

# **Auditor's Annual Report on** Dartmoor National Park Authority

**2020-21**

20 January 2022



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. 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.



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# 1. Executive summary



## Value for money arrangements and improvement recommendations

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. The auditor is no longer required to give a binary qualified / unqualified VFM conclusion. Instead, auditors 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 specified criteria. As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have not identified any significant weaknesses but have considered risks in respect of:

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

Criteria	Risk assessment	Findings
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified. One improvement recommendation made.
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified. Two improvement recommendations made.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified.



### Financial sustainability

The Authority is operating in an increasingly uncertain financial environment. The Authority, as with all national parks and local authorities, will need to continue to plan with little certainty over funding in the medium term.

Despite this uncertainty, and the challenges posed by Covid-19, the Authority has taken appropriate action to secure its financial position.

Our work has not identified any significant weaknesses in arrangements to secure financial stability at the Authority. We identified an improvement recommendation for the Authority to identify a range of options to meet budget gaps in the Medium Term Financial Plan.

Further details can be seen on pages 7-9 of this report.



### Governance

Our work this year has focussed on developing a detailed understanding of the governance arrangements in place at the Authority and the changes instigated as a response to the pandemic.

Our work has not identified any significant weaknesses in arrangements. We have raised two improvement recommendations. The first recommends that the Authority's Audit and Governance Committee carry out a review of its effectiveness. The second makes recommendations for enhancements to the Authority's risk management arrangements.

Further details can be seen on pages 10-13 of this report.



### Improving economy, efficiency and effectiveness

The Authority has demonstrated a clear understanding of its role in securing economy, efficiency and effectiveness in its use of resources.

Our work has not identified any significant weaknesses in arrangements in relation to delivering economy efficiency and effectiveness.

Further details can be seen on pages 14-15 of this report.

### Overall summary

This is the first year of the new VFM audit code. The new VFM arrangements assessment asks auditors to look at potential areas of significant weakness. Based on our assessment of the Authority, we have not identified any significant weaknesses in the Authority's arrangements. This represents a good outcome for the Authority.

## 2. Statutory and key recommendations



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

Our work has not identified any significant weaknesses in arrangements and therefore we have not made any key recommendations.

Appendix C outlines the Use of auditor's statutory powers. These powers include the use of written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Authority to discuss and respond publicly to the report.

Our work has not identified any significant and persuasive weaknesses in arrangements and therefore we have not made any statutory recommendations or had to discharge any other wider powers under the Local Audit and Accountability Act 2014, for the 2020-21 audit year.

The range of recommendations that external auditors can make is explained at Appendix B.



# 3. Opinion on the financial statements



## Audit opinion on the financial statements

We issued an unqualified opinion on the financial statements on 1 November 2021.

## Audit Findings (ISA260) Report (AFR)

More detailed findings can be found in our AFR, which was published and reported to the Authority on 3 September 2021. We concluded that the other information published with the financial statements, including the Narrative Report and Annual Governance Statement, was consistent with our knowledge of the Authority and the financial statements we have audited.

## Preparation of the accounts

The Authority provided draft accounts in line with the national deadline and provided a good set of working papers to support it. Officers were available throughout the audit process to answer questions and provide additional information. This allowed for a smooth and efficient audit process to take place during June and July, in line with the the agreed timetable. However, the audit opinion could not be issued until we had received assurances from other auditors in respect of the Authority's share of the pension fund and the operation of the payroll system.

## Issues arising from the accounts:

There were no significant issues arising from our audit of the financial statements, with the only a small number of amendments made for misclassification and disclosure changes.

## Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to complete the WGA Component Assurance Statement for the Authority under group audit instructions issued by the National Audit Office.

We are unable to complete our work in this area as the instructions and Assurance Statement have not yet been issued by the National Audit Office.

## Grant Thornton provides an independent opinion ensuring the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation.



# 4. Commentary on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources

All National Park Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Authority's responsibilities are set out at Appendix A.

National Park Authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



## Financial sustainability

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



## Improving economy, efficiency and effectiveness

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



Our commentary on each of these three areas, as well as the impact of Covid-19, is set out on pages 7 to 17.

# 5. Financial sustainability



## We considered how the Authority:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## Summary of the Authority's arrangements

Dartmoor National Park Authority has processes in place which detail the responsibilities of Authority members and senior management for planning and managing the Authority's finances. These are set out in the Authority's Financial Regulations. We have not identified any evidence of the Authority not complying with these processes.

Financial performance is monitored and routinely reported to the Audit and Governance Committee, with monthly management reporting also taking place through the Leadership Team.

These reports set out key financial information, such as actual and forecast performance against budget. These reports are sent out in advance of the meetings, which enables questions to be formulated for discussion and scrutiny and challenge to take place.

## 2020-21 revenue outturn

The Authority set a balanced budget for 2020-21 on 6 March 2020. The budget was prepared before the uncertainty of the Covid-19 pandemic was known.

The Covid-19 pandemic impacted upon the Authority's planned work programmes and core business activity, with some increased costs incurred. These were offset to some extent by savings and use of the Coronavirus Job Retention Scheme while visitor centres were closed. This meant that the Authority did not need to use reserves or to request any additional funding from Department for Environment, Food and Rural Affairs (DEFRA) to cover any shortfall in the year.

The final revenue outturn position was a surplus of £58k.

## 2021-22 Financial Planning and beyond

The Authority set a balanced budget for 2021-22 on 5 March 2021. This was achieved by the budget gap being met by the surplus achieved in 2020-21 and £55k from reserves.

The Authority's Medium Term Financial Plan (MTFP) is updated annually as part of the budget setting process. The current MTFP runs from 2021-22 to 2023-24.

The Authority has applied several key assumptions in developing its financial plans for 2021/22 to 2023/24. These include:

- salary inflation of 1% in 2021-22 and 2% per annum in 2022-23 and 2023-24
- non-wages inflation – only included after discussions with suppliers/providers
- flat cash national park grant per annum.

With the benefit of hindsight, the assumptions may appear to be optimistic in the context the Office for National Statistics (December 2021) reporting rises in inflation during 2021-22. However, the Authority has earmarked reserves totalling £563k for their Budget Management Fund to mitigate variations to assumptions made in the budget and MTFP.

# Financial sustainability

## Bridging Funding Gaps

The Authority's Medium Term Financial Plan runs from 2021-22 to 2023-24. This assumes a nil increase in National Park Grant (NPG) and as a result shows budget gaps of £86k in 2022-23 and £58k in 2023-24.

The Authority has not identified specific savings to bridge the funding gaps, but recognises that using its reserves for more than one year is not sustainable. It has set out the significant projects and programmes that may be at risk if core NPG funding is not increased and the Authority has to make savings in order to balance the budget.

Whilst the Authority has a good track record of delivering a balanced budget position each year, consideration should be given to identifying in advance a range of savings options and schemes which would be available to be implemented should they be required. These proposals should be included within the MTFP and annual budget. We have raised an Improvement Recommendation in this regard.

The MTFP also includes some basic scenario modelling over the impact of different levels of National Park Grant. There is scope to enhance the sensitivity analysis and scenario modelling arrangements.

The Authority has reasonably healthy reserves of £2.7m at 31 March 2021, which includes its general fund reserve of £0.5m. The MTFP forecasts that these could be reduced to £1.7m by the end of 2023-24 based on the current assumptions of nil increase to National Park Grant.

## Identifying and assessing financial risks

The Authority identifies key risks to their revenue position and how it is managing these risks to financial resilience. It has a number of contingency reserves to reduce the impact of uneven cash-flows or budgetary uncertainties.

Generally, we find the Authority to be well financially managed and there is a high level of understanding of its budgetary position and budgetary pressures. Risks are appropriately captured within the planning process.

## Farming in Protected Landscapes (FIPL)

Farming in Protected Landscapes is a three year DEFRA funded Programme (from 2021 to 2024) in all English National Parks, the Broads and Areas of Outstanding Natural Beauty (AONBs) to help farmers and other land managers adapt to changes in agricultural support. FIPL aims to support activity which benefits a number of areas including nature recovery, the impact of climate change, and provides opportunities for people to discover, enjoy and understand the landscape and its cultural heritage. FIPL funding is available for one-off projects covering a range of areas and is being managed by Dartmoor National Park Authority in its area.

In June 2021, the Authority was awarded £690k by DEFRA under the Farming in Protected Landscapes Programme to administer and manage the FIPL programme in the Authority's area. Nationally, FIPL funding of £52m is available across all England's Protected Landscapes. Given the three year duration of the programme, the Authority's allocation for 2021-22 was re-profiled to £343k, with the remaining balance being re-allocated across 2022-23 and 2023-24. We understand the funding received by the Authority will be offset by administrative costs and has a net neutral position.

## Summary from our audit review

Overall, we are satisfied the Authority has appropriate arrangements in place to ensure it manages risks to its financial sustainability. We have not identified any risks of serious weaknesses. We raised one improvement recommendation, as set out overleaf.



# Improvement recommendation



## Financial sustainability

Recommendation	Consideration should be given to identifying in advance a range of savings options and schemes which would be available to be implemented should they be required. These proposals should be included within the MTFP and annual budget.
Why/impact	The Authority is facing a budget gaps of £86k in 2022-23 and £58k in 2023-24. By identifying potential savings schemes at an early stage provides the Authority with a level of assurance that sufficient capacity is available to generate the savings in future years should they be needed. This approach also ensures the Authority is taking a proactive approach to managing savings required rather than a reactive approach requiring a range of one-off measures.
Auditor judgement	The Authority's Medium Term Financial Plan shows budget gaps of £86k for 2022-23 and £58k for 2023-24, based on the assumption made by the Authority on National Park Grant funding. Whilst the Authority has a good track record of delivering a balanced budget position each year, consideration should be given to identifying in advance a range of savings options and schemes which would be available to be implemented should they be required. These proposals should be included within the MTFP and annual budget.
Summary findings	<p>The Authority's MTFP does not currently include details of potential savings options and schemes which could potentially be implemented to bridge the savings gaps should they be required. Identifying potential savings options and schemes at an early stage will allow a more proactive approach to addressing the Authority's budget gap.</p> <p>Further detail is provided on page 7.</p>
Management comments	The Authority has an excellent history of financial management and at each budget setting we review areas of savings. The Authority also has a strong history of being able to find savings within the year and therefore do not feel currently the recommendation is relevant.

The range of recommendations that external auditors can make is explained at Appendix B.



# 6. Governance



## We considered how the Authority:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

## Leadership and committee effectiveness

Appropriate leadership is in place at the Authority. The Authority operates through full Authority meetings as well as through the Audit and Governance Committee, Development Management Committee and the Standards Sub-Committee. The Audit and Governance Committee is the Committee which undertakes the role of Those Charged with Governance (TCWG) and demonstrates appropriate challenge of financial and non-financial information. The Committee contains a mix of elected and appointed members with financial and non-financial experience. We have noted and experienced the appropriate debate and challenge they provide at each meeting. We note that the Audit and Governance Committee does not currently undertake a self assessment each year which is considered best practice. We have raised an improvement recommendation in this regard.

Major decisions are made at Authority meetings. The Authority meets regularly, with eight meetings in 2020-21 and details of the decisions made are recorded in the approved minutes and available on-line.

## Policies, procedures and controls

As a public organisation, the Authority aims to maintain the highest standards of conduct and integrity. The Authority expects the highest standards of corporate behaviour and responsibility from all Authority members and all staff. The Authority has in place a range of policies and procedures designed to ensure compliance with legislative and regulatory standards, including Codes of Conduct for Members and Staff, a Local Code of Corporate Governance and HR policies and procedures.

The Authority has an established anti-fraud culture through its anti-fraud and corruption policy. Members' interests are recorded on an individual basis on the Authority's website.

During the course of our final accounts audit we noted that two key policy documents, including the Code of Conduct, had not been updated for some time. We raised a recommendation in our Audit Findings Report and therefore we have not repeated that here. However, we also noted another policy that was in need of reviewing and updating, see section below.

## Monitoring and assessing risk

The Strategic Risk Register is updated regularly and key strategic risks are reported through the Audit and Governance Committee. This is underpinned by a Risk Management Policy Statement, although this needs to be brought up to date as it refers to job titles that no longer exist at the Authority. The Risk Register sets out the control measures in place and RAG rates each risk, however it doesn't allocate each risk to a senior officer. We have included an improvement recommendation in respect of these issues.

The Authority consider risks as part of their decision making role, including the annual budget setting process, major policy decisions and major projects. The Leadership Team review the corporate risks on a quarterly basis. The risk management approach and strategic risks are well understood across all levels of management at the Authority.

# Governance

## Internal control

Internal audit at the Authority is provided by Devon Audit Partnership, a shared service agreement between a number of the local authorities in Devon. Internal Audit agree an annual audit plan with the Head of Business Support and then presented the Plan to the Audit and Governance Committee for approval. The Committee use the work and findings of internal audit to consider the operation of key controls during the year which is used to draft the Annual Governance Statement. Internal Audit also issue an Annual Report summarising their work each year along with the Head of Internal Audit Opinion which provided Full Assurance for 2020-21.

## Budgetary Setting Process

The Authority has an established budget-setting process in place. The draft original 2020-21 budget was approved by the full Authority meeting in March 2020. There is a review of the budget to outturn by the Audit and Governance Committee in November for the position at 30 September and in February for the 31 December.

The Authority has in place a Medium Term Financial Plan which is updated each year as part of the annual budget setting process. In preparing the MTFP, the Authority incorporate some basic sensitivity analysis using worst case and most likely case projections for the core National Park Grant funding. This could be enhanced with further alternative options with details of how different budget gaps could be mitigated. The current MTFP sets out projections for a three year period 2021-22 to 2023-24 incorporating all information extant at that time to project both income and expenditure over the period of the Plan.

The level of routine review by the Audit and Governance Committee together with the Authority's track record of delivering a balanced year end outturn position confirm the effectiveness of the budget setting and monitoring processes in place.

## Budgetary control

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

Routine reporting takes place on months 6 and 9 to the Audit and Governance Committee ensuring members are aware of any overspends and how these are being managed.

## Monitoring and ensuring appropriate standards

The annual governance statement is compliant with the CIPFA code. The Authority has adopted the CIPFA/SOLACE framework Delivering Good Governance in Local Government, with a Local Code of Corporate Governance in place. An appropriate level of care is taken to ensure the Authority's policies and procedures comply with all relevant codes and legislative frameworks.

## Conclusion

Overall, we found no evidence of significant weaknesses in the Authority's arrangements for ensuring that it makes informed decisions and properly manages its risks.



# Improvement recommendation



## Governance

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

**Why/impact** To support robust governance arrangements it is best practice for key committees to carry out periodic self-assessment effectiveness reviews. The annual review process will help the Audit and Governance Committee identify potential areas for improvement and development without which its effectiveness may be impaired.

**Auditor judgement** The Authority's Audit and Governance Committee does not carry out an annual self-assessed effectiveness review. This review should be undertaken each year to support robust governance and continual improvement.

**Summary findings** The Audit and Governance Committee does not conduct an annual effectiveness self assessment review. Introducing an annual self assessment review will allow the Committee to consider its work during the year and identify potential areas for development and improvement increasing the Committee's effectiveness.

Further detail is provided on page 10.

**Management comments** The Authority will review this recommendation and consider undertaking.

The range of recommendations that external auditors can make is explained at Appendix B.



# Improvement recommendation



## Governance

Recommendation	<p>The Authority's risk management arrangements could be enhanced by taking the following actions:</p> <ul style="list-style-type: none"> <li>• The Risk Management Policy Statement should be reviewed periodically to ensure it remains up to date. The current version refers to job titles that no longer exist at the Authority.</li> <li>• Each risk in the Strategic Risk Register should be allocated to a senior officer in line with good practice.</li> </ul>
Why/impact	<p>Key policies should be subject to periodic review to ensure that they remain current and valid.</p> <p>It is good practice for risks in the Strategic Risk Register to be allocated to named senior officer. This demonstrates senior manager taking ownership of risks impacting on their areas of responsibility and ensures there is clarity over who is responsible for the management and reporting of each risk.</p>
Auditor judgement	<p>The Risk Management Policy Statement sets out the Authority's risk management strategy and the roles and responsibilities of individuals and groups in its delivery. This is a key document that should be reviewed periodically and updated as necessary.</p> <p>The Strategic Risk Register doesn't allocate each risk to a named senior officer. This is good practice as it ensures that ownership is taken for the management and reporting of individual risks. We would normally expect the nominated officer to be a member of the Leadership Team for strategic risks</p>
Summary findings	<p>The Risk Management Policy Statement refers to job titles that no longer exist at the Authority, and appears to date from 2004-05.</p> <p>The Strategic Risk Register sets out the control measures in place and RAG rates each risk, however it doesn't allocate each risk to a named senior officer.</p> <p>Further detail is provided on page 10.</p>
Management comments	<p>The Authority will undertake this recommendation.</p>

The range of recommendations that external auditors can make is explained at Appendix B.



# 7. Improving economy, efficiency and effectiveness



## We considered how the Authority:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

## Performance review, monitoring and assessment

The Authority's vision and priorities are set out in its Business Plan which is updated and presented to the Authority meeting annually. The current Business Plan is structured around six priorities, most of which relates to the overarching National Park Management Plan, which has recently been updated for 2021 to 2026 and renamed as the Partnership Plan. The key actions to deliver each priority area are set out along with target start and completion dates. The Business Plan also sets out whether the actions link to Carbon Neutral, the 25 year Environment Strategy and the Glover review.

Performance against these priorities and actions is monitored routinely by the Leadership Team. In year monitoring of progress and performance is also reported to and monitored by the Audit and Governance Committee.

The performance monitoring arrangements in place provide good information to members and management, whilst also supporting the overall objectives of the Authority and delivering its Business Plan.

The Authority has a performance indicator framework comprising of 37 indicators, these include:

- "State of the Park" indicators – some of which the Authority has little direct influence over, e.g. water courses with appropriate ecological status which comes from the Environment Agency
- national indicators – required by central government or agreed with other National Park Authorities
- Local indicators set by the Authority.

Performance against these indicators are reported to the Audit and Governance Committee. Many of the indicators reflect the impact of Covid on key areas of the Authority's work, with performance below target in areas such as income derived from sources other than NPG, number of visitors to Visitor Centres and number of volunteer days.

The percentage of planning applications dealt with in a timely manner was below the target performance for the year but the performance exceeded the target for the second half of the year, reflecting recent Planning and Enforcement officer appointments.

The Authority also participates annually in the National Park indicator set which is co-ordinated by the Yorkshire Dales National Park. All national parks input into this data set. These indicators form part of the main performance indicator framework of the Authority.

The Authority's Chief Executive is the lead Chief Executive for all national parks and acts as the lead representative and conduit for national park related discussions with DEFRA. This puts the Authority in a good position in terms of planning for key issues arising for the sector from government, for example, developments from the Glover Review.

# Improving economy, efficiency and effectiveness

## Partnership working and working with stakeholders

Partnership working is clearly established within the Authority's strategic framework documents, including the Authority's Management Plan and Business Plan and in the way the Authority operates on a day to day basis.

Partnership working is a key focus for the Authority for a number reasons, including:

- to help generate support funding, for example, through The National Lottery Heritage Fund to progress individual projects
- to encourage volunteering to support the work of the Authority and the various projects that the Authority is progressing
- to support the local community and business in which the Authority operates.

The proactive approach to partnership working is evident from the progress made in a number of key areas including:

- South West Peatland Project – the latest phase of this partnership scheme of peatland restoration was completed in March 2021
- Dartmoor Coronavirus Community Support Grant – this grant fund was set up seven days after the lockdown announcement to rapidly provide immediate grants to Dartmoor based voluntary and community groups.

- Making routes accessible – six “Miles without Stiles” routes have been created, covering 20 miles. These are suitable for a wide range of users, included those in all-terrain powered mobility scooter and have been graded and checked working with Dartmoor Wheelchair Access Group.

Appropriate partnership arrangements and stakeholder engagement are clearly embedded within the Authority.

## Procurement

The Authority has procurement procedures within its Financial Regulations and a Sustainable Procurement Policy which sets out the approach to delivering effective procurement. This supports budget-holders who have responsibility for procurement decisions. Budget-holders are also supported by the Finance Team.

## Conclusion

Overall, we are satisfied the Authority has appropriate arrangements in place for ensuring economy, efficiency and effectiveness in its use of resources.



# 8. COVID-19 arrangements



Since March 2020 COVID-19 has had significant impact on the population as a whole and how local government services are delivered.

We have considered how the Authority's arrangements have adapted to respond to the new risks they are facing.

## Financial sustainability

The lockdown restrictions announced on 16 March 2020 resulted in the closure of the visitor economy for the Authority. While Covid-19 did have an impact on Dartmoor National Park Authority's 2020-21 revenue budget this was managed through in-year savings and use of the Coronavirus Job Retention Scheme. The Authority has few assets from which to generate significant sums of income and is therefore less exposed to loss of commercial income.

While the Authority lost income from visitor centres, car parking charges and the waiving of vending licence charges, these are offset to some extent by reduced costs in several areas including travel/transport, project delays and stock purchases. As a result, the Authority did not need to request additional funding from DEFRA.

A better than budgeted position was achieved for 2020-21 with an outturn surplus of £58k at the year end.

## Governance

As a result of the lockdown restrictions announced on 16 March, the Authority moved to ensure that all staff were able to work from home where possible (and where they were not, furloughed). This has continued throughout the pandemic, with no significant impact identified on productivity.

The Authority responded quickly to the pandemic. Following the introduction of regulations to hold formal meetings via remote attendance, committee meetings moved to video conferencing. Governance and oversight arrangements have continued to be in place.

Despite Covid-19 uncertainty, we found that internal controls continued to operate effectively, and the Authority has continued to pay its creditors in a timely manner.

The corporate risk register has also continued to be updated to ensure all risks are recorded appropriately, mitigated and monitored.



# COVID-19 arrangements

## Improving economy, efficiency and effectiveness

The Authority's 2020-21 Business Plan was approved prior to the start of the Covid-19 pandemic. Performance against the priorities and actions included in the Business Plan have continued to be monitored routinely by the Leadership Team and reported to the Audit and Governance Committee. Inevitably, with the impact of Covid-19, elements of the Business Plan have been impacted such the closure of visitor centres and travel restrictions/home working for staff.

Partnership working is clearly established within the Authority and in the way the Authority operates on a day to day basis with its partners. Whilst Covid-19 had a direct impact on the Authority's operations, including the closure of its main office and visitor centres, the Authority was still able to stay in touch with many of its partners although there were delays with some projects.

The Authority also fell behind with its plans to engage with people given the Covid-19 lockdowns and the restrictions which were imposed on people meeting during the year. The Authority revised its work programmes and resources with some projects, such as Moor Otters II, being rescheduled. The Authority also had to respond to the changing demands on resources as the park saw a large spike in visitor numbers in the summer of 2020.

Overall, whilst Covid-19 initially impacted on partnership working and the ability of projects to progress, the Authority has sought to identify workable solutions whilst meeting Government Covid-19 guidance.

## Conclusion

Our review has not identified any significant weaknesses in the Authority's VFM arrangements for responding to the Covid-19 pandemic.



Appendices

# Appendix A - Responsibilities of the Authority



## Role of the Head of Business Support (Chief Finance Officer):

- Preparation of the statement of accounts
- Assessing the Authority's ability to continue to operate as a going concern

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Head of Business Support (Chief Finance Officer) is responsible for the preparation of the financial statements and 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.

The Head of Business Support (Chief Finance Officer) or equivalent is required to prepare 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. 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 and use 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 Authority is responsible for putting in place proper arrangements to secure 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.



# Appendix B - An explanatory note on recommendations

A range of different recommendations can be raised by the Authority's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Authority to discuss and respond publicly to the report.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Authority. We have defined these recommendations as 'key recommendations'.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the Authority, but are not a result of identifying significant weaknesses in the Authority's arrangements.	Yes, one recommendation has been raised on financial sustainability and two recommendations on governance.	9, 12 and 13



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