



NPA/22/031

Dartmoor National Park Authority

2 September 2022

Statement of Accounts 2021/22

Report of the Head of Business Support

Recommendation: **That:**

- (i) Members approve the 2021/22 Statement of Accounts;**
- (ii) The Chair be authorised to sign and date the Statement of Responsibilities on behalf of the Authority;**
- (iii) The Chair and the Chief Executive (National Park Officer) be authorised to sign the Letter of Representation on behalf of the Authority; and**
- (iv) Members approve the 2021/22 Annual Governance Statement**

1 Introduction

- 1.1 The Statement of Accounts (the Accounts) is a statutory document which all local authorities must produce and make available for public inspection. In addition, the accounts are subject to external examination by the Authority's external auditors.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) publishes The Code of Practice on Local Authority Accounting (The Code) which specifies the principles and practices of accounting that must be followed in preparing the Statement of Accounts. The Statement of Accounts was authorised for issue and made available for public inspection on 1 August 2022. There were no changes to the content of the Statement of Accounts this year, but some minor presentation changes.
- 1.3 A copy of the unaudited accounts was published on our website on 31 July 2022 at <https://www.dartmoor.gov.uk/about-us/how-we-work/funding-and-accounts>, which will be replaced with the audited version after this meeting.
- 1.4 Once Members have approved the Accounts, the Authority's Chair will be required to sign the Statement of Responsibilities on behalf of all Members (below the Chief Finance Officer's Certification) on page 10.
- 1.5 The Chair of the Authority and the Chief Executive (National Park Officer) are also required to sign a Letter of Representation on behalf of the Authority, a copy of which is included at Appendix 1. The purpose of the Letter of Representation is to

confirm to the Auditors that the Authority's financial statements give a true and fair view.

2 Financial Performance

- 2.1 The Audit & Governance Committee reviewed and approved the outturn position on 27 May 2022 (NPA/AG/22/003). Members congratulated staff for the efforts made and outcomes achieved during the year, and for continuing to maintain a culture of robust financial management. A summary of the year's financial performance is set out in the Narrative Report which starts on page 2 of the Accounts.
- 2.2 The actual revenue outturn, in terms of in-year Management Account reporting was a surplus of £51,913 (£57,789 surplus in 2020/21) which represents a -1.27% variance against Budget (-1.37 % in 2020/21). How this surplus is reconciled to the "Deficit on Provision of Services" line in the Comprehensive Income and Expenditure Statement (page 12 of the Accounts) is set out in the table below:

31 March 2021 £000		31 March 2022 £000
1,184	"Deficit on the Provision of Services" line in the Comprehensive Income and Expenditure Statement	1,183
	<i>Reverse out non-cash items:</i>	
(264)	Amortisation, depreciation & impairment charges	(310)
(879)	IAS19 Retirement Benefit adjustments (pensions)	(1,161)
(4)	Accumulated Absences adjustment (leave and flexi balances)	4
0	Reserve net gain on disposal of Non-current assets	(4)
	<i>Capital & Reserves:</i>	
191	Capital expenditure financed from revenue resources or Capital Grants	0
(286)	Net transfers to or (from) reserves per Management Accounts	236
(58)	Revenue Budget Surplus	(52)

- 2.3 There have been no changes to the financial outturn, as reported on 27 May, or as a result of the Audit.
- 2.4 The total net transfer from Earmarked Reserves as at 31 March was £288,471 i.e. our Earmarked Reserves balances have increased by this much. The General Reserve (unallocated) has been maintained at £500,000 and is the minimum level of balances that the Authority has determined must be retained. A summary of the total opening and closing Reserve Balances is set out below. Note 11 of the Accounts provides a more detailed explanation.

2020/21 £	Table 8: Earmarked Reserve Balances	2021/22 £
(2,477,571)	1 April Opening Balance	(2,249,271)
563,649	Reserves used in year (table 8)	85,719
(335,349)	Transfers to earmarked reserves at year-end for specific purposes (table 9)	(374,190)
0	Transfer to Capital Receipts Reserve	0
(2,249,271)	Total Earmarked Reserves at 31 March	(2,537,742)

(500,000)	General Unallocated Reserve	(500,000)
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(2,749,271)	Total Reserve Balances at 31 March	(3,037,742)
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- 2.5 In aggregate, the level of reserves and balances held is regarded as sufficient to meet current needs and to provide assurance that unforeseen risks and emergencies can be managed. These balances are determined in part by our on-going work programmes and projects and by a risk-based analysis and the methodology approved by the Authority.

3 Pension Scheme Assets and Liabilities

- 3.1 The Authority's pension fund deficit is subject to two different actuarial valuations; the Triennial Valuation and the IAS 19 annual accounting valuation. The Triennial Valuation is used to set the employer contribution rates for the following three years and is based on assumptions that are specific to the authority's part of the Devon Pension Fund (the next valuation is due in 2022). The annual IAS 19 valuation that the authority is required to use in these accounts, uses standardised assumptions and is designed to provide comparability between employers.
- 3.2 The result of the annual accounting valuation as at 31 March 2022 for the Authority is that the net liability has decreased by £2.152 million from £17.749 million to £15.597 million due mainly to changes in financial and demographic assumptions. The liability (accounting valuation of it) is an assessment of the level of corporate bonds a corporate body would need to issue in order to cover the cost of the deficit over an assessed period. This approach was designed with the Private Sector in mind but has also been adopted by the Public Sector. However, the true pension fund deficit is assessed through the Triennial Valuation and the deficit made good over the working life of the employees rather than by issuing Corporate Bonds.
- 3.3 The last triennial valuation took place as at 31 March 2019 and the Authority's funding level was assessed to be at 97% compared to 90% in 2016 and the employer contribution rate has remained stable. The Authority continues to make additional contributions to seek to achieve a 100% funding position in accordance with the recovery plan determined by the Actuary.
- 3.4 The annual accounting valuation and disclosures included in the Accounts (Note 32) makes use of many assumptions and is a "snapshot" valuation of assets and

liabilities on one particular day at year-end. This snapshot approach to valuing the deficit is volatile and unpredictable. The Pension Fund is a long-term investment vehicle, which means that valuation results will always fluctuate. It is arguable whether the annual “accounting” calculation of the pension fund deficit accurately reflects the long run position, many believe it does not. The pension fund deficit as reported in the Accounts does not represent an immediate call on the Authority’s reserves but simply provides an accounting valuation snapshot (at 31 March) with the value of assets and liabilities changing on a daily basis.

4 Local Code of Corporate Governance (Local Code) and the Annual Governance Statement (AGS)

- 4.1 On 27 May the Audit & Governance Committee considered and approved the current year’s formal review and assessment of the Authority’s governance arrangements, as set out in our Local Code of Corporate Governance and Annual Governance Statement (NPA/AG/22/002).
- 4.2 There are no changes or amendments to the AGS presented to and approved by A&G Committee in May; it can be found on page 56 of the Accounts. Once re-approved, it will be signed by the Chair and the Chief Executive and published alongside the Statement of Accounts.

5 Conclusion

- 5.1 Considering the Authority’s ambitious and often diverse work programme and the continued impact of the Coronavirus pandemic, 2021/22 was one of sound financial management and continued commitment of staff to continue with delivery. However, there was some slippage in programmed work during 2021/22 but this has predominately been due to factors beyond the Authority’s control.
- 5.2 Prudent financial management and increased income meant that we did not call on reserves for some key projects and that the 2021/22 revenue surplus has been set aside to help fund the Medium Term Financial Plan budget gap that has arisen due to real terms cut in National Park Grant (for 2022/23). Our Match Funding and Invest to Save Reserves have been maintained to take advantage of new opportunities and projects.
- 5.3 Grant Thornton (GT) will present their “Audit Findings Report” (AFR) to you separately (next item on the agenda). At the time of writing this report there was still some work outstanding in respect of the audit of the Pension Fund and the payroll system, i.e., obtaining the assurance letters those auditors. An update will be provided at the meeting. Work on the value for money conclusion has not yet been concluded, the outcome of which will be reported to the Authority by December 2022 in the Auditor’s Annual Report. The work done to date has not identified any risks of significant weakness in the Authority’s arrangements, and GT have not identified any issues that would have an impact on their opinion on the financial statements.
- 5.4 During the Audit one misstatement was discovered that needed addressing, which was in relation to understatement in valuation of a building asset. The valuation process is undertaken externally to the Authority by expert valuers, on discovery of the understatement the valuers issued an updated valuation report. Other changes

were minor and were either typo errors or presentational preferences as suggest by our Auditors. An action plan has been recommended by GT for the Authority to consider reducing our de minimis policy regarding capitalisation from £20,000 to £5,000 for land, buildings and ICT equipment. Having reviewed the limits for other local authorities within Devon, the Authority will be setting the limit to £10,000 from 2022-23 onwards. It should also be noted that the Authority has actioned or still reviewing the recommendations that GT made at the conclusion of the 2020/21 audit.

- 5.5 Grant Thornton have indicated that they anticipate being able to issue a standard (unmodified) audit opinion in due course. The final audit certificate cannot be issued until the value for money work is complete.

ANGELA STIRLAND

Background Papers:

NPA/21/009: 2021/22 Net Revenue Budget, Medium Term Financial Plan & Capital Budget

NPA/21/010: Treasury Management Investment Strategy 2021/22

NPA/AG/21/011: Financial Management 1 April to 31 August 2021 and Forecast of Financial Outturn 2021/22

NPA/AG/22/006: Financial Management 1 April to 30 December 2021 and forecast of Financial Outturn 2021/22

NPA/AG/22/003 – Financial Outturn 2021/22

NPA/AG/22/002 – Local Code of Corporate Governance & 2021/22 Annual Governance Statement

Attachments: Appendix 1 – Letter of Representation

20220902 AS Statement of Accounts 2021/22



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2 September 2022

Dear Sirs

Dartmoor National Park Authority
Financial Statements for the year ended 31 March 2022

This representation letter is provided in connection with the audit of the financial statements of Dartmoor National Park Authority for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the Authority financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Authority's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.


Pamela Woods Chair Kevin Bishop PhD Chief Executive (National Park Officer)

The purposes of the Dartmoor National Park Authority are to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park and to promote opportunities for the understanding and enjoyment of the area's special qualities.

In pursuing these purposes the Authority has a duty to seek to foster the economic and social well-being of the local community.

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- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of land and buildings and the valuation of the defined benefit net liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Authority has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings (ISA260) Report. The Authority's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings (ISA260) Report. We have not adjusted the financial statements for this misstatement brought to our attention as it is immaterial to the results of the Authority. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the Authority's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :

- a. the nature of the Authority means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Authority's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Authority's ability to continue as a going concern need to be made in the financial statements

- xv. The Authority has complied with all aspects of ring-fenced grants that could have a material effect on the Authority's financial statements in the event of non-compliance.
- xvi. We confirm that we are holding a cash balance of £350,000 in respect of a S.106 Planning Obligation Agreement. We are unable to spend this cash, nor do we control it. We are acting as the banker for this money, which will be passed to a third party as a contribution towards an affordable housing scheme, and it is excluded from the Authority's financial statements. We are aware of the deadlines for the use of the funds and are working with relevant partners to ensure that the S.106 commitment is delivered.

Information Provided

- xvii. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Authority's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Authority via remote arrangements from whom you determined it necessary to obtain audit evidence.
- xviii. We have communicated to you all deficiencies in internal control of which management is aware.
- xix. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xx. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.

- xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiv. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxvi. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxvii. The disclosures within the Narrative Report fairly reflect our understanding of the Authority's financial and operating performance over the period covered by the Authority's financial statements.

Approval

The approval of this letter of representation was minuted by the Authority at its meeting on 2 September 2022.

Yours faithfully

Name.....

Name.....

Position.....

Position.....

Date.....

Date.....

Signed on behalf of the Authority

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

Year ended 31 March 2022

16 August 2022



Contents



Your key Grant Thornton team members are:

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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. Its contents have been discussed with management.

Gareth D Mills

Name: Gareth Mills, Key Audit Partner and Engagement Lead for Dartmoor National Park Authority

For Grant Thornton UK LLP

Date: 16 August 2022

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 ('the Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2022 for 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), and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed on site and remotely during June to August as planned. Our findings are summarised in Section Two of this report. We have identified one adjustment to the financial statements that has resulted in an £80k adjustment to the Authority's comprehensive income and expenditure statement. This adjustment does not affect the Authority's level of usable reserves. A small number of other presentational audit adjustments are detailed at Appendix C. We have also raised recommendations for management as a result of our audit work in the Action Plan at Appendix A. Our follow up of recommendations from the prior year's audit are detailed at Appendix B.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our proposed audit opinion detailed at Appendix E or material changes to the financial statements, subject to the satisfactory completion of the following outstanding matters:

- finalising our audit testing of the valuation of land and buildings assets and journal entries made in the year
- receipt of the assurance letter from the auditor of Devon Pension Fund, and completion of any work arising on the significant audit risk of accounting for the defined benefit net liability
- receipt of the assurance letter from the auditor of Devon County Council in respect of the payroll system
- completion of our internal quality review process, including final reviews of the file by both the manager and engagement lead and finalisation of any review points raised
- receipt of the signed management representation letter, provided as a separate agenda item for this meeting
- review of the final set of financial statements.

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 anticipated audit report opinion will be an unmodified. We are targeting to issue our opinion in September 2022 upon finalising the matters listed above.

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 now 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 not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached at Appendix F to this report. We expect to issue our Auditor's Annual Report in time to present it to the Audit and Governance Committee on 4 November 2022. This would in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

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. Our work to date has not identified any such risks of significant weakness in the Authority's arrangements.

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.

We expect to certify the completion of the audit upon the completion of our work on the Authority's VFM arrangements, which will be reported in our Annual Auditor's Report in November 2022.

Significant Matters

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

2. Financial Statements

Overview of the scope of our audit

This Audit Findings (ISA260) 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 have been discussed and agreed with the Head of Business Support on 16 August prior to presenting it to the Authority Meeting on 2 September 2022.

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

We have not had to alter our Audit Plan dated 16 May, and presented to the Audit and Governance Committee on 27 May 2022.

Conclusion

We have substantially completed our audit of your financial statements and subject to the satisfactory completion of the outstanding items listed on page three, we anticipate issuing an unqualified ‘clean’ audit opinion following the Authority meeting on 2 September 2022. Our proposed audit opinion is detailed at Appendix E.

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.

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 on 16 May 2022.

We detail in the table to the right our determination of materiality for the Authority.

Materiality area	Amount (£)	Qualitative factors considered
Materiality for the financial statements	121,000	Financial statement materiality was determined based on a proportion of the gross expenditure of the Authority for the financial year.
Performance materiality	90,750	Set at 75% of materiality.
Trivial matters	6,100	Set at 5% of materiality.
Materiality for senior officer remuneration	10,000	Due to perceived public interest in these disclosures.



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
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p>	<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 to date has not identified any issues in respect of management override of controls. We will provide a verbal update at the Authority meeting on 2 September of any significant issues arising from finalising our testing of journals.</p>
<p>Valuation of land and buildings</p> <p>The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets) at the financial statements date.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (c£3.1 million in the 2020-21 balance sheet) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management have engaged the services of a valuer to estimate the current value as at 31 March 2022. The Authority has engaged an external valuer in 2021-22, as in the prior year.</p> <p>We therefore identified the closing valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued 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 relation to these revaluations have been processed appropriately <p>Our work to date has not identified any significant issues in respect of the valuation of land and buildings.</p> <p>For one asset, we identified an error in valuation which resulted in an audit adjustment of £80k. This is also detailed in the audit adjustments section at Appendix C.</p>

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

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 is considered a significant estimate due to the size of the numbers involved (£15.6m in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1% +/- change in these two assumptions would have approximately 2% +/- effect on the liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation.

With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.

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's work
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation
- assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements 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 (as auditor's expert) and performing any additional procedures suggested within the 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 – this assurance letter is currently outstanding.

Given the pension fund liability balance is a significant audit risk, we need to be satisfied that we have sufficient and appropriate audit evidence over these material entries. As such we are closely considering the information that we have received from the actuary and Pension Fund. We also need to review the contents of the assurance from the auditors of the Devon Pension Fund audit. The timing and content of the information from the Pension Fund auditors will influence the date when we will be in a position to issue our audit opinion on the Authority's accounts.

As noted earlier, our audit work on the pension fund net liability is currently in progress. This work is dependent on the progress of the Devon Pension Fund audit. This may impact our ability to issue our audit opinion after the Authority meeting on 2 September. We will provide a verbal update to members at the meeting on this issue.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Improper revenue recognition

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.

As reported in our Audit Plan, 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 the Authority, mean that all forms of fraud are seen as unacceptable.

There has been no change to our assessment in regard to the risk of improper revenue recognition.

Risk of fraud related to expenditure recognition (PAF Practice Note 10)

In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period)


As reported in our Audit Plan, we have rebutted this presumed risk for the Authority because:

- expenditure is well controlled and the Authority has a strong control environment
- the Authority has clear and transparent reporting of its financial plans and financial position to the Authority.

There has been no change to our assessment in regard to the risk of fraud related to expenditure recognition.

2. Financial Statements – key judgements and estimates


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

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £3.3m	<p>Land and buildings comprises £2.8m of specialised assets where no market exists which are required to be valued at depreciated replacement cost (DRC).</p> <p>The remainder of the land and buildings (£0.4m) 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 land and buildings as at 31 March on an annual basis. All assets were revalued as at 31 March 2022.</p> <p>The valuation of properties valued by the valuer has resulted in a net increase of £159k.</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 assumptions used by the expert, including the floor areas Ensured that there has been no changes to the method used to revalue the assets, and ensured that the method is suitable for the different classes of the assets Considered the adequacy of disclosure of the estimate in the financial statements. <p>There are no significant issues arising from our work.</p>	 Green

Assessment

- [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
- [Green] 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																								
<p>Net pension liability – £15.6m</p>	<p>The Authority's net pension liability at 31 March 2022 is £15.6m (PY £17.8m) comprising the Devon Pension Fund defined benefit pension scheme obligations.</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 2019. A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy, discount rates, salary growth and investment return.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £2.2m net actuarial gain during 2021-22.</p>	<p>We have:</p> <ul style="list-style-type: none"> Assessed management's expert Assessed the actuary's approach taken and deemed it reasonable Used PwC as auditor's expert to assess actuary and assumptions made by actuary (see table below) Confirmed the completeness and accuracy of the underlying information used to determine the estimate Confirmed the reasonableness of the Authority's share of LPS pension assets. Confirmed the reasonableness of the decrease in the liability estimate Confirmed the adequacy of the disclosure of the estimate in the financial statements <p>Our audit work to date has not identified any issues in respect of the valuation of the pension fund net liability. Our work in this area is still in progress, including the assurance from the Pension Fund auditor.</p>	 Green																								
		<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>2.6%</td> <td>2.55% - 2.6%</td> <td style="text-align: center;">● Green</td> </tr> <tr> <td>Pension increase rate</td> <td>3.25%</td> <td>3.05% - 3.45%</td> <td style="text-align: center;">● Green</td> </tr> <tr> <td>Salary growth</td> <td>4.25%</td> <td>4.05% - 4.45%</td> <td style="text-align: center;">● Green</td> </tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td> <td>24 / 22.7</td> <td>21.9 – 24.4 / 20.5 – 23.1</td> <td style="text-align: center;">● Green</td> </tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td> <td>25.4 / 24</td> <td>24.9 – 26.4 / 23.4 – 25.0</td> <td style="text-align: center;">● Green</td> </tr> </tbody> </table>	Assumption	Actuary Value	PwC range	Assessment	Discount rate	2.6%	2.55% - 2.6%	● Green	Pension increase rate	3.25%	3.05% - 3.45%	● Green	Salary growth	4.25%	4.05% - 4.45%	● Green	Life expectancy – Males currently aged 45 / 65	24 / 22.7	21.9 – 24.4 / 20.5 – 23.1	● Green	Life expectancy – Females currently aged 45 / 65	25.4 / 24	24.9 – 26.4 / 23.4 – 25.0	● Green	
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2. Financial Statements - Internal Control

Assessment

Issue and risk

●
Medium

iTrent payroll system:

The Authority's payroll is provided by a service organisation, iTrent, for which no service auditor's report is provided. The Authority therefore lacks assurance over the control environment in respect of payroll.

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 2021/22.

Recommendations

We acknowledge that the Authority outsources its payroll services to Devon County Council. Therefore, the Authority should work with DCC to understand how assurance can be gained over payroll controls.

Management response

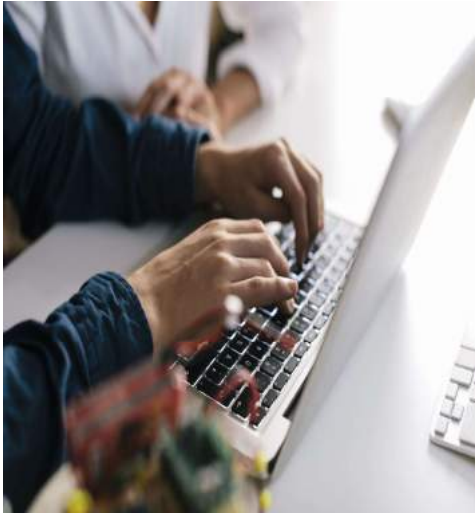
The Authority maintains its own controls in respect of payroll to the extent that this is within our control. However, we have a service level agreement in place with Devon County Council for the provision of this service and therefore this matter will need to be discussed with DCC to take forward with iTrent.

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 requested from the Authority, which is separately included in the Authority papers for the meeting on 2 September. 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 confirmation and no issues were noted.
Accounting practices	We have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. We have identified one recommendation regarding accounting policies relating to capitalisation of assets, as set out in the Action Plan at Appendix A.
Audit evidence and explanations / significant difficulties	All information and explanations requested from management was provided. The Authority's finance team were responsive to audit queries throughout the audit, and we would like to thank the Head of Business Support and her team for their help and support during the audit process.

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 and 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>No material inconsistencies have been identified. We plan to issue an unmodified opinion in this respect as per Appendix E.</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 or weaknesses. <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 group 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 intend to delay the certification of the closure of the 2021-22 audit of the Authority in the audit report, as detailed at Appendix E, due to the delay in completing our Value For Money audit work. Once this work is completed, we will be able to certify the closure of the audit.</p>

3. Value for Money arrangements

Approach to Value for Money work for 2021-22

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 not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached at Appendix F to this report. We expect to issue our Auditor's Annual Report in time to present it to the Audit and Governance Committee on 4 November 2022. This would be in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work to date, we have 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. At the planning stage we did not identify any such risks of significant weakness in the Authority's arrangements. There has been no change in our risk assessment from our work to date.

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. 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.

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 at Appendix D.

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 the report on our website.

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.

Appendices

A. Action Plan – Audit of Financial Statements

We have identified the following recommendation for the Authority as a result of issues identified during the course of our audit. We have agreed our recommendation with management and we will report on progress of this recommendation during the course of the 2022-23 audit. The matter reported here is 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 data-bbox="159 772 203 815"></p> <p data-bbox="118 842 241 874">Medium</p>	<p data-bbox="280 762 696 794">Accounting policy for capitalisation:</p> <p data-bbox="280 804 1075 916">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 data-bbox="280 932 1088 1161">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 data-bbox="280 1177 1081 1257">We note that this policy is consistent with the prior year and preceding periods, and would not have had a cumulative material impact on the 2021-22 or 2020-21 financial statements.</p>	<p data-bbox="1120 762 2085 852">We recommend that from 2022-23 onwards, the Authority considers adopting a de minimis limit for the capitalisation of expenditure more in line with organisations of a similar size and profile.</p> <p data-bbox="1120 900 1384 932">Management response</p> <p data-bbox="1120 941 2092 1053">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>

B. Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2020-21 financial statements, which resulted in two recommendations being reported in our 2020-21 Audit Findings Report.

We have followed up on the implementation of our recommendations and note that one recommendation is still to be completed.

Assessment

- ✓ Action completed
- X Not yet addressed

Assessment	Issue and risk previously communicated (August 2021)	Update on actions taken to address the issue
✓	<p>Our audit work identified that there are a number of assets in the Fixed Asset Register that have exceeded their Useful Economic Life (UEL) set by the Authority, have a net book value of £nil but they remain in use.</p> <p>A number of these assets are also not fully depreciated, with a Net Book Value of £27k, despite having exceeded their UEL. The Gross Book Value (GBV) of assets still listed on the FAR that have a nil NBV is £469k.</p> <p>We recommend the Authority undertakes an assessment of all fully depreciated assets to consider if UELs and depreciation rates are appropriate and whether there is a need to revise these rates.</p> <p>In addition, for all fully depreciated assets that are still in use, the Authority should be satisfied that these assets are still operating at an appropriate level in terms of quality and reliability. If not, consideration should be given to disposing or "writing off" these assets.</p>	<p>The asset verification exercise was undertaken at the year end, resulting in the disposal of £285k (GBV) of vehicles, plant, furniture and equipment assets, as well as £73k (GBV) of intangible assets, which were no longer in use at the Authority.</p> <p>The remaining balance of assets identified in prior year is considered to still be in use. The Head of Business Support has confirmed that this asset verification exercise will be undertaken annually in future to ensure that the Authority's Fixed Asset Register is kept up to date.</p>
X (tbc in 2022-23)	<p>We noted during our audit that the Authority's Members Code of Conduct is dated from July 2012. We also noted that the Authority's Email Policy was last updated in November 2018 and the document does not have a next review date.</p> <p>The Authority should review its Code of Conduct to ensure it remains appropriate and fit for purpose. Arrangements for periodic review and updating of key documentation should be implemented.</p>	<p>The policies had not yet been updated at the end of the 2021-22 financial year. However, we understand from our discussions with management that these will be updated during 2022-23.</p> <p>We will follow this up as part of our VFM audit work later in 2022.</p>

C. 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 2022.

Detail	Comprehensive Income and Expenditure Statement £000	Statement of Financial Position £000	Impact on useable reserves £000
Understatement in valuation of building asset - increases gain on revaluation and PPE net book value by £80,000	(80)	80	Nil
Overall impact	(80)	80	Nil

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2021-22 audit which have not been made within the final set of financial statements. The Authority 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 useable reserves £000	Reason for not adjusting
Other expenditure and creditors are understated (one invoice was identified which was underaccrued by £3.7k. Under our Audit Manual we are required to extrapolate the possible impact of this error over the whole population, which produces an immaterial projected error of £35k)	35	(35)	(35)	The adjustment is immaterial and based on an extrapolated value
Overall impact	35	(35)	(35)	

Impact of prior year unadjusted misstatements

There were no unadjusted misstatements in the 2020-21 financial statements.

C. Audit Adjustments

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 omission	Auditor recommendations	Adjusted?
The movement in debtors / creditors amounts were reversed on the cash flow statement.	The figures should be corrected to accurately record the change in the respective balances. Management response Recommended adjustment has been made.	✓
Note 1: Expenditure and Funding Analysis misstates the opening and closing balances of the General Fund by £21k.	The figures should be corrected to accurately record the change in the respective balances. Management response Recommended adjustment has been made.	✓
Note 9: Note to the Expenditure and Funding Analysis is separated from the Expenditure and Funding Analysis by 8 other notes and 10 pages. This makes it difficult for a user to understand the linkage between this note and the EFA.	The notes should be adjusted so that Note 9 becomes Note 2 and follows on from Note 1. All other notes then move one place further down e.g. Note 2 Accounting Policies becomes Note 3. Management response Recommended adjustment has been made.	✓
Note 3: Critical Judgments in Applying Accounting Policies includes two items which are not critical judgments, as they simply restate the accounting policies of the Authority.	We recommend that these be removed. Management response Recommended adjustment has been made.	✓
Note 16: Financial Instruments overstated creditors by £70k due to the inclusion of creditor amounts which are not financial instruments under IFRS9.	The disclosure should be updated to remove these creditor balances from Note 16. Management response Recommended adjustment has been made.	✓
Note 27: Officers' Remuneration did not include disclosure of the remuneration for either office holder for the Head of Business Support or the Director of Conservation in 2021-22, when both holders of both posts should be included per the Code of Practice.	The disclosure should be updated to include disclosures relating to each office holder during the year for each of these positions. Management response Recommended adjustment has been made.	✓

D. Fees

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

The fees reconcile to note 26 of the financial statements.

Audit fees	Proposed fee	Final fee
Authority scale fee set by PSAA	£9,091	£9,091
Audit fee variations *	£9,450	£9,450
Total audit fees (excluding VAT)	£18,541	£18,541

* Any changes to the 2021-22 scale fee will need to be approved by PSAA. MHCLG has set aside £15m of funding to deal with the expected increase in 2021-22 audit fees, a direct response to one of the key findings of the Redmond Review into local authority external audit. National parks will have access to this funding to mitigate the direct financial impact on the Authority of this increase in audit fees.

No non-audit or other audit-related services have been undertaken for the Authority.

E. Audit opinion (draft)

Our proposed audit opinion is included below.

We anticipate we will provide 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 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant 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 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2022 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 2021/22; 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's) 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.

E. Audit opinion (draft)

In our evaluation of the Head of Business Support's (Chief Finance Officer's) conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 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 2020) 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.

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.

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

The responsibilities of the Head of Business Support (Chief Finance Officer) with respect to going concern are described in the 'Responsibilities of the Authority, the Head of Business Support (Chief Finance Officer) and Those Charged with Governance for the financial statements' section of this report.

Other information

The Head of Business Support (Chief Finance Officer) is responsible for the 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. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 and our knowledge of the Authority, 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.

E. Audit opinion (draft)

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, the Head of Business Support (Chief Finance Officer) and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities for the Statement of Accounts set out on page 10, 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 2021/22, 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 there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit and Governance Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

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.

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.

E. Audit opinion (draft)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 (international accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, Local Government Act 2003, and the Local Government Act 1972.
- We enquired of senior officers and the Audit and Governance Committee 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 senior officers, internal audit, and the Audit and Governance Committee 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 officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, and of fraudulent recognition of revenue and expenditure. We determined that the principal risks were in relation to:
 - Journal entries outside the normal course of business
 - Significant management estimates, in particular those relating to land and buildings valuations and the valuation of the net pension fund 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;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

E. Audit opinion (draft)

- 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.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to land and buildings and defined benefit net liability valuations.
- 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.

- 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.

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 2022.

Our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Authority's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

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, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

E. Audit opinion (draft)

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 December 2021. 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.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Dartmoor National Park Authority for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report'
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2022.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

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 43 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.

Gareth Mills, Key Audit Partner

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

Leeds

F. Audit letter in respect of delayed VFM work

Dartmoor National Park Authority
Parke
Bovey Tracey
Newton Abbot
Devon
TQ13 9JQ

16 August 2022

Dear Ms Woods

Under the 2020 Code of Audit Practice, at local government bodies we are required to issue our Auditor's Annual Report at the same time as our opinion on the financial statements or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the impact of the pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

As a result, we have therefore not yet issued our Auditor's Annual Report, including our commentary on arrangements to secure value for money. We expect to publish our report in time for the Audit and Governance Committee on 4 November 2022.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours sincerely

Gareth

Gareth Mills
Key Audit Partner & Engagement Lead for Dartmoor National Park Authority





NPA/22/032

Dartmoor National Park Authority

2 September 2022

Local Development Scheme (LDS)

Report of the Head of Forward Planning and Economy

Recommendation: **That Members adopt the Local Development Scheme with immediate effect**

1 Introduction

- 1.1 The Local Development Scheme (LDS) is a public statement of the Dartmoor National Park Authority's Local Plan preparation programme. This LDS sets out the 'timetable' for reviewing the Local Plan.
- 1.2 It is important that the Local Development Scheme remains up to date and clearly reflects the programme of document preparation and consultation. A copy of the latest version of the LDS is appended to this report (Appendix 1).
- 1.3 The LDS must publicly set out which local development documents we are to prepare, which of these are development plan documents, which area they cover, whether they are to be prepared with another authority and the timetable against which they will be prepared.
- 1.4 Whilst outside the necessary scope of this LDS, it also sets out the indicative timescale for the preparation of Supplementary Planning Documents (SPD).

2 Programme of plan preparation

- 2.1 In the National Planning Policy Framework (NPPF) Government has set out a requirement that Local Plans are reviewed to assess whether they need updating at least once every five years. They should then be updated as necessary.
- 2.2 This LDS therefore sets out a process for reviewing the policies in the adopted Local Plan. It does not set a process or timescale for the updating of those policies, which the review process may identify as in need of updating. This process would take place after the conclusion of the review.



Local Development Scheme (LDS)

September 2022



1. Introduction

- 1.1. Under section 67(1) of the Environment Act 1995, Dartmoor National Park Authority (DNPA) is the Local Planning Authority (LPA) for the entire area of Dartmoor National Park. Those responsibilities include the mineral and waste planning functions for the area. The Authority also prepares the Dartmoor National Park Partnership Plan (also known as the Management Plan); these are the over-arching strategic documents for the National Park and set the vision and objectives to guide the future of the National Park over a 10 to 20 year period. The current Partnership Plan was adopted in 2021, there is a consistent vision for Dartmoor's future in Partnership Plan and the Local Plan.
- 1.2. Preparation of a Local Development Scheme (LDS) is a requirement of the 2004 Planning and Compulsory Purchase Act (as amended by the 2011 Localism Act). The LDS must publicly set out which local development documents we are to prepare, which of these are development plan documents, which area they cover, whether they are to be prepared with another authority and the timetable against which they will be prepared. The LDS must be formally adopted.
- 1.3. This LDS is a public statement of the programme for preparing and reviewing the formal planning documents for Dartmoor National Park.

This includes:

- Development Plan Documents (identifying strategic priorities and containing policies to address these, for example the Local Plan)
- Supplementary Planning Documents (detailed advice and guidance which adds to adopted policy, such as Design Guidance)
- Other documents, including Local Development Documents (including 'procedural' documents such as the Local Development Scheme or Statement of Community Involvement)

2. Current plans in Dartmoor National Park

- 2.1. The Dartmoor Local Plan (2081-2036) for Dartmoor National Park was adopted in December 2021. It is a comprehensive Local Plan containing strategic policies, development management policies, site allocations, and minerals and waste policies. It is supported by the extant Design Guide Supplementary Planning Document (SPD) and the Affordable Housing SPD.

Document name	Current status
Local Plan (DPD - Development Plan Document) Sets out the vision, aims and strategy for spatial development in the Dartmoor National Park, provides detailed development management policies, allocates sites for housing and other development, sets out policies for Minerals and Waste development.	Adopted (2021)
Design Guidance (SPD - Supplementary Planning Document) Guidance to encourage a high standard of design in Dartmoor National Park	Adopted (2012)
Affordable Housing (SPD - Supplementary Planning Document) Guidance to support the delivery of affordable housing in Dartmoor National Park.	Adopted (2014)
Statement of Community Involvement (SCI) Sets out the scope and arrangements for consultation and participation for each local development document	Adopted (Revised 2018)
Local Development Scheme (LDS) The timetable for preparation of local development documents (e.g. Local Plan) and Supplementary Planning Guidance	Current (Revised 2022)

Table 1. Current local planning documents

3. Local Development Scheme

- 3.1. This document will include commentary on the complete range of documents the Authority intends to prepare and review. However, the required scope of the LDS is the preparation of DPDs only; Statements of Community Involvement and Supplementary Planning Documents do not need to be included but are here, for completeness.
- 3.2. The Authority intends to prepare or review the following documents within the timeframe of this LDS. Key milestones for their preparation/review are set out in Table 2.
- 3.3. **Local Plan Review (Development Plan Document)**
- 3.4. The Local Plan was prepared from 2016, including informal and formal consultation stages and public examination in early 2021. The Inspector's Report was received in November 2021 and the Local Plan was adopted in December 2021 at which point the previous DPDs were deleted.
- 3.5. The National Planning Policy Framework was revised in 2021 to include a new statement on the review of Local Plans:

“Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary²⁰. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.”
(NPPF para 33)

[Footnote 20 states: Reviews at least every five years are a legal requirement for all local plans (Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012).]

- 3.6. The Authority recognises the statutory need to maintain an up to date development plan, though currently benefits from a robust and up to date Local Plan. It will therefore be necessary to set out a review programme for the adopted Local Plan which aims to complete the review before December 2026. In order to achieve this, it will be necessary to:
- identify evidence requirements
 - engage in an appropriate level of consultation and engagement
 - establish an appropriate governance approach for the review
 - draw and agree any formal conclusions and identify any necessary programme for the updating of policies in the Local Plan.
- 3.7. Importantly, this LDS therefore sets out a process for reviewing the policies in the adopted Local Plan. It does not set a process or timescale for the updating of those policies, which the review process may identify as in need of updating. This process would take place after the conclusion of the review. If issues emerge during the review

process which alter the anticipated timescale below this SCI would be revised to reflect those new timescales.

- 3.8. The scope of the Local Plan review will be that of the entire Local Plan; it will include the whole area of Dartmoor National Park, and include consideration of strategic policies, development management policies, allocations, and minerals and waste policies. Where the review finds that only part of the Local Plan requires updating, only these policy areas will be subject an update.
- 3.9. **Supplementary Planning Documents (SPDs)**
- 3.10. The Authority has two adopted SPDs, the Design Guide (2011) and Affordable Housing SPD (2014). Whilst outside the necessary scope of this LDS it is helpful to set out the Authority's intentions regarding the review of these SPDs, as follows.
- 3.11. The Affordable Housing SPD has proven a useful document during the previous Local Plan period, adding helpful detailed guidance to assist applicants in making good applications which relate to affordable housing. Some elements of the current SPD have been incorporated into the new Local Plan, in order to give them more weight, some have been superseded, there are also now some gaps where additional guidance would now be beneficial.
- 3.12. The Authority intends to prepare a Housing SPD during 2022/23. This will have a broader scope than affordable housing, offering additional guidance to the new Local Plan policies including on affordable and market housing, custom and self-build homes, rural workers housing, and the delivery of housing sites.
- 3.13. The Authority also intends to review the Design Guide SPD. This will ensure the guidance is up to date and aligns with new Local Plan policies, for example on sustainable construction and space and accessibility standards. The scope of the Design Guide SPD may also include a design code dimension in order to reflect emerging government policy in that area.
- 3.14. The Authority also has additional guidance which has been prepared jointly with partners. This has not been adopted as SPD. The South Hams SAC guidance was prepared in partnership and was endorsed by the Authority in October 2019. Joint Biodiversity Net Gain guidance is currently being prepared; it is expected this will be completed and published during 2022/23 as technical guidance.
- 3.15. **Statement of Community Involvement**
- 3.16. 2004 Act requires that LPAs produce a Statement of Community Involvement (SCI). The Authority prepared a SCI – Planning: Having Your Say, which was adopted November 2018. It is considered necessary to review the LDS prior to the review of the Local Plan in order to ensure that the consultation and engagement process meets the latest requirements and best practice.
- 3.17. **Joint working and other plans**
- 3.18. Although joint development plan documents can be prepared with other planning authorities, there is no intention to prepare joint planning documents. In April 2016

the Authority agreed¹ not to enter formally into joint local plan arrangements with Plymouth, West Devon and South Hams; or with Exeter, Teignbridge, Mid-Devon and East Devon. It has committed to work closely with both groups, however, in respect of evidence gathering and meeting the Duty to Co-operate for both the Dartmoor Local Plan, and their respective plans.

3.19. The Authority maintains close liaison with Devon County Council, which is the mineral planning authority for the rest of Devon outside Plymouth and Torbay (and Dartmoor) in preparing evidence and monitoring to inform and support minerals policies.

Local Development Document	2022/23	2023/24	2024/25	2025/26
Local Plan (DPD) review	-	-	- Call for evidence - Scoping paper - Evidence review - Draft Report	- Final Report
Statement of Community Involvement		- Consultation - Adoption		
Housing SPD	- Consultation - Adoption		-	-
Design Guidance SPD	- Consultation	- Adoption	-	-

Table 2. Dartmoor National Park Authority Local Development Scheme – Programme 2022-2026

3.20. With reference to the above formal LDS timescales, it is anticipated that the preparation of the local plan will take place as follows.

Phase 1 Call for evidence

This phase will include:

- A brief Issues Paper for public consultation, designed to stimulate stakeholder engagement and an update on the Local Plan's performance
- A call for evidence
- Stakeholder and community engagement

This phase is planned to start in summer 2024

Phase 2 – Scoping Paper

This will comprise a Paper setting out more detailed consideration of the emerging issues

- Confirming the key issues which have been identified
- Confirming the scope of additional evidence gathering

This phase is planned to start in winter 2024

¹ Authority Report April 2016 http://www.dartmoor.gov.uk/data/assets/pdf_file/0007/739609/20160401-Authority-Reports.pdf

Phase 3 – Evidence Review

This phase will comprise the preparation and publication of evidence Topic Papers relating to the key issues in the Scoping Paper. These will be published as they are completed, in order to give opportunity for stakeholder scrutiny.

This phase is planned to start in spring 2025

Phase 4 – Draft Report

This phase will comprise the publication of draft report which brings together the evidence from the Topic Papers. It will summarise the key issues, and provide recommendation for policy review as necessary. It will be published for public consultation.

This phase is planned to conclude in winter 2025

Phase 4 – Final Report

Following the completion of the draft report consultation, the report will be revised to take into account stakeholder views on the conclusions and recommendations made. The final report will be considered formally by the Authority.

This phase is planned to conclude in summer 2026

4. Monitoring and review

- 4.1. Legislation requires local planning authorities to produce an Authority Monitoring Report to assess progress on the implementation of the LDS. The Authority also maintains and publishes other monitoring and reports, including the Brownfield Register, the Self-Build Register, and the annual Infrastructure Funding Statement.
- 4.2. Monitoring systems should assess:
- whether policies in local development documents are being implemented effectively, and whether targets and/or milestones are being met
 - the impact of the policies with regard to national, regional and local targets
 - the effectiveness of the policies and proposals with regard to the achievement of strategic objectives, and whether modification or replacement is required.

Where policies or proposals need to be changed, the annual review should indicate how that will be achieved.

- 4.3. A robust monitoring framework is now set out in the Authority's Annual Monitoring Report published in summer/autumn of each year. The review and monitoring of the Dartmoor National Park Partnership Plan and its associated State of the Park Report also provides evidence and material for assessing the documents in the Local Plan.

Document	2022/23	2023/24	2024/25	2025/26
Local Plan (DPD) review	-	-	- Call for evidence - Scoping paper - Evidence review - Draft Report	- Final Report
Statement of Community Involvement		- Consultation - Adoption		
Housing SPD	- Consultation - Adoption		-	-
Design Guidance SPD	- Consultation	- Adoption	-	-

LDS DOCUMENT Table 2. Dartmoor National Park Authority Local Development Scheme – Programme 2022-2026

3 Financial implications

- 3.1 The adoption of the LDS sets a timetable for plan preparation. The delivery of this scheme therefore has resource implications for the Authority in respect of staff resource (principally Forward Planning) for document preparation, consultation, staff resources relating to specialist input, specific research or appraisal requirements, publicity and publication.
- 3.2 The review of the SPDs is budgeted for within the 2022/23 budgets. Costs associated, in particular, with evidence gathering and publication, will need to be considered in the next Medium Term Financial Plan (MTFP) for 2024/25 and 2025/26. Given the financial constraints that the Authority faces - reduced core funding and increased costs due to inflationary pressures - there is a question as to how we afford the preparation of the next Local Development Plan.

4 Conclusion

- 4.1 The National Planning Policy Framework, together with recent appeal decisions nationally, highlights the importance of maintaining an up-to-date development plan and evidence base. It now sets a legal requirement for review of policy within 5 years of adoption.
- 4.2 This LDS establishes an important continued commitment from the Authority to maintain a robust and up-to-date development plan, giving it the ability to make clear, justified and defensible decisions on planning applications within the National Park. Members need to be aware of the financial implications of the LDS: the costs for 2022/23 are included in the existing revenue budget; future costs are not included in the current MTFP

DAN JANOTA

Attachments: Appendix 1 - Local Development Scheme

20220902 DJ Local Development Scheme