



For the year ended 31 March 2024



Date: 19th November 2024

PRIVATE & CONFIDENTIAL

Members of the Audit and Governance Committee
Dartmoor National Park Authority
Parke
Bovey Tracey
Newton Abbot
TQ13 9JQ

Dear Sirs and Madams

Dartmoor National Park Authority – Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report. This report summarises our audit conclusions and highlights the key findings arising from our value for money work.

We have discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of the Directors and those charged with governance of the Authority and should not be shared with anyone beyond the Authority without our prior approval.

We would like to take this opportunity to thank the Authority's officers for the co-operation and assistance afforded to us during the course of the audit.

Kind regards

Yours faithfully

A handwritten signature in black ink that reads "Bishop Fleming LLP." The signature is written in a cursive, flowing style.

BISHOP FLEMING LLP

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1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for Dartmoor National Park Authority for the year ended 31 March 2024.

The Authority is responsible for keeping proper accounts and proper records in relation to the accounts and for maintaining an appropriate system of internal control. The Authority is responsible for the preparation of annual accounts for each financial year. Such accounts must present a true and fair view and comply with the requirements of enactments that apply to them.

The Authority is also responsible for putting in place appropriate arrangements to secure the economy, efficiency and effectiveness in its use of resources and to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives whilst safeguarding and securing value for money from the public funds at their disposal.

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (The Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are responsible for and are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We are also required to report to the Authority by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

In addition, we are also responsible for reviewing the Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice requires us to report on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We carried out our work in accordance with our External Audit Plan that we issued to the Authority in May 2024.

2. Executive summary

Results from the audit of the financial statements

We have largely completed our audit of the financial statements and expect to issue an unmodified audit opinion on 19th November 2024. See section 3 for more details.

Results on our work on other matters




We completed our review of other matters in line with our issuing of the audit opinion on 19th November 2024

See section 3 for more details.




Results from our work on VFM arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

Our conclusions are summarised below. See sections 4-8 for more details.

Financial sustainability		We did not identify any significant weaknesses in the Authority's arrangements for financial sustainability. The Authority continues to face significant challenges with its revenue budget and must continue to maintain its focus on the matter.
Governance		We did not identify any significant weaknesses in the Authority's arrangements for governance. We have made one new recommendation. There is one recommendation that remain outstanding from the prior period. Five recommendations from the prior period have been satisfactorily resolved. Please refer to section 8 of this report.
Improving economy, efficiency and effectiveness		We did not identify any significant weaknesses in the Authority's arrangements for improving efficiency, economy and effectiveness. One recommendation remains outstanding from the prior period. Please refer to section 8 of this report.

Key:

	No significant weaknesses in arrangements identified and no recommendations made
	No significant weaknesses in arrangements identified but recommendations made
	Significant weaknesses in arrangements identified and recommendations made

3. Audit of the financial statements

Audit opinion on the financial statements

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (The Code) and the International Standards on Auditing (ISAs) (UK). We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014..

We gave an unqualified opinion on the Authority's financial statements on the 19th November 2024.

Key issues arising from the accounts audit

We identified a material error of classification of £845k between Assets under Construction and Land through our audit work. This error is an accounting error only and has no cash impact. This error was corrected by management and our Audit Completion Report contains further detail relating to these findings.

We also identified a material error in pension benefits paid totalling £186k, relating to a difference between the actuarial estimate and the actual final values. This error is not the result of an error by management and we do not consider it to constitute an issue with governance arrangements.

These errors were corrected by Management and our Audit Completion Report contains further detail relating to these findings.

We have no further issues to report.

Other matters

We are required to report to the Authority by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We concluded that there were no matters to bring to the Authority's attention in respect of these matters.

More detailed findings can be found in our Audit Completion Report which was reported to the Audit and Governance Committee on 1 November 2024.

4. Value for Money

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

The Code requires us to report our commentary on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

The NAO has issued guidance for auditors to report against each of the three specified reporting criteria. The guidance also includes a number of further areas for review within each criteria for the auditor to assess those arrangements.

Our risk assessment did not identify any potential risks of significant weakness.

We asked management to complete an evidenced self-assessment of the Authority's arrangements. We then reviewed the evidence provided and carried out follow up work as appropriate to consider whether there are any significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our commentary on the Authority's arrangements in each of these three areas is set out in sections 5, 6 and 7 of the report. Our recommendations for improvement are included in section 8.

5. Financial sustainability

We considered how the Authority plans and manages its resources to ensure it can continue to deliver its services, including how it:

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

Overview and 2023/24 outturn

The Authority's Performance Report outlines a surplus of £523k for the financial year, with a net surplus against budget of £13k. This includes favourable income generation, as the Authority secured additional external grant income of £528k above budget, and generated £898k in income from sales, fees and charges (2022-23: £752k).

These favourable variances have been offset by additional staff costs incurred due to a higher than anticipated national staff pay award, as well as additional expenditure needed to fund maintenance on its older vehicles fleet.

The final Surplus on Provision of Services of £532k is favourable compared with the 2023-24 Medium-Term Financial Plan (MTFP), which forecasted a balanced budget with no surplus or deficit, including a contribution from reserves of £101k.

Financial planning and monitoring

The Authority keep their budget position under review throughout the year, presenting a bi-annual Financial Management Monitoring Report to the Audit and Governance Committee, including a full year Financial Outturn Report, which is presented on a timely basis in May, two months after the year-end.

The Authority's Business Plan for 2024-24 sets out the details of the Authority's plans for the year, and links in with the Government's 25 Year Environment Plan, the Environmental Improvement Plan and the Outcomes and Targets Framework for Protected Landscapes. The plan includes financial data and also details how progress is measured and monitored through the Authority's Governance structures.

The Authority does not have a formal capital programme due to the small nature of its asset base. Any major capital investment decisions are made on an individual basis and subject to the submission of a business plan, as well as scrutiny by the Leadership Team and Authority members.

Achieving efficiency savings

Authority performance is monitored on a line-by-line basis against budget through the aforementioned bi-annual Financial Management Monitoring Report and annual Financial Outturn Report. Savings plans are built into the balanced budget and MTFP and are therefore monitored through variance analysis in the reports.

The Authority operates in a context whereby most income comes from the fixed national parks grant from DEFRA, which has remained the same in cash terms for the last few years and is forecast to remain so. The Authority therefore builds in planned use of reserves, as well as incremental reductions in expenditure to cover funding gaps.

2024/25 financial planning

The Authority presented its 2024-25 Budget Book and MTFP at an Authority meeting in March 2024. The 2024-25 budget forecast a balanced budget with no surplus or deficit, but which was supported by a reserves transfer of £409k. Looking further ahead, the Authority is forecasting a budget deficit of £510k and £471k in 2025-26 and 2026-27 respectively. These deficits are based on assumptions that DEFRA's core grant will not increase, except for a small 2% increase in 2026-27.

The impact of this latest MTFP is that reserves are forecast to fall from £3.3m to £2.1m by 2026-27. We note that this is an improvement on the last MTFP, which forecasts reserves would fall to £1.2m by 2025-26. This in some part due to additional one-off funding that the Authority has obtained between the two MTFPs, and cannot be budgeted for.

The MTFP includes risks and assumptions that have been built into the modelling, along with an acknowledgement that many assumptions may not be accurate depending on future National Park Grant settlements, including that of 2024-25. We consider that the assumptions included in the MTFP are reasonable and not overly optimistic.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Authority's financial sustainability arrangements.

6. Governance

We considered how the Authority ensures that it makes informed decisions and properly manages its risks, including how it:

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

Risk management

Risk management is the responsibility of the Chief Executive and of the whole Membership of the Authority, who together have a responsibility to maintain a sound system of internal control that supports the achievement of the Authority's policies. The Authority has a Risk Management Strategy in place which is subject to an annual review by the Audit and Governance Committee. This sets out the process of identifying and reporting risks, and the responses and monitoring processes which will be put in place. Most recent scrutiny and update to the strategic risk register is evidenced in the minutes of Audit and Governance Committee in November 2023.

Each risk on the Strategic Risk Register is linked to a specific category (Performance, Strategy, Finance or Governance) with a description and RAG rating. However, the risks are not yet mapped to corporate objectives. The Authority would benefit from one integrated framework to ensure that risk management efforts are aligned with the Authority's strategic goals, which helps prioritise risks based on their potential impact on corporate objectives. This was recommended as an improvement in 2022-23.

The Leadership Team monitor and review the Strategic Risk Register on a quarterly basis to ensure they are clear about potential risks and the mitigations in place. The authority also has several assurance activities and providers, which give independent assurance upon the effectiveness and on-going evaluation of the internal control environment.

From our review of the Authority's risk reporting, we can see the authority has procedures in place, such as whistle blowing and anti-fraud and corruption, to flag any risks that occur throughout the year. We are content that there are adequate arrangements in place to monitor and raise risks, with new risks being identified throughout the year.

Internal control

Internal audit at the Authority is provided by Devon Audit Partnership, a shared service agreement between a number of the local authorities in Devon. Internal Audit agree an annual audit plan with the Head of Business Support and then presented the Plan to the Audit and Governance Committee for approval.

The Committee use the work and findings of internal audit to consider the operation of key controls during the year, which is used to draft the Annual Governance Statement. Internal Audit also issue an Annual Report summarising their work each year along with the Head of Internal Audit Opinion, which provided Full Assurance for 2023-24.

Through our review of the Internal Audit reports along with the Audit and Governance Committee minutes and papers, we have not identified any significant gaps in the assurance the Authority's receives over matters in the work programme. The Authority have adequate arrangements in place for the prevention and detection of fraud through the design and implementation of appropriate policies and procedures.

Budget setting and budgetary control

The Authority approves a Treasury Management Policy & Investment Strategy annually. This sets out the detail on how the function is to be conducted, and delegates overall management of it to the Head of Business Support.

The Authority's budget setting process is a collaborative and takes place using a centralised, shared Microsoft Teams document. Initially, budget holders submit their bids. The Head of Business Support then holds individual meetings with each budget holder to discuss their submissions where proposals to reduce cost pressures are considered.

There are good systems in place for oversight of budget monitoring. Budget monitoring reports are provided to service teams monthly. Any matters arising are also then considered at Leadership Team (LT) meetings using standing agenda items and detailing the financial position. Adverse variances are discussed at LT and agreement on how to reduce these variances.

Reserve funding is allocated or matched with expenditure according to project requirements, however it should be noted that some projects straddle more than one financial year, or are dependent on partnerships, where timing of spend is uncertain. Therefore, forecasting beyond the current year is usually subject to more change.

From our review of the Authority's budget reporting, we have assurance that there are appropriate segregation of duties and financial reporting is clear and includes sufficient qualitative detail to support decision making.

Decision making

Issues raised at various committee meetings are discussed at full Authority meetings. The Authority meets 9 times a year and appropriate minutes are approved and documented online. The Head of Business Support has appropriate access to engage with senior leadership Authority.

The Audit and Governance Committee meets three times per year reviews decisions to ensure they are well-founded and align with the Authority's objectives and regulations. This scrutiny helps identify potential issues or areas for improvement before decisions are finalised.

We have noted that it is commonplace for the Audit and Governance Committee to be combined with the main Authority meeting. We consider that this risks reducing the necessary level of detailed scrutiny that the Audit and Governance Committee should provide. We have therefore included a recommendation to this effect.

After thorough review and any necessary challenges, the Committee drafts a resolution reflecting their considered judgment and recommendations based on the evidence and discussions. The resolution is then presented at the next full authority meeting, where it undergoes further discussion and approval. Documentation of this helps maintain a clear record of decision-making and supports future audits and evaluations.

Ensuring appropriate standards

Financial Regulations provide a framework for managing the Authority's financial affairs. They apply to every Member and Officer of the Authority and anyone acting on its behalf. As a public organisation the Authority aims to maintain the highest standards of conduct and integrity. The authority expresses the highest standards of corporate behaviour and responsibility.

Members must register any interests they have which may cause conflict with their role. An interest is any matter - such as ownership of land or company, or membership of a group or club - which may influence their judgment. The Register of Interests includes all Members and co-opted members. Declaration of Interest is a standing item on every meeting agenda.

The Authority has a range of policies in place designed to ensure compliance with legislation and regulatory standards including Codes of Conduct for Members and staff, Local Code of Corporate governance, along with a range of HR procedures (Whistle blowing and anti-fraud and corruption). All gifts are recorded and agreed by the Head of Business Support.

From our review of the Authority, we have gained assurance that the Authority has sufficient policies and standards in place to ensure high standards are maintained.

Based on the work conducted, we are satisfied that there are no significant weaknesses in the Authority's governance arrangements. We have made recommendations for areas of improvement at section 8.

7. Improving efficiency, economy and effectiveness

We considered how the Authority uses information about its costs and performance to improve the way it manages and delivers its services, including:

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

Assessing performance and evaluating service delivery

The Authority puts together a business plan which informs Members of the Authority's performance against key actions. The Authority uses a spreadsheet (traffic light system) to track progress, this is then reviewed by the leadership team every quarter. The Business Plan identifies 25 key actions relating to the following priorities:

1. Better for Nature
2. Better for Cultural Heritage
3. Better for Farming and Forestry
4. Better for People
5. Better for Communities and Business
6. Be an excellent organisation

Our review identified that performance against the actions is monitored well. Actual progress against the 25 key actions is briefly outlined across all 4 quarters to easily highlight progress made. This report therefore provides accessible and useful information to the reader of how the Authority works towards assessing performance.

There is also a performance indicator framework in place, comprising of a set of 37 indicators. These indicators include 'state of the park' indicators as well as more specific indicators about the Authority's performance. After assessing the performance indicators, we have uncovered that there has been a mixed response in regard to meeting these targets. That being said, the report provided by the Authority highlights to us that they are aware of the major shortfalls, mainly around days for absence as well as decreased footfall at sites. From the reports provided we can therefore see the Authority is able to monitor their own performance and identify their areas for improvement. As with our predecessors, we will still recommend that the investigation into monitoring the performance should be continue and that the leadership team should continue to investigate further into the performance measured by these indicators.

The Authority has also provided an internal report, reviewing the key financial systems in place for 2023-24. With regard to improving efficiency, economy and effectiveness there were no significant weaknesses identified, suggesting that the Authority has taken account recommendations made in previous years. Therefore, showing to us how the Authority uses reports from regulators to identify which services need to be improved.

The Authority is also reviewed internally by the Leadership Team, we can see this throughout the minutes where they discuss performance of previous months. Main examples of this being the discussion around visitor numbers reducing at sites, as well as increased costs on a landscaping consultant. These issues raised are then justified – for example the decreased footfall being due to repair works at the visitor centre at Princetown. From the above provided to us we can then confirm that the Authority reviews and challenges strategic priorities and cost-effectiveness of existing activities. As well as considering alternative, lower cost options for service delivery.

Partnership working

The Authority has clearly established to us how Partnership working is a clear aim. For example, working as part of the National Parks Partnership LLP with the aim of securing commercial sponsorship opportunities to benefit 15 National parks within the LLP. The Authority has actioned the appointment of a new representative, therefore showing how there is a clear objective to effectively keep in touch with the LLP. The Authority has also convened and led a partnership that has submitted a bid to the National Lottery Heritage Fund for a programme of work called "Dartmoor Dynamic Landscape". The Authority has analysed the programme, concluding that many of the same aims are shared and therefore have suggested to push forward with this involvement. From the key reports provided, we can therefore come to the conclusion that the Authority has arrangement in place to monitor whether significant partnerships are meeting their stated objectives.

We can also see plenty of examples of the Authority's approach to partnership working within the following areas:

- South West Water Recreation and Conservation Forum – with the aim to advise South West Water on recreation and conservation issues linked to its land and water holding. A representative of the Authority is involved with the Forum.
- Meldon Viaduct Company – With the purpose of maintaining the Viaduct to ensure its future. The Authority has appointed a member to sit on the Board of Directors of the company.
- National Parks England – Eight English National Park Authorities to feed their views up to a national level. The directors being made up of various chairs of the included National Parks.

The above involvements, as well as others, reflect how the Authority clearly ensures it delivers its role within significant partnerships. We can also gain comfort that the Authority also engages with key stakeholders within the local area in order to determine their priorities for resources and savings.

Commissioning and procuring services

The Authority has provided their procurement strategy, which includes procedures clearly outlining the steps to delivering effective procurement in various different situations. The procurement procedures documents and systems are kept under constant review to ensure that they are fit for purpose and comply with the legislation.

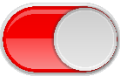
The fact that the detailed policy has been put in place as well as consciously considered each year shows that the Authority have an efficient procurement policy in place.

The Authority has also displayed to us that arrangements are in place to monitor the performance of key service providers / sub-contractors.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness.

8. Recommendations

KEY:




Recommendations that refer to issues that have resulted in a significant weakness in the Authority's arrangements.



Recommendations that should improve the arrangements in place at the Authority but are not as a result of identifying a significant weakness.

Current Year Issues

Audit and Governance Committee meetings should have a populated agenda and not be combined with the main Authority	
	<p>The Audit and Governance Committee meetings were combined with the main Authority in February 2024, and in November 2024, which could lead to a lack of detailed scrutiny normally provided at sub-committees.</p> <p>Recommendation Meetings of the Audit and Governance Committee should, if possible, be held separately to the main Authority. Minutes should be recorded as separate meetings, rather than being issued as one. This is to ensure the effective separation of the subcommittee from the main Authority.</p> <p>Management comment In the past year, the Authority convened a combined meeting of the Authority and the Audit & Governance (A&G) committee, which was an exceptional circumstance. This was necessary to ensure that members were informed about matters that needed to be discussed and debated in Part II (in private, without the presence of the public and press). All members in attendance were able to scrutinize all items on the agenda, in contrast to the numbers at the A&G, a smaller sized committee. Given the small size of the Authority and the fact that many members are involved in other local Authority meetings and consideration to timings, the decision was made to combine the two meetings.</p>

Prior Year Issues reported by the predecessor auditor – Ongoing

Prior Year Recommendation - Governance

(Prior year recommendation from Grant Thornton)



Introduce an annual self-assessment effectiveness review of the Audit and Governance Committee which is the Committee considered to be Those Charged with Governance.

Progress 2022-23

Once completed, the outcome will be reported in the Annual Governance Statement

2023-24 Update

A self-assessment has been created, but has yet to be reviewed and implemented.

Bishop Fleming Conclusion

As the self-assessment has not yet been implemented, we consider this to be unresolved and will review next year.

Prior Year Recommendation – Improving economy, efficiency, and effectiveness

(Prior year recommendation from Grant Thornton)



The Authority has 37 different performance indicators tracking a variety of different aspects of its performance. The Authority should seek to review its indicators and, where relevant, understand reasons where these have not been achieved. Where achievement is unrealistic, the Authority should consider revising the indicator to be achievable. Where this is inappropriate or impossible (e.g. for nationally-determined indicators), the Authority should agree specific actions to improve performance against indicators, especially those where performance is worsening. Risks to delivery of performance should be reflected in the Authority's risk register.

Progress 2022-23

A review is ongoing

2023-24 Update

A review of the indicators has been undertaken, some are nationally set and out of our control. Those internally set have now been reviewed and methodologies written up with updated PI's now being monitored in 2024/25

Bishop Fleming Conclusion

This recommendation will remain open until next year, when we will review the 2024/25 performance indicators.

Prior Year Issues reported by the predecessor auditor – Resolved

We suggest that the Authority sets a three-year Medium Term Financial Plan (MTFP) covering the years 2025/26, 2026/27 and 2027/28, for March 2024, so that it has a better medium-term view than its current two-year MTFP. (Governance)

(Prior year recommendation from Grant Thornton)



Prior Year Improvement

Other authorities, despite uncertainties, extend their MTFP longer than two years and may set the financial scene some 3-5 years in advance to invite further debate and direction. Given the Authority's uncertainty around the National Park Grant "flat funding" we suggest that the Authority sets a three-year MTFP, for March 2024, to the end of the financial year 2027/28.

2022-23 Management Comment

The duration of a local authority's medium-term financial plan can vary, and there is no universal standard for how many years it should cover, but typically span a period of three to five years. Management believes that taking on extra work, with limited resources, would simply emphasize the ongoing issues we are already cognizant of. However, we will consider the option to add an additional year to our MTFP scheduled for March 2024.

Bishop Fleming Conclusion

We have inspected the current MTFP, which covers three years. We consider this to be reasonable and consider the matter resolved.

We recommend that the Authority integrate its performance management and risk management frameworks through the mapping of risks to corporate objectives and rating the risk around the service delivery of these objectives. (Governance)

(Prior year recommendation from Grant Thornton)



Prior Year Improvement

Each risk on the Strategic Risk Register is linked to a specific category (either Performance, Strategy, Finance, or Governance) and has a description, control measures, and a risk score which is RAG-rated. Any additional control measures or resources required are identified. However, the Authority's risks are not mapped to the delivery of its corporate objectives in its business plan. The Authority's arrangements for performance management and risk management could be better streamlined so there is one integrated reporting framework for the Corporate Objectives, Business Plan, KPIs and the Strategic Risk Register.

2022-23 Management Comment

The recommendation is noted. The Leadership Team have agreed to review the format of the Business Plan to include a new section for performance indicators and will consider how to streamline risk management. The Head of Organisational Development met with a contact at Lake District National Park Authority to understand their approach and receive a demonstration of their KPI IT system.

2023-24 Management Comment

The Leadership Team determined not to map risks against each key action in the Business Plan. The Authority's Strategic Risk Register continues to be maintained and monitored on an ongoing basis and is reported to the Audit & Governance Committee twice a year.

Bishop Fleming Conclusion

We consider the Authority's performance and risk management frameworks to be appropriate for the size and complexity of the entity. We consider the issue to be resolved.

The Authority should re-score its strategic risks on the Risk Register to better reflect the Authority's true risk profile. (Governance)

(Prior year recommendation from Grant Thornton)



Prior Year Improvement

The new risk scoring methodology has increased the severity of the Authority's risk profile without a change in business practices. This change in the severity of the Authority's risk profile has not been picked up by Members nor management as part of the in-year monitoring of risk. The Head of Organisational Development agrees that visually this misrepresents the Authority's true risk profile. There were 2 red, 2 amber and 16 green in 2022; but now, in 2023, of the 20 risks there are 8 severe (orange), 11 material (yellow) and 1 manageable (green)

2022-23 Management Comment

The recommendation is accepted and work is underway to rescore the Strategic Risk Register for future monitoring and reporting.

2023-24 Management Comment

An assessment of the scoring has been completed with the scoring better reflecting the risks the Authority faces.

Bishop Fleming Conclusion

We have reviewed the Authority's revised scoring of residual risk and the mapping has been made more comparable with the 2022 scoring system, whilst maintaining the simplicity of scoring. We consider the matter to be resolved.

We suggest that the Authority discuss and determine the Authority's risk appetite for each of its 20 strategic risks. (Governance)

(Prior year recommendation from Grant Thornton)



Prior Year Improvement

The Authority needs to identify additional control measures that can be implemented along with any other resources that might be required to give a "Planned Residual Risk Rating" to show how the Authority is either reducing its risk profile or tolerating the level of risk.

However, on review of the Strategic Risk Register we found that of the 20 identified risks, control measures have reduced the severity of the risk in just 8 cases. The Authority has the option to treat, transfer, terminate or tolerate (known as the 4 T's) its risks depending on its "risk appetite" for each risk. The Authority has yet to determine its "risk appetite" and therefore may wish to clarify whether the "Planned Residual Risk" is appropriate for each of its 20 strategic risks.

2022-23 Management Comment

The Leadership Team will consider this recommendation at its next performance meeting to be held on 9th January 2024.

2023-24 Management Comment

Leadership Team and the Authority regularly review the Strategic Risk Register considering changing/prevaling circumstances, including assessing the appetite for risk against each identified on the Register.

Bishop Fleming Conclusion

We consider that the way in which the Leadership Team and the Authority review the Strategic Risk Register is appropriate in the context of the size and complexity of the Authority. We consider the matter to be resolved.

Prior Year Recommendation - Governance

(Prior year recommendation from Grant Thornton)



The Authority should maintain a register of all its key policy documents with dates of last review, to ensure that all key documents are regularly updated. This register should also document all named officers and job titles included in the policy to ensure that these are kept up to date.

Progress 2022-23

Work in progress. These policies are being updated.

2023-24 Update

The authority has created a database containing a list of the policies. This provides information on when the policy was reviewed, due to be reviewed and who responsible for the policy.

Bishop Fleming Conclusion

We have reviewed the Authority's new register of key policy documents, which includes all necessary information. We consider the matter to be resolved.

