



The Audit Findings Report (ISA260) for Dartmoor National Park Authority

Year ended 31 March 2023

April 2024



Contents



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Section

	Page
1. Headlines	3
2. Financial statements	6
3. Value for money arrangements	22
4. Independence and ethics	24

Appendices

A. Communication of audit matters to those charged with governance	27
B. Action plan – Audit of Financial Statements	28
C. Follow up of prior year recommendations	29
D. Audit Adjustments	30
E. Fees and non-audit services	32
F. Auditing developments	33
G. Draft Audit opinion	34

This Audit Findings (ISA260) presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed and agreed with management and were presented to the meeting of the Dartmoor National Park Authority on 5 April 2024.

Peter Barber
For Grant Thornton UK LLP
5 April 2024

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Dartmoor National Park Authority ('Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2023 for the attention of those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Authority's financial statements give a true and fair view of the financial position of the Authority and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We commenced our post-statements audit in December 2023 and completed it in February 2024. Our findings to date are summarised on pages 6 to 21.

Our work has identified one material error to the draft financial statement of accounts presented for audit. This Authority received an additional grant payment from DEFRA in year in respect of Farming in Protected Landscapes (FiPL). Despite attempts to clarify the nature of the fifth payment; the Authority was not able to confirm the intention of this payment and treated it as additional income in year. We challenged this treatment and following communications we had with DEFRA were advised this was paid in error and will be recovered via the FiPL grant scheme in 2023/24.

The Authority has reflected on this communication and has restated its draft accounts. This has resulted in a £163k adjustment to the Authority's Comprehensive Income and Expenditure Statement and a recategorization of the income in the balance sheet from useable reserves to revenue grants received in advance. We concur with this revised accounting treatment. More detail is provided on page 11.

No other adjustments have been identified that have resulted in an adjustment to the Authority's Comprehensive Income and Expenditure Statement.

We have recommended a small number of audit adjustments to improve the presentation of the financial statements as detailed in Appendix D. We have also raised recommendations for management as a result of our audit work in Appendix B. Our follow up of recommendations from the prior year's audit are detailed in Appendix C.

The draft financial statements were submitted for audit in line with the agreed timetable and were supported by good quality working papers and prompt responses to queries.

Our work is complete and there are no matters of which we are aware that would require modification of our audit opinion [Appendix G] or material changes to the financial statements.

We issued our audit opinion following the meeting of the Dartmoor National Park Authority on 5 April 2024.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our audit report opinion is unmodified. We have been able to satisfy ourselves that the Authority has made proper arrangements in securing economy, efficiency and effectiveness in its use of resources.

1. Headlines

Value for Money (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. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which was presented at the 2 February 2024 meeting of the Dartmoor National Park Authority. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during the course of our audit. This is our final year of auditing the Authority and throughout that period we have received a high level of engagement in the audit process from the finance team. We would like to place on record our appreciation of this cooperation.

1. Headlines

National context – audit backlog

Nationally there have been significant delays in the completion of audit work and the issuing of audit opinions across the local government sector. Only 1% (5 of 467) of local government bodies had received audit opinions in time to publish their 2022/23 accounts by the deadline of 30 September 2023. We at Grant Thornton have a strong desire and a firm commitment to complete as many audits as soon as possible and to address the backlog of unsigned opinions.

Over the course of the last year, Grant Thornton has been working constructively with DLUHC, the FRC and the other audit firms to identify ways of rectifying the challenges which have been faced by our sector, and we recognise the difficulties these backlogs have caused authorities across the country. We have also published a report setting out our consideration of the issues behind the delays and our thoughts on how these could be mitigated. Please see [About time? \(grantthornton.co.uk\)](https://www.grantthornton.co.uk)

National context – level of borrowing

All local authorities, including national parks, are operating in an increasingly challenging national context. With inflationary pressures placing increasing demands on budgets, there are concerns as local authorities look to alternative ways to generate income. We have seen an increasing number of authorities look to ways of utilising investment property portfolios as sources of recurrent income. Whilst there have been some successful ventures and some prudently funded by authorities' existing resources, we have also seen some authorities take excessive risks by borrowing sums well in excess of their revenue budgets to finance these investment schemes.

The impact of these huge debts on bodies, the risk of potential bad debt write offs and the implications of the poor governance behind some of these decisions are all issues which now have to be considered by auditors across local authority audits.

As a National Park Authority, we know your operations do not normally give rise to such business ventures. As indicated in your Narrative Report, the Authority is debt free but could decide to undertake and apply for prudential borrowing to finance capital expenditure in the future. Considering the current national picture and economic climate, our view is any such decisions must be carefully considered in a manner that protects the Authority's future financial sustainability.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents will be discussed with management and the Audit & Governance Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Authority's business and is risk based, and in particular included:

- An evaluation of the Authority's internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

Conclusion

We have completed our audit of your financial statements and issued our audit opinion following the meeting of the Dartmoor National Park Authority on 5 April 2024.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan dated January 2024.

We set out in this table our determination of materiality for Dartmoor National park Authority .

Materiality (£) Qualitative factors considered

Materiality for the financial statements	146,000	We have determined materiality at 2% of gross operating expenditure. We consider this as the most appropriate criteria given stakeholders interest in the Authority delivering its budget.
Performance materiality	110,000	Assessed to be 75% of financial statement materiality.
Trivial matters	7,000	This equates to 5% of materiality. This is our reporting threshold to the Audit and Governance Committee for any errors identified.



2. Financial Statements: Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
Management override of controls	<p>We have:</p> <ul style="list-style-type: none"> - Evaluated the design effectiveness of management controls over journals. - Analysed the journals listing and determined the criteria for selecting high risk unusual journals. - Identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration. - Gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness. - Evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>Our work has not identified any issues in respect of management override of controls. For all the journals reviewed we concluded that they were appropriate transactions.</p>
Valuation of land and buildings	<p>We have:</p> <ul style="list-style-type: none"> - Evaluated managements processes and assumptions for the calculation of the estimate, the instructions issues to the valuation experts and the scope of their work. - Evaluated the competence, capabilities and objectivity of the valuation expert. - Written to the valuer to confirm the basis on which the valuation was carried out. - Evaluated the basis of the valuation. - Challenged the source data, information and assumptions used by the valuer to assess completeness and consistency with our understanding, e.g. the build rates in respect of properties valued on a DRC basis. - Tested on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register and that accounting adjustments in the relation to these revaluations have been processed appropriately. <p>Our work has identified no issues in relation to the valuation of land and buildings.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Valuation of pension fund net liability

The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability for 2022-23 is considered a significant estimate due to the size of the numbers involved (£914k in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions.

We therefore identified valuation of the Authority's pension fund net balance as a significant risk, which is one of the most significant assessed risks of material misstatement.

2022-23 is the first year in which the liability is based on the updated triennial valuation undertaken by the pension fund actuary based on data as at 31 March 2022. There has therefore been a significant reduction in the liability, which was £15.6m in the prior year.

Commentary

We have:

- Updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls.
- Evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary work.
- Assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation.
- Tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statement with the actuarial report from the actuary.
- Undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary and performing any additional procedures suggested within this report.
- Requested assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our audit work did not identify any issues in respect of valuation of the pension liability.

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Risk of fraud in revenue recognition and expenditure (Rebutted)

Revenue

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including at the Authority, mean that all forms of fraud are seen as unacceptable.

Expenditure

Whilst not a presumed significant risk we have had regard to Practice Note 10 (Audit of financial statements and regularity of public sector bodies in the United Kingdom). Having considered the nature of the expenditure streams at the Authority, we have determined that the risk of fraud arising from expenditure recognition can be rebutted, because:

- there is little incentive to manipulate expenditure for an Authority where services are provided to the public through taxpayers funds
- the culture and ethical frameworks of local authorities, including at the Authority, mean that all forms of fraud are seen as unacceptable.

Commentary

As indicated in our Audit Plan, we do not consider this to be a significant risk for the Authority, we have not undertaken any specific work in this area other than our standard audit procedures around income and expenditure which included:

Accounting policies and systems:

- Evaluated the Authority's accounting policies for recognition of income and expenditure for its material income and expenditure streams and compliance with the CIPFA Code
- Updated our understanding of the Authority's business processes associated with accounting for income and expenditure.

Grant income

- For grant income, we sample tested items for supporting evidence and checked the appropriateness of the accounting treatment in line with the CIPFA Code

Expenditure

- Agreed, on a sample basis, non pay expenditure and year end payables to supporting evidence
- Undertook detailed substantive analytical procedures on pay expenditure.

We also designed and carried out appropriate audit procedures to ascertain that recognition of income and expenditure is in the correct accounting period, for example, using cut off testing, focusing either side of the balance sheet date of 31 March 2023.

Our work has not identified any issues in respect of the risk of fraud in revenue and expenditure recognition.

2. Financial Statements: new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Commentary	Auditor view
<p>Farming in Protected Landscapes grant income</p> <p>Our review of grant income received in 2022/23 and recognised as income in the 2022/23 draft accounts identified that the Authority received an additional instalment of £163,012 in respect of Farming in Protected Landscapes (FiPL) funding from DEFRA.</p> <p>On receipt of the payment, finance officers sought clarification from DEFRA as to the nature of this additional payment but despite several attempts to make contact were not able to gain any response.</p> <p>In the absence of any clarify, the draft 2022/23 financial statements accrued for all the payments in year with the unexpected balance of £163,012 being set aside in a ringfenced earmarked reserve in the balance sheet.</p>	<p>We questioned the Authority as to the appropriateness of this treatment and undertook further audit procedures to gain assurance over the treatment of this additional payment.</p> <p>We made contact with DEFRA and were provided, via email, on the 15 February 2024, with confirmation that this fifth payment had been made in error and did not relate to 2022/23.</p> <p>DEFRA indicated that this error would be corrected via the 2023/24 FiPL allocation process. This clarification was shared with finance officers who have in turn reconsidered its treatment within the draft accounts. They have now restated the accounts to remove this payment from income received in year and reclassified it as a grant received in advance in the balance sheet.</p> <p>We are comfortable with this treatment and are satisfied the accounts are now materially accurate.</p>	<p>The initial inclusion of the additional payment is an error that is material to the overall financial statements. Following the adjustments made, as a result of the DEFRA clarification, we are now satisfied that this grant income is correctly accounted for in the revised set of financial statements.</p>

2. Financial Statements: key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £3.261m	<p>Land and buildings comprises £2,845k of specialised assets such as Information Centres and Public Conveniences, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£418k) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end.</p> <p>The Authority has engaged NPS (SW) Ltd as their management expert to complete the valuation of properties as at 31/03/23 on an annual basis. All assets were revalued as at 31/03/23.</p> <p>The total year end valuation of land and buildings was £3.261m, a net decrease of £85k from 2021/22 (£3,346m).</p>	<p>We have:</p> <ul style="list-style-type: none"> Assessed the competence and expertise of management's expert. Reviewed the completeness and accuracy of the underlying information used to determine the estimate Reviewed the appropriateness of any alternative site assumptions. Ensured there have been no changes to the method used to revalue the assets and ensure that the method is suitable for different classes of the assets. Considered the adequacy of disclosure of the estimate in the financial statement. <p>There are no significant issues arising from our work.</p>	Light Purple

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment																								
Net pension liability – £914k	<p>The Authority's total net pension liability at 31 March 2023 is £914k (PY £15.6m) comprising the Devon Pension Fund defined benefits pension scheme obligation.</p> <p>The Authority uses Barnet Waddingham to provide actuarial valuations of the Authority's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2023. Given the significant value of the net pension fund liability (surplus), small changes in assumptions can result in significant valuation movements. There has been a £14,683k net actuarial gain during 2022/23.</p>	<p>Throughout the audit we have considered:</p> <ul style="list-style-type: none"> Assessment of management's expert Assessment of actuary's approach taken and deemed it reasonable. Use of PwC as auditors expert to assess actuary and assumptions made by actuary – use table to compare with Actuary assumptions. <table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>4.8%</td> <td>4.8% - 4.85%</td> <td>●</td> </tr> <tr> <td>Pension increase rate</td> <td>2.95%</td> <td>2.65%-2.95%</td> <td>●</td> </tr> <tr> <td>Salary growth</td> <td>3.95%</td> <td>3.65%-3.95%</td> <td>●</td> </tr> <tr> <td>Life expectancy – Males currently aged 45/65</td> <td>23.1/21.8</td> <td>20.9-23.4 19.5-22.1</td> <td>●</td> </tr> <tr> <td>Life expectancy – Females currently aged 45/65</td> <td>24.4/22.9</td> <td>24.3-25.9 22.9-24.5</td> <td>●</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Completeness and accuracy of the underlying information used to determine the estimate Impact of any changes to valuation method Reasonableness of the Authority's share of LPS pension assets. Reasonableness of increase/decrease in estimate Adequacy of disclosure of estimate in the financial statements <p>There were no significant issues arising from our work.</p>	Assumption	Actuary Value	PwC range	Assessment	Discount rate	4.8%	4.8% - 4.85%	●	Pension increase rate	2.95%	2.65%-2.95%	●	Salary growth	3.95%	3.65%-3.95%	●	Life expectancy – Males currently aged 45/65	23.1/21.8	20.9-23.4 19.5-22.1	●	Life expectancy – Females currently aged 45/65	24.4/22.9	24.3-25.9 22.9-24.5	●	Light Purple
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Assessment

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- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Finest	ITGC assessment (design and implementation effectiveness only)					Journals

Additional Procedures carried out to address risks arising from our findings

Dartmoor National Park Authority have a service level agreement with Devon County Council (DCC) for the provision of their Financial Management system 'Finest'. The above ITGC assessment is the DCC auditors' assessment of the system at DCC.





Two deficiencies were identified in this testing:

User ID 200 Journals

Inadequate control over privileged accounts within the Finest application.

We have considered the impact of these weaknesses in respect of the Authority. There were no User ID 200 journals posted to the Authority ledger in 2022/23. We have reviewed the administrator access to the Authority ledger and have identified that the only privileged access users with admin access to the DNPA ledger are DCC employees who have not posted journals in 2022/23, and members of the Authority finance team do not have administrator access to the ledger. We have assessed that there is sufficient segregation of duties within the Finest system to negate this risk in respect of the Authority.

Assessment

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for testing

2. Financial Statements: Internal Control

Assessment	Issue and risk	Recommendations
Medium	<p>iTrent payroll system:</p> <p>The Authority's payroll is provided by a service organization, iTrent, for which no service auditor's report is provided. The Authority therefore lacks assurance over the control environment in respect of payroll.</p> <p>From our audit of the Authority's payroll costs, we are satisfied that we have obtained sufficient and appropriate audit evidence for payroll expenditure in 2022/23.</p>	<ul style="list-style-type: none"> We acknowledge that the Authority outsources its payroll services to Devon County Council. (DCC) Therefore, the Authority should work with DCC to understand how assurance can be gained over payroll controls. <p>Management response</p> <p>The Authority maintains its own controls in respect of payroll to the extent that this is within our control. However, we have a service level agreement in place with Devon County Council for the provision of this service and therefore, this matter will need to be discussed with DCC to take forward with iTrent.</p>

2. Financial Statements: matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

Significant matter	Commentary
Significant events or transactions that occurred during the year	None noted
Conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement.	None noted
Concerns about management's consultations with other accountants on accounting or auditing matters	None noted
Discussions or correspondence with management in connection with the initial or recurring appointment of the auditor regarding accounting practices, the application of auditing standards, or fees for audit or other services	None noted
Significant matters on which there was disagreement with management, except for initial differences of opinion because of incomplete facts or preliminary information that are later resolved by the auditor obtaining additional relevant facts or information	None noted
Prior year adjustments identified	We have identified that the 2021/22 audit fees are overstated by £3,000. This was due to the indicative fees for 2021/22, detailed in our November 2022 Auditors Annual Report, being £3,000 more than the final fee that was not confirmed until after the drafting of the 2022/23 financial statements. As this is trivial, these have not been corrected. No prior period adjustments have been made to the 2022/23 financial statements.
Other matters that are significant to the oversight of the financial reporting process.	None noted

2. Financial Statements: other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and Governance Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been received from the Authority, which was included in the papers for the 5 April 2024 Dartmoor National Park Authority meeting. As in prior years, we have requested a specific representation in respect of the Authority's accounting treatment of £350k of S.106 monies held by the Authority.

2. Financial Statements: other communication requirements



Issue	Commentary
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority's banks. This permission was granted and the requests were sent. These requests were returned with positive confirmations and no issues were noted.
Accounting practices	We have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/ significant difficulties	All information and explanations requested from management was provided.

2. Financial Statements: other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Authority and the environment in which it operates the Authority's financial reporting framework the Authority's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>In relation to AGS disclosure, we have raised a recommendation to management as part of enhancing the overall disclosures within the AGS going forward – please see the Action Plan at Appendix B.</p> <p>No inconsistencies have been identified. We have issued an unmodified opinion in this respect – refer to Appendix G.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported a significant weakness. <p>We have nothing to report on these matters.</p>



2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA audit instructions.</p> <p>This work is not required as the Authority does not exceed the threshold;</p>
Certification of the closure of the audit	<p>We have certified the closure of the 2022/23 audit of Dartmoor National Park Authority in the audit report, as detailed in Appendix G.</p>

3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2022/23

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3–5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which was presented at the 2 February 2024 meeting of the Dartmoor National Park Authority.

As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We did not identify any risks of significant weakness. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Authority's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Authority's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix F.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. No other audit or non-audit services are provided to the Authority.

4. Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority that may reasonably be thought to bear on our integrity, independence and objectivity
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided to the Authority.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority's board, senior management or staff.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Authority's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments
- G. Management Letter of Representation
- H. Audit opinion

A. Communication of audit matters to those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified one recommendations for the Authority as a result of issues identified during the course of our audit. We have agreed our recommendation with management. The matter reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<p>Medium</p>	<p>Annual Governance Statement (AGS):</p> <p>The Authority is required to undertake a review of its system of internal control in accordance with best practice. <i>Delivering Good Governance in Local Government: Framework (2016)</i>, published by CIPFA, recommends this review should be reported in an AGS.</p> <p>The preparation and publication of an AGS in accordance with <i>Delivering Good Governance in Local Government: Framework (2016)</i> would fulfil the statutory requirements across the UK for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control.</p> <p>The Authority has duly prepared the draft 2022-23 AGS alongside the financial statements. Our review of Authority’s 2022-23 AGS indicated that:</p> <ul style="list-style-type: none"> In certain areas the Authority’s AGS did not explicitly report the requirements and compliance of “<i>Delivering Good Governance in Local Government: Framework (2016)</i>” guidance. For example, the AGS is required to include an opinion on how the authority has behaved with integrity, demonstrating strong commitment to ethical values. This has not been included. <p>Enhancing overall compliance with applicable AGS guidance, would result in strengthening stakeholders’ understanding of the Authority’s AGS.</p>	<p>When drafting next year’s AGS we recommend the Authority should:</p> <ul style="list-style-type: none"> capture and report the requirements and compliance of “<i>Delivering Good Governance in Local Government: Framework (2016)</i>” guidance in full <p>Management response</p> <p>While not explicitly stated in the AGS, the Authority consistently upholds integrity and adheres to ethical principles, irrespective of whether it is reported. This recommendation will be taken into account for inclusion in the upcoming AGS.</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Follow up of prior year recommendations

We identified the following issues in the audit of Dartmoor National Park Authority's 2021/22 financial statements, which resulted in 1 recommendations being reported in our 2021/22 Audit Findings report. We are pleased to report that management have implemented all of our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Accounting policy for capitalisation:</p> <p>Our review of the Authority's accounting policies identified that the de minimis limit for capitalisation of expenditure on land and buildings assets and information communications technology related equipment is set at £20,000.</p> <p>In determining its accounting policies the Authority must have regard to the concept of materiality, and we consider that £20,000 is excessively high for the Authority given its size and profile. Other entities of a similar type and size set their de minimis limit at £5,000. The current de minimis represents a risk of material misstatement, as it is possible that expenditure is charged to revenue when it should have been capitalised, therefore understating the value of the Authority's assets and overstating its revenue expenditure, with consequent impacts on reserves balances.</p> <p>We note that this policy is consistent with the prior year and preceding periods, and would not have had a cumulative</p>	<p>Management response (November 2022):</p> <p>We have reviewed de minimis limits at other local authorities in the local area. We intend to adopt a policy with a de minimis limit of £10,000 from 2022-23 onwards, which is consistent with other bodies in the Devon area. We do not receive specific capital funding; all funding received is revenue and any capital spend is discretionary.</p> <p>November 2023 update:</p> <p>This change has been actioned in the 2022-23 draft statement of accounts.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

D. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2023.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000
Farming in Protected Landscapes 5 th Instalment (discussed above) - £163k	163	(163)	163	163
Overall impact	163	(163)	163	163

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
Going Concern Accounting Policy	The going concern accounting policy has been updated to clarify that the accounts have been prepared on a going concern basis	✓
Assumptions made about the future and other sources of estimation uncertainty.	The impact of movement in valuation assumptions has been quantified so that this note is in line with the CIPFA Code.	✓
Expenditure & Funding Analysis	The Opening and Closing balances have been updated to remove capital receipts reserve balances. The EFA now agrees with the Movement in Reserves statement.	✓
Various	A small number of amendments were made to update disclosures.	✓

D. Audit Adjustments (continued)

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2022/23 audit which have not been made within the final set of financial statements. The Audit & Governance Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
Other expenditure and creditors were overstated (projected based on an incorrect accrual and a miscalculated accrual)	(9)	9	(9)	Nil	This adjustment is immaterial and based on an extrapolated value
Overall impact	(9)	9	(9)	Nil	

Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2021/22 financial statements

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
Other expenditure and creditors are understated (projected based on one identified invoice for which no accrual was made)	35	(35)	(35)	Nil	This adjustment is immaterial and based on an extrapolated value
Overall impact	35	(35)	35	Nil	

E. Fees and non-audit services

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non-audit services.

Audit fees	2021/22 Actual Fee	2022/23 Proposed fee	2022/23 Final fee
Authority scale fee set by PSAA	9,091	13,091	13,091
Audit Fee Variations (detailed in plan)	6,950	5,950	5,950
Total audit fees (excluding VAT)	16,041**	£19,041	£19,041*

*There is a £1,000 difference between these fees and the fees in Note 25 which reports the 2022/23 audit fee as £20,000.

**The 2021/22 prior year comparator fees in Note 25 is overstated by £3,000. This was due to the indicative fees for 2021/22, detailed in our November 2022 Auditors Annual Report, being £3,000 more than the final fee that was not confirmed until after the drafting of the 2022/23 financial statements. As this is trivial, these have not been corrected.

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

Area of change	Impact of changes
Risk assessment	The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of: <ul style="list-style-type: none"> the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures the identification and extent of work effort needed for indirect and direct controls in the system of internal control the controls for which design and implementation needs to be assess and how that impacts sampling the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.
Professional scepticism	The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> increased emphasis on the exercise of professional judgement and professional scepticism an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence increased guidance on management and auditor bias additional focus on the authenticity of information used as audit evidence a focus on response to inquiries that appear implausible
Definition of engagement team	The definition of engagement team when applied in a audit, will include both the auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the auditor. <ul style="list-style-type: none"> Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> clarification of the requirements relating to understanding fraud risk factors additional communications with management or those charged with governance
Documentation	The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.

G. Audit opinion

Our audit opinion is included below.

We have provided the Authority with an unmodified audit report.

Independent auditor's report to the members of Dartmoor National Park Authority

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Dartmoor National Park Authority (the 'Authority') for the year ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the accounts, including accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Head of Business Support's (Chief Finance Officer) use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Head of Business Support's (Chief Finance Officer) conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Head of Business Support's (Chief Finance Officer) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Head of Business Support (Chief Finance Officer) with respect to going concern are described in the relevant sections of this report.

G. Audit opinion

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Head of Business Support (Chief Finance Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest 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 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 have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Head of Business Support (Chief Finance Officer)

As explained more fully in the Statement of 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 Head of Business Support (Chief Finance Officer). The Head of Business Support (Chief Finance Officer) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Head of Business Support (Chief Finance Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Head of Business Support (Chief Finance Officer) is responsible for assessing the 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 they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

G. Audit opinion

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 1972 and the Local Government Act 2003).

We enquired of management and the Authority concerning the Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Authority whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journal entries outside the normal course of business and significant management estimates, in particular those relating to land and buildings valuations and the valuation of the pension fund net liability. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on unusual and high-risk journals made at the year-end accounts production stage;
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings and defined benefit pensions liability valuations; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including management override of controls. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector
- understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

G. Audit opinion

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on 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 that 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 document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

G. Audit opinion

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Dartmoor National Park Authority for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

x April 2024



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