making.

Further action required

Further action includes reviewing Standing Orders in 2027 to incorporate Internal Audit recommendations, undertaking the next review of the Scheme of Delegation in 2028, and reviewing the Operating Model Charter by November 2026 to ensure it continues to support effective governance and collaborative working. Additional actions include providing refresher training for existing Members in 2026, reviewing the Member/Officer Protocol to strengthen clarity around informal decision-making, and mandating the use of updated committee report templates from 1 April 2026, supported by publication on the staff portal and reinforcement of consistent use across the organisation.

Governance Area:	**Internal Audit, Audit & Risk Committee and Member Scrutiny**	
Definition:	The Authority will maintain an effective internal audit function in line with the Public Sector Internal Audit Standards. The Authority will maintain an effective Audit and Risk Committee, which operates in compliance with CIFPA guidance. The Authority will ensure constructive challenge and debate on policies, performance and decision making.	
Key principle:	6 and 7	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority maintains a comprehensive governance framework that supports effective Internal Audit arrangements, Audit and Risk Committee oversight and Member scrutiny. Independent Internal Audit operates in accordance with CIPFA standards, providing objective assurance over governance, risk management and internal control, while the Audit and Risk Committee offers effective challenge and assurance in line with CIPFA guidance. Standing Orders and committee processes support constructive Member scrutiny of policies, performance and decision-making, and were reviewed and approved by the National Park

Authority in May 2025. The internal audit contract is held by TIAA, who provide independent and objective assurance on behalf of Members, informing both the annual internal audit opinion and the Annual Governance Statement. Internal audit plans are risk-based and provide reasonable coverage of key organisational risks, with delivery improving despite recognised capacity constraints. SICA reporting provides Members with independent assurance on the effectiveness of governance and internal controls, and audit recommendation monitoring arrangements provide reasonable assurance that actions are tracked and progressed, supported by regular reporting that enables prioritisation and challenge.

Further action required

Further action includes continuing to support Member development to maintain a strong focus on assurance and risk, ensuring that internal audit coverage remains aligned to the Authority's evolving risk profile and organisational capacity, and maintaining an annual review of audit priorities to reflect emerging risks. Additional actions include continuing regular SICA reporting with clearer linkage between findings and governance improvement actions, maintaining quarterly reporting on audit recommendations, and continuing to prioritise the delivery of high-risk recommendations to mitigate the impact of capacity constraints.

Governance Area:	**Conduct**	
Definition:	Officers and members will behave in line with the Nolan principles and lead a culture of acting in the public interest.	
Key principle:	1	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has adopted the Model Code of Conduct, and both Officers and Members are expected to behave in accordance with its requirements, promoting a culture of integrity and acting in the public interest. A Local Resolution Policy is in place, and there were no instances during 2025/26 where this procedure was invoked. The Standards Committee is responsible for promoting and maintaining high standards of conduct among Members and Officers by advising on, and promoting awareness and understanding of, the Codes of Conduct. The Code of Conduct for Officers was updated in 2024, and the Standards Committee met twice during the year, in June 2025 and January 2026, with no cases referred during this period. The Committee fulfils its statutory duty to report annually to the Authority, with the final report for 2024/25 presented in September 2025. The Standards Committee includes independent representation, with a third Independent Member appointed in May 2025 following a recruitment process earlier in the year for an initial four-year term. Arrangements are also in place to support ethical governance through induction and training for Members and Officers, maintenance of registers of interests, gifts and hospitality, and clear complaints and whistleblowing policies, which were updated and reported to the Authority in 2024.

Further action required

Further action includes keeping the Member and Officer Codes of Conduct under review to ensure they remain aligned with any legislative changes or updated WLGA guidance, providing refresher ethical governance training for Members as required, and ensuring that new Members receive ethical framework training as part of induction. Additional actions include reinforcing the requirement for Members and Officers to update registers of interests, gifts and hospitality promptly following any changes, and undertaking scheduled reviews of the Concerns and Complaints Policy and the Whistleblowing Policy in 2027 to ensure they remain effective and up to date.

Governance Area:	**Declarations of Interest, Gifts & Hospitality**	
Definition:	The Authority will maintain registers of interests for both members and officers. The register documents interests which may be seen to potentially unethically or unlawfully influence individual's duties. The Authority will maintain registers of gifts and hospitality for Members and Officers to ensure that appropriate safeguards are in place.	
Key principle:	1	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority maintains annual registers of interests for both Members and Officers, and declarations made by Members at committee meetings are also recorded through an automated system. Annual reminders are issued to both Members and Officers to review and confirm their declarations, and the introduction of a new Member Portal has improved consistency and accessibility for Members when completing and updating information. Statutory arrangements are in place for the maintenance of the Register of Members' Interests, which is administered by Democratic Services on behalf of the Monitoring Officer and reviewed annually, providing reasonable assurance of transparency and compliance. Clear processes exist for Member declarations at meetings, which are routinely made and understood, with no evidence of systemic non-compliance, although effective operation remains reliant on individual awareness and timely updates. The Authority also maintains registers of gifts and hospitality for both Members and Officers, providing appropriate safeguards to support ethical governance. Monitoring Officer oversight provides an effective route for advice, escalation and assurance, supported by annual review and reporting to the Authority. Inclusion of these arrangements within the audited accounts and external scrutiny provides additional assurance that controls are operating as intended and that no material issues have been identified.

Further action required

Further action includes continuing the annual review and confirmation process for Members' interests, reinforcing reminders to Members of their duty to update interests within statutory timescales, and providing periodic refresher guidance to support awareness of declaration responsibilities. Additional actions include considering the consolidation of officer gifts and hospitality declarations into a single, clearly signposted register or policy to strengthen transparency and consistency and maintaining existing Monitoring Officer oversight arrangements to ensure continuity of advice, review and assurance.

Governance Area:	**Member & Officer Induction, Training & Development**	
Definition:	The Authority will ensure that Members and Officers receive induction training to assist them in effectively executing their duties. The Authority will ensure that members are offered, and officers receive continued professional development and other appropriate training to ensure they maintain their skills and knowledge.	
Key principle:	5	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

<u>Review of Effectiveness</u>

Members and Officers receive induction and ongoing training to support the effective discharge of their duties. Officers have access to professional bodies, CPD, e-learning and wider learning and development opportunities, which can be requested through the PDR process. In Q3–4 the Authority commissioned consultants to review staff alignment with organisational values and behaviours, and an updated PDR process will be introduced alongside the new HR system in early 2026/27 to further embed mission delivery into individual work programmes and performance management. Member development is supported through a comprehensive induction programme delivered following each election cycle, annual training schedules informed by Member PDR feedback, access to the ELMS online learning platform, and a series of Member training and engagement days held throughout the year on topics including nature recovery, finance, governance, risk, planning, destination management and chairing skills. Cyber security training has been offered across multiple sessions, and Member attendance and remuneration are recorded and published annually. Member development is largely self-assessed, with additional opportunities available through the WLGA, Welsh Government, home authorities and conferences, while mandatory and discretionary officer training is supported through established policies, systems and procedures.

<u>Further action required</u>

Further actions focus on strengthening consistency, monitoring and accessibility. Modular online induction materials will be developed to complement in-person Member induction sessions, and automated reminders will be introduced to support timely completion of officer service-level induction, with manager certification required. A central CPD recording tool will be implemented, supported by guidance for managers, and HR will strengthen monitoring of mandatory and refresher training compliance. The Member Development Strategy will be reviewed and updated to ensure continued alignment with the WLGA

Competency Framework and to provide more policy-specific briefings, alongside consideration of wider training offers such as structured management development.

Governance Area:	Risk Management	
Definition:	The Authority will ensure that effective risk management is embedded across the organisation and its decision-making processes.	
Key principle:	6	
Assurance Level	Corporate Process in Place	Reasonable
	Effectiveness	Reasonable

Review of Effectiveness

The Authority's corporate and legal risks are managed through a structured risk management framework and are reported to the Audit & Risk Committee on a quarterly basis. A new Risk Framework was approved by Members on 26 February 2024, comprising a Risk Management Policy, Risk Management Framework and Risk Appetite Statement. Together, these documents set out the Authority's commitment to effective risk management, explain how risk management principles and best practice are applied across the organisation, and define the level of risk the Authority is willing to accept in pursuit of its objectives. Risk reports are compiled through consultation in line with the Operating Model, with risks regularly reviewed by the Executive Board and reported to the Audit & Risk Committee. A Corporate Risk Register is maintained with clearly defined risks, ownership, mitigation actions and trajectories, and a dedicated Legal Risk Register supports the identification and management of legal risks, with confidential reporting to the Audit & Risk Committee following review by the CEO and Directors. To further strengthen this approach, a Performance, Risk and Compliance Manager has been appointed to maintain the framework and promote a positive risk management culture.

Further action required

Further actions focus on enhancing clarity, linkage and assurance within the existing framework. The Risk Management Framework will be more explicitly linked to the Authority's governance and assurance model through the development of a simplified assurance map, ensuring the "three lines of defence" model is fully applied. The Corporate Risk Register will be strengthened by incorporating inherent risk scores, defining target risk scores to reflect accepted levels of exposure following mitigation, and developing a risk heat map or similar visual summary. In addition, each corporate risk will be explicitly linked to the relevant corporate objective, mission or strategic theme to reinforce strategic alignment and support informed decision-making.

Governance Area:	Performance Management
Definition:	The Authority will ensure that effective performance management arrangements are embedded across the organisation and will

	report performance publicly. The Authority will hold individuals to account for their performance.	
Key principle:	2, 3, 4 and 7	
Assurance Level	Corporate Process in Place	**Limited**
	Effectiveness	**Limited**

Review of Effectiveness

In May 2025, Members agreed the corporate priorities for 2025/26 and proposed priorities for the subsequent two years. Progress against these priorities is reported quarterly to the Finance and Performance Committee, although performance reporting is not yet fully integrated with financial reporting. The Corporate Risk Register is updated by Executive Board and reported to the Audit & Risk Committee on a quarterly basis. During 2025/26 the Authority also commenced six-monthly reporting to Welsh Government in response to the Remit Letter from Welsh Ministers. Planning performance is routinely reported to Members, and engagement has taken place to identify preferred performance metrics in key areas, including income generation and human resources. Work is also underway to strengthen project and programme reporting. The appointment of the Performance, Risk and Compliance Manager toward the end of Q4 2025/26 provides dedicated capacity to develop performance management systems and to bring together reporting against the Management Plan, corporate priorities and the Strategic Remit Letter in a more coherent and consistent way.

Further action

Further actions are focused on improving consistency, integration and clarity across performance, risk and individual performance reporting. Corporate performance monitoring will be strengthened through refreshed KPI guidance and training for services during 2026, alongside the introduction of automated SharePoint reminders and performance dashboards to support managers. Greater alignment between performance and financial reporting will be developed. While the PDR process is well established and completion rates are high, work will be undertaken during 2026/27 to embed the new HR system and updated PDR framework, ensuring improved consistency and quality of objectives in line with consultant recommendations.

Governance Area:	**Counter Fraud and Corruption Arrangements**	
Definition:	The Authority will ensure that effective Counter Fraud and corruption arrangements are embedded across the organisation and will investigate suspected or identified fraud.	
Key principle:	6	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has established counter-fraud and corruption arrangements designed to prevent, detect and investigate suspected fraud or bribery. A comprehensive and up-to-date

Anti-Fraud and Bribery Policy is in place, aligned with recognised good practice and embedded within the Authority's governance framework. The policy includes a clear fraud response plan, providing reasonable assurance that suspected cases would be managed appropriately. A Whistleblowing Policy also operates, enabling employees and others to raise concerns confidentially and supporting the early detection of fraud and corruption, although usage is infrequent. Internal audit provides independent assurance over governance and controls and would support investigations where required, promoting learning and continuous improvement. Governance arrangements provide appropriate oversight, with a Fraud Register now in place, and any alleged fraud resulting in significant actual or potential loss is required to be reported to the Audit and Risk Committee as soon as practicable.

Further action required

Further actions are focused on strengthening awareness and consistent application of existing arrangements. Awareness of the fraud response plan will be reinforced among managers and key officers to ensure confidence in its practical use, and whistleblowing arrangements and reporting routes will continue to be actively promoted. Existing internal audit liaison and notification arrangements will be maintained, and policies will continue to be reviewed periodically to ensure they remain relevant and effective.

Governance Area:	**Whistleblowing Arrangements**	
Definition:	The Authority will maintain arrangements for individuals to raise concerns and will ensure that these are acted upon.	
Key principle:	1 and 6	
Assurance Level	Corporate Process in Place	**Substantial**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority's Whistleblowing Policy is current, published on the Authority's website and accessible to officers via the Staff Portal. During the year the policy was updated to replace named officers with role-based titles, ensuring it remains accurate and sustainable over time. The policy provides a clear and accessible framework for raising concerns and is aligned with legislative requirements and recognised good practice. Awareness of the policy has been supported through an Inform Session held in July 2024. Multiple reporting routes are available, supporting accessibility and confidence in the arrangements, and confidentiality and protection principles are well understood, with no evidence of systemic issues or misuse. Investigation and escalation processes provide reasonable assurance that concerns are acted upon proportionately and in a timely manner, and governance arrangements ensure appropriate oversight and escalation where required.

Further action required

Further actions will focus on maintaining awareness, confidence and assurance in the whistleblowing arrangements. The policy will be periodically reviewed and re-promoted to reinforce staff understanding and awareness, alongside continued communication of available reporting routes. Confidentiality principles will be reinforced through refresher training, and consideration will be given to periodic high-level reporting, while protecting confidentiality, to provide additional assurance to senior management and Members.

Governance Area:	**ICT Infrastructure and Strategy**	
Definition:	The Authority has an ICT transformation programme, and will develop efficient, effective systems and technology to support delivery of services.	
Key principle:	6 and 7	
Assurance Level	Corporate Process in Place	**Substantial**
	Effectiveness	**Limited**

Review of Effectiveness

The Authority maintains a range of information and technology policies, systems and controls to support secure, reliable and effective digital operations. An Information and Security Policy and Email Usage Policy are in place, supported by technical controls and regular cyber-security awareness training, although instances of poor user adherence persist, including password sharing and the acquisition of software without appropriate IT involvement. The Authority's Microsoft 365 platform is widely adopted for core functionality; however, advanced collaboration, document lifecycle management, governance and retention features remain under-utilised, with inconsistent governance of Teams and SharePoint sites leading to duplication and a weaker information architecture. Core server infrastructure and the replacement server facility remain stable, but ageing hardware and limited virtualisation capacity reduce resilience and flexibility. Backup arrangements with Pembrokeshire Coast National Park operate reliably, though infrequent recovery testing limits assurance over restoration times. Identity and access management controls, including single sign-on and multi-factor authentication, provide a strong security baseline, albeit with some legacy systems and partial manual oversight. Bespoke internal applications are effective but carry resourcing and continuity risks due to limited documentation and reliance on a single in-house developer. Authority web platforms are managed inconsistently, with limited IT involvement contributing to variable technical standards, fragmented content governance and elevated security, accessibility and compliance risks.

Further action required

Further actions are focused on strengthening governance, compliance and resilience across information and digital systems. Leadership will reinforce mandatory adherence to information security policies, embed accountability within line management responsibilities and ensure IT involvement in all software procurement and implementation decisions, supported by targeted awareness interventions. Cyber awareness training will continue, supplemented by periodic audits to identify and address misuse. A structured Microsoft 365 adoption plan will be developed to improve collaboration and information governance, including clearer ownership models and department-specific training. A multi-year infrastructure refresh and capacity planning roadmap will be established, alongside improved monitoring thresholds and proactive alerting. Disaster recovery arrangements will be strengthened through scheduled recovery testing and updated documentation, with resource implications reviewed. Identity management will be enhanced by extending single sign-on coverage, further automating joiner, mover and leaver processes and strengthening MFA onboarding support. User-related password and security risks will be addressed through targeted education and the phased removal of legacy exceptions. Resourcing and documentation arrangements for bespoke applications will be reviewed to reduce single points of failure. Finally, a central, IT-led governance model will be implemented for all Authority web platforms to ensure consistent technical, security, accessibility and content standards and to reduce risk, duplication and fragmentation across services.

Governance Area:	**Effective Information Governance**	
Definition:	The Authority will ensure that effective information governance arrangements are embedded across the organisation and will investigate suspected or identified breaches.	
Key principle:	6	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has established comprehensive information governance arrangements to ensure compliance with data protection requirements and to manage suspected or identified information governance breaches effectively. During 2025/26 all data protection policies were reviewed and updated, with the exception of the Data Retention Policy, which is nearing completion. The policies are published, actively operated and supported by the appointment of a designated Data Protection Officer. A clear Data Protection Policy sets out lawful processing principles and data subject rights, supported by a Data Protection Impact Assessment (DPIA) procedure to identify and mitigate risks associated with new or changed processing activities. Officers have access to a virtual data protection office (VDPO) system for logging data breaches and managing Subject Access Requests, and key officers have received targeted training. Clear procedures are in place for managing data breaches and responding to Subject Access Requests, with appropriate escalation arrangements. Information and cyber security controls and surveillance and imaging systems policies are also in place, providing assurance that technical and organisational measures support confidentiality, integrity and availability of information while respecting privacy and human rights obligations.

Further action required

Further actions are focused on completing and embedding existing arrangements and ensuring continued compliance. The Data Retention Policy will be finalised, and the use of the VDPO system will be fully implemented to support consistent logging and management of breaches and requests. The application of DPIA processes will continue to be monitored to ensure consistency, and all information governance-related policies will be reviewed periodically and updated in line with any legislative or regulatory changes to maintain their ongoing relevance and effectiveness.

Governance Area:	**Access to Information**	
Definition:	The Authority will ensure transparency by providing appropriate and legal access to information	
Key principle:	2 and 7	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority promotes transparency by providing appropriate and lawful access to information. A Publication Scheme is published on the Authority's website, alongside a Privacy Notice, supporting openness and compliance with statutory requirements. During 2025/26 the Authority received 69 Freedom of Information (FOI) requests, of which 65 were responded to within the statutory timeframe. FOI and Environmental Information Regulations (EIR) requests are routinely logged, processed and responded to in line with legislative requirements, with documented responses and internal review arrangements where required. This area of activity is reported to the Audit and Risk Committee on a quarterly basis, providing Member oversight. Supporting policies and procedures, including the Data Protection Policy updated in January 2026, underpin effective access to information and compliance with Subject Access Request requirements.

Further action required

Further actions are aimed at strengthening consistency, assurance and future readiness. A formal FOI procedure workflow will be developed to further support officers in managing requests, and existing FOI handling guidance will be kept under review to ensure it remains current. The Publication Scheme will be reviewed and updated, and further work will be undertaken to strengthen data sharing arrangements under the Data Protection framework to support continued compliance and transparency.

Governance Area:	**Financial Management**	
Definition:	The Authority will ensure that effective financial management arrangements are embedded across the organisation, which supports short-, medium- and long-term achievement of the Authority's ambitions and service provision	
Key principle:	4 and 6	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority maintains a strong framework for financial governance through regularly reviewed Financial Regulations and Contract Standing Orders, which provide a clear financial and procurement framework to ensure legislative compliance, safeguard assets, secure value for money, support effective income generation and promote the efficient use of resources. The signed draft Statement of Accounts for 2023–24 is published online, with the external audit commencing in November 2024. The 2025–26 budget was approved by Members in March 2025, and financial performance is reported quarterly to the Finance and Performance Committee. Decision-making is undertaken transparently in the public domain, except where exemptions apply under the Local Government Act 1972. The Section 151 Officer continues to make good progress in strengthening financial procedures and protocols and developing the capacity and capability of the Finance team. Budget-setting and monitoring arrangements are robust, with quarterly reporting providing Members with effective oversight, enabling early identification of variances and emerging financial risks. Internal and external audit arrangements provide independent assurance, supporting continuous improvement, while governance structures ensure effective Member oversight of financial management, risk and value for money.

Further action required

Further actions are focused on maintaining good practice and strengthening long-term financial resilience. Financial Regulations will continue to be reviewed periodically to ensure they remain current and aligned with best practice and organisational change. The Medium-Term Financial Plan will be further developed and embedded to support long-term financial sustainability, alongside continued enhancement of forward-looking budget reporting to strengthen risk and forecast visibility. Timely implementation and monitoring of agreed audit actions will be maintained, with progress reported to Members, and ongoing support will be provided for Member development in financial governance to ensure continued alignment between financial reporting, risk management and strategic priorities.

Governance Area:	**Partnership Working, Consultation and Stakeholder Engagement**	
Definition:	The Authority will have clear channels of communication in place with the community and other stakeholders and will define the types of issues it will consult and engage on and how it will use the feedback received.	
Key principle:	7	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has well-established arrangements for stakeholder engagement and partnership working to support delivery of the National Park Management Plan. Extensive consultation was undertaken during development of the Plan, with the process and outcomes published on the Authority’s website. Since publication of Dyfodol y Bannau, partnership working has continued to develop across a wide range of strategic and delivery partnerships, including the Historic Environment Partnership, Usk Catchment Partnership, Local Nature Partnership, Dark Skies Board and Geopark Partnership. The Usk Catchment Partnership has matured further with the appointment of an experienced project manager. The Authority also maintains strong relationships with farming communities through Ser Ffermio y Bannau sessions and works collaboratively at local and national levels through National Parks Wales, National Parks UK, the National Park Partnership and Landscapes Wales. Engagement with the tourism sector has been strengthened through the Destination Management Strategy approved by Members in March 2026, supported by an ambassador scheme and engagement events. Community engagement is embedded through the Local Development Plan Delivery Agreement, stakeholder mapping aligned to the Plan's five missions, a Public Speaking Scheme, and webcast Committee meetings. The appointment of a Stakeholder and Strategic Partnership Manager in February 2026 provides dedicated capacity to coordinate and strengthen this work, including progressing the establishment of Fforwm y Bannau.

Further action required

Further actions will focus on strengthening consistency, evaluation and governance of engagement and partnership activity. The stakeholder register will be kept under review and used to develop a more structured engagement strategy aligned to partnership working and delivery priorities. Integrated Assessment processes will be further embedded, led by the Performance, Risk and Compliance Manager. Opportunities will be explored to use the Opus system to plan, track and monitor consultation activity more systematically. Targeted outreach will be increased around major partnerships and visitor hotspots, and evaluation and lessons-learned templates will be strengthened and applied consistently across services. Governance arrangements for significant partnerships will be reviewed, including Terms of Reference, to ensure clarity of roles, accountability and effectiveness, with ongoing development and support provided to key partnerships through the new managerial role.

Governance Area:	**Asset Management**	
Definition:	The Authority has an Asset Management Framework that ensures all of the its assets are compliant, sustainable, fit for purpose and support the delivery of Authority services and strategic objectives.	
Key principle:	4 and 6	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Limited**

Review of Effectiveness

The Authority is making progress in ensuring that its asset base is compliant, sustainable, fit for purpose and aligned with the delivery of services and strategic objectives. An Asset Management Plan and Property Gazetteer are in place and provide a strategic framework for managing the Authority's assets, although aspects require updating to reflect current operational arrangements, capacity and priorities. An Asset Management Working Group supports cross-service coordination and discussion of asset-related matters, facilitating information sharing and issue escalation, though its role and reporting arrangements are not yet fully formalised. An internal audit of asset management arrangements completed in October 2025 provided independent assurance and identified areas for improvement, with management accepting the recommendations. Governance arrangements enable appropriate Member oversight and challenge; however, assurance remains limited in part due to the absence of a dedicated officer role and the lack of routine, structured reporting on asset performance.

Further action required

Further actions are focused on strengthening governance, planning and assurance. The Asset Management Plan will be refreshed to ensure it reflects current asset use, condition, sustainability objectives and organisational priorities. The Asset Management Group will meet more regularly, with clearer governance and reporting arrangements, and a Property Maintenance Programme will be developed following the next property condition surveys, including provision for unplanned works and a prioritised 'wish list'. Agreed internal audit recommendations will be implemented and monitored through established governance processes. More regular and structured reporting on asset performance, risks and priorities will be introduced for Members, including the establishment of an annual Asset Management report to the National Park Authority to provide clearer assurance and accountability.

Governance Area:	**Comments, Compliments and Complaints**	
Definition:	The Authority recognises feedback as a valuable resource for improving the experiences of citizens and users and shaping the design and delivery of services for the future.	
Key principle:	1, 2, 6 and 7	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority recognises feedback as a valuable means of improving public experience and shaping the future design and delivery of services. A clear framework is in place for managing complaints, concerns and compliments, supported by a revised Complaints and Concerns Policy approved by Members for information in September 2024 and an Unreasonable Behaviour Policy presented in October 2024. Comments, compliments and complaints are centrally recorded and monitored, providing management oversight and supporting organisational learning, and are reported quarterly to the Audit and Risk Committee. As at the end of March 2026, the Authority received 43 complaints, of which three progressed to Stage 2, with 21 upheld and one referred to the Public Services Ombudsman for Wales. Day-to-day operational arrangements are functioning effectively and enable timely handling and resolution of complaints, with senior management visibility supporting service improvement where appropriate.

<u>Further action required</u>

Further actions are focused on strengthening consistency and resilience of operational arrangements. While policy and recording systems are operating effectively, operational procedures will be formalised and documented to reduce reliance on unwritten processes and ensure consistency of practice. Existing reporting to senior management and the Audit and Risk Committee will continue, providing assurance over performance, emerging themes and learning from feedback received.

Governance Area:	**Programme and Project Management**	
Definition:	The Authority's Programme and Project Management methodology defines and maintains standards for project management within the organisation to provide decision-making capacity to ensure the program objectives are met	
Key principle:	4 and 5	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

<u>Review of Effectiveness</u>

The Authority has established programme and project management arrangements to support the effective governance and delivery of projects and programmes. A Programme and Project Board is in place, supported by an agreed methodology, governance structure and standard templates, including Terms of Reference and project proposal documentation. An outline project proposal process operates through the 'Bright Ideas' form, with guidance provided to all staff. The Board meets regularly to review progress, risks and resource allocation, with decisions recorded and tracked through a central Programme and Project Board tracker. Risk, financial and resource considerations are incorporated throughout the project lifecycle, although recent internal reviews have identified some variation in the consistent application of the methodology across services and occasional divergence from agreed operating model channels.

<u>Further action required</u>

Further actions will focus on strengthening consistency, clarity and integration. The Programme and Project Management Terms of Reference will be finalised and refreshed for 2026, alongside clearer articulation of operating model channels and procedures. The Programme and Project Board tracker will continue to be maintained to support effective oversight and risk management, and further work will be undertaken to embed project lifecycle cost projections more consistently. The Authority will also continue progressing toward its ambition of establishing a small, agile pool of Project Managers or Officers to work flexibly across programmes and projects, enhancing capacity and delivery assurance.

Governance Area:	Health & Safety	
Definition:	The Authority has a Health and Safety Policy with proactive goals, which is supported by a strategy and management framework. This seeks to ensure the risks associated with the health and safety of those engaging in Authority activities or visiting the Park are appropriately managed, regularly reviewed and investigations completed where incidents occur.	
Key principle:	6	
Assurance Level	Corporate Process in Place	**Substantial**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has established robust health and safety arrangements to support a safe working environment and ensure compliance with statutory requirements. The T100 Health & Safety Management System is in place, with associated training delivered, and has enabled significant progress in reviewing and updating health and safety policies and procedures. A clear reporting structure has been developed, supported by an organogram setting out roles and responsibilities. The Health & Safety Policy was fully reviewed and updated in 2025, with new policy areas signed off by the CEO with advice from external health and safety advisers, Thomas Carroll. A Health & Safety Working Group meets quarterly, bringing together representation from across the Authority's business areas, and reports through the Operating Model to both the Managers Forum and Corporate Services Group. The introduction of the T100 online portal has enabled consistent and traceable management of risk assessments, accidents and near-miss incidents, alongside central storage of key policies and the Staff Handbook. All relevant officers have completed risk assessment training, and appropriate arrangements are in place for Adventure Activities Licensing Authority (AALA) training and validation. Quarterly external health and safety audits provide independent assurance and support continuous improvement through agreed action plans.

Further action required

Further actions are focused on ensuring consistency, sustainability and effective follow-through. Regular reviews of the Health & Safety Policy will continue to ensure ongoing appropriateness, and routine checks will be carried out to confirm the consistent and effective use of the T100 system. Training records will be kept up to date, with arrangements in place to capture new starters, and AALA training and validation will continue to be logged and monitored annually. Logbooks and audit action plans will be maintained, with responsibility for ensuring all actions are completed and formally signed off.

Governance Area:	Procurement
Definition:	The Authority will ensure that effective procurement arrangements are embedded to enable it to demonstrate good practice,

	compliance with legislation, realise value for money and public accountability.	
Key principle:	6 and 7	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Reasonable**

Review of Effectiveness

The Authority has established procurement arrangements to ensure compliance with legislation, achievement of value for money and appropriate public accountability. Revised Contract Standing Orders were updated and approved by Members in May 2025 following an internal audit recommendation to ensure due consideration was given to relevant legislation including the Fraud Act 2006, the Bribery Act 2010 and the Modern Slavery Act 2015. The updated Standing Orders provide a clear and comprehensive framework for procurement activity across the Authority and are consistently applied, supporting strong internal governance and control. A Sustainable Procurement Policy is also in place, setting out how the Authority will follow best practice in embedding sustainability considerations within procurement, and was presented to Members for noting in November 2025. Defined quotation and tendering procedures support fair competition and transparency, and procurement activity is subject to appropriate senior officer approval, internal audit review and committee scrutiny, providing reasonable oversight and escalation of exceptions.

Further action required

Further actions are focused on maintaining good practice and strengthening assurance. Contract Standing Orders and the Sustainable Procurement Policy will continue to be reviewed periodically to ensure alignment with legislative change and best practice. Progress against accepted recommendations from the February 2025 internal audit advisory review of procurement will continue to be monitored and reported through the audit recommendations tracker. Ongoing guidance and advice will be provided to officers to support consistent application of tendering and quotation procedures, and consideration will be given to strengthening routine reporting on procurement activity and compliance to enhance transparency and Member oversight.

Governance Area:	**Workforce Planning and Strategy**	
Definition:	The Authority will ensure that effective procurement arrangements are embedded to enable it to demonstrate good practice, compliance with legislation, realise value for money and public accountability.	
Key principle:	4 and 5	
Assurance Level	Corporate Process in Place	**Reasonable**
	Effectiveness	**Limited**

Review of Effectiveness

The Executive Board has led organisational development activity to ensure the Authority has the skills, knowledge and capacity required to deliver its strategic objectives effectively. The

CEO has undertaken reviews of organisational capacity and capability, most recently reported to the National Park Authority in September 2024, and work is underway to procure external consultants and a new HR system to support further progression. Good progress has been made on Mission Mapping to support the transition to a mission-led organisation, reflecting a key corporate priority set out in the Corporate Priorities 2025–28. Workforce capacity and resourcing pressures are recognised risks, mitigated in part through a Request to Fill process. The Authority has also prioritised staff wellbeing, embedding wellbeing within workforce engagement and development activities and holding an all-staff wellbeing event in June 2024. With support from the National Parks Partnerships, work has also progressed to identify workforce and organisational changes required to support diversification of income. Recruitment challenges remain in some specialist areas, particularly planning, policy and finance, reflecting wider sector skills shortages. Learning and development pathways are in place for officers and Members, supported by HR oversight, use of the ELMS platform and access to mandatory, role-specific and leadership training. Wellbeing initiatives are supported through shared resources, and organisational culture continues to be developed through leadership and values-based approaches.

Further action required

Further actions are focused on strengthening workforce planning, capability and resilience. A workforce audit will commence in Q1 2026/27, informing the development of a Workforce Strategy during 2026 to reflect organisational development ambitions, emerging skills needs and the financial landscape. Targeted recruitment campaigns will be developed for hard-to-fill roles, and managers will be expected to consistently review development needs through PDR cycles. Wellbeing behaviours and communications will be refreshed to improve engagement across teams, and a structured succession planning framework will be developed and embedded within annual workforce planning. The implementation of the new HR system will enable improved workforce data, analytics and reporting, supporting regular monitoring of turnover, absence and skills gaps to inform strategic decision-making.

Conclusion

Overall, the Authority can take reasonable assurance from its governance arrangements for 2025/26, underpinned by the reasonable internal audit opinion provided by TIAA, the confirmation from the Auditor General that the statutory recommendations issued in 2021 are now concluded, and the continued operation of key governance processes and controls.

The year has also seen important progress in strengthening the Authority's governance infrastructure, including implementation of the revised Code of Corporate Governance and Governance Assurance Framework, the use of Service Manager assurance statements to inform this Annual Governance Statement, improvements to the tracking and reporting of audit recommendations, and further refinement of the Scheme of Delegation, Standing Orders and committee reporting processes.

Notwithstanding these strengths, the Authority recognises that it continues to face a number of significant risks which, if not actively managed, could affect its ability to sustain improvement and deliver its statutory purposes and wider missions—most notably pressures on medium-term financial sustainability, ongoing organisational capacity constraints, and the need to improve performance management arrangements across all services.

The action plans set out in this statement therefore remain central to the Authority's approach to governance improvement, and will be used to prioritise activity, focus limited resources on the highest-impact issues, and provide a clear route for Member scrutiny and organisational accountability. Delivery will be supported through continued collaborative leadership by Members and Officers, and strengthened corporate oversight functions, with progress monitored through the Governance Assurance Framework, the Corporate Risk Register and the audit recommendations tracker, and reported routinely to the Audit and Risk Committee and relevant committees.

The Authority is committed to maintaining transparency and public confidence through timely reporting and by ensuring that governance arrangements remain fit for purpose as the organisation continues its transformation to a mission-led approach.

Accountability & Action Plans to address significant governance issues

Review of action plan to address significant governance issues in 2025-26

Issue	Action 2025-26	Review
Workforce Planning	Mission Mapping HR System in place	During 2025/26 the organisation has developed and refined its initial mission mapping, bringing together service activity, projects and partnership work against the Authority's missions and wellbeing goals. The outputs are being used to shape corporate planning and performance work for 2026/27, including the development of clearer outcome measures and the alignment of work programmes, while further engagement will be needed to embed the mapping consistently across all services and to keep it updated as priorities evolve. Procurement activity has progressed during 2025/26 to secure a new HR system to modernise core HR administration and strengthen workforce reporting. The system is intended to support improved data quality, more consistent processes and better management information on areas such as recruitment, turnover, absence and training compliance. Implementation and rollout are planned for early 2026/27, with associated work to update guidance and introduce the refreshed PDR process so that individual objectives and development planning are better aligned to mission delivery.

Info Governance	DPO Officer	The Authority appointed a Data Protection Officer in September 2025 and the role has supported delivery of the 2025/26 information governance work programme, including review and update of data protection policies and increased organisational awareness. Use of the virtual Data Protection Office (VDPO) system is being embedded to strengthen the consistent logging and management of data breaches and Subject Access Requests, supported by targeted training. Mandatory Data Protection Officer training was delivered to all officers in February 2026, with further work planned in 2026/27 to fully implement VDPO processes and complete the Data Retention Policy.
Asset Management	Review of team structure and alignment	During 2025/26 initial work has progressed to review team structures and alignment. This has included consideration of roles and responsibilities, reporting lines and how asset-related work is prioritised and escalated through the Operating Model. The review is being used to inform proposals for 2026/27, including options to strengthen corporate capacity and to formalise the governance and reporting arrangements for the Asset Management Working Group, supporting more consistent oversight and assurance.

Legal Framework	Review of Disciplinary policies	During 2025/26 preparatory work has progressed to review and refresh the Authority's disciplinary policies to ensure they remain current, clear and aligned with employment law and good practice. An initial review has identified areas where wording, process steps and associated guidance can be strengthened to improve consistency and usability for managers and staff, including clearer links to related policies and expected timescales. Subject to consultation and management approval, the updated policies and supporting guidance will be finalised and implemented during 2026/27.

Action plan to address significant governance issues in 2026-27

Governance Area	Action 2026-27	Responsible
Legal Framework	- Secure Member approval and implementation of the Hybrid Committee Meeting Policy.	Monitoring Officer
Policy Framework	- Strengthen performance measures and KPIs aligned to the Management Plan and improve monitoring of policy review cycles.	Performance, Risk and Compliance Manager
Decision Making, Delegation of Duties, Roles and Responsibilities	- Mandate consistent use of updated committee report templates.	Monitoring Officer
Risk Management	- Develop a simplified assurance map to embed the "three lines of defence" - Enhance the Corporate Risk Register by adding inherent and target risk scores and a heat map and explicitly link corporate risks to corporate objectives/missions to strengthen strategic alignment.	Performance, Risk and Compliance Manager
Performance Management	- Strengthen corporate performance monitoring through refreshed KPI guidance and improve alignment between performance and financial reporting. - Embed the new HR system and refreshed PDR framework to improve quality and consistency of individual objectives.	Performance, Risk and Compliance Manager/HR

Effective Information Governance	- Finalise the Data Retention Policy and fully embed the virtual Data Protection Office (VDPO) processes to ensure consistent logging, management and reporting of data breaches and Subject Access Requests, supported by ongoing monitoring of DPIA compliance.	Data Protection Officer
Financial Management	- Further develop and embed the Medium-Term Financial Plan and enhance forward-looking budget reporting to strengthen long-term financial resilience.	Section 151 Officer
Asset Management	- Refresh the Asset Management Plan to reflect current asset use, condition, sustainability objectives and organisational priorities. - Formalise governance and reporting arrangements for the Asset Management Working Group and increase meeting frequency	Asset Management Working Group
Workforce Planning	- Commence the workforce audit in Q1 2026/27 - Develop a Workforce Strategy during 2026 to reflect organisational ambitions, emerging skills needs and the financial landscape	HR