

DARTMOOR NATIONAL PARK AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Friday 26 May 2023

Present: Members
S Morgan (Chair), W Dracup, G Hill, M Renders,
P Woods, J McInnes, P Sanders

Officers
K Bishop, R Drysdale, A Stirland, N White

Apologies: A Cooper, P Harper, P Smerdon, J Nutley, P Vogel,
Liam Royale (Grant Thornton)

597 Minutes of the meeting held on Friday 3 February 2023

The minutes of the meeting held on 3 February 2023 were proposed by Mr McInnes and seconded by Mr Sanders and AGREED as a correct record.

598 Declarations of Interest

Mr Dracup declared a personal interest in Farming in Protected Landscapes.

599 Items Requiring Urgent Attention

None.

600 Public Participation

None.

601 External Audit - Update

Pete Barber, Director of Grant Thornton introduced himself as the newly appointed Auditor for DNPA, having taken over the position from Gareth Mills, whilst Liam Royale remains as the Manager overseeing this account.

Mr Barber confirmed that there is no definitive start date for their post-statements visit to undertake the audit for DNPA for 2022-23 (this will be the last year Grant Thornton are used) meaning that the accounts are yet to be completed and finalised by Grant Thornton and once completed these will be presented to the Members at a future meeting.

Mrs Morgan (Chair) responded with concern about the fact that there was no start date for external audit of accounts by our External Audit team. She asked whether this would have any implications for DNPA as we are

requested to publish our audited accounts by the end of September (brought forward from the end of November since last year). Mr Barber replied that although they are working hard behind the scenes to get the accounts ready for the deadline this year, with a target of the end of September, the fact that only 9% of public authorities managed to publish audited accounts last year by the deadline in November, it was looking unlikely that a September deadline could be achieved for us this year. Mr Barber assured us that we are certainly not the only public authority who are in this situation and that he would let Angela Stirland (Head of Business Support /NPA Officer) know as soon as possible when they would be able to complete the audit.

Following questions from Members, it was advised by Mr Barber that there will be no financial or legal implications for DNPA if the deadline is breached and that he feels it most unlikely that we would have any influence in moving the deadline date back to November, despite the fact that most public bodies will not now be able to hit the deadline in September. He went on to suggest that we should explain the lack of audited accounts on our website by citing an external auditor resource challenge with some well-rehearsed narrative from Grant Thornton.

A Member voiced his frustration and disbelief in such an unacceptable situation regarding our accounts. In response to several Members asking whether this delay and missing deadlines will result in a reduction in fees, Mr Barber advised that the contract is between Grant Thornton and the Public Sector Audit Appointments (PSAA) and not DNPA directly, so we need to speak with the PSAA if we are not happy with the level of service we are receiving and whether there would be any fee reduction.

The Chief Executive (National Park Officer) asked for clarification from Mr Barber about the way forward and for confirmation that despite a hefty rise in fees for Grant Thornton agreed by the PSAA this year, they are unable to confirm that our accounts will be ready for the deadline, they are unable to give us a date when the accounts are likely to be completed and their advice is to issue a statement on our website giving the reason for this as resource issues within Grant Thornton. It was confirmed by Mr Barber of Grant Thornton that this was the case although he advised that we should wait until September to issue the statement on our website. The timing was questioned by a Member and Mr Barber advised that the accounts still need to be published by the end of September, whether audited or not.

Again, Members agreed that the situation was unacceptable and resolved to approach the commissioning body of PSAA to ask about the process they have in place to ensure that the auditors appointed have sufficient capacity to carry out the work for us.

P Woods proposed, J McInnes seconded this. All in favour.

Members were shocked at the response from the External Auditor and reflected that this would be completely different if it were DNPA themselves who were causing a delay, or indeed if we were a commercial enterprise.

The Chair proposed we contact the PSAA and that we should be completely transparent about the situation.

P Woods seconded. All in favour.

Mr Barber advised that he will feedback to his Manager our comments, as he understands the strength of feeling about the situation and that as a public body we need to be transparent with use of public money. He agreed that we should contact the PSAA and also suggested we put our concerns to John Roberts of Grant Thornton.

Thanked Mr Barber for joining the meeting.

RESOLVED: Members noted the content of the report.

602 Annual Internal Audit Report 2022/23 and Proposed Plan 2023/24

Mr Ken Johnson, Devon Audit Partnership presented the annual internal audit, which he advised was on time.

He introduced himself to those who had not previously met him, as he will be taking over responsibility for DNPA accounts going forward. His background is in Counter-Fraud.

Mr Johnson apologised for the typo on the report which read Devon County Council instead of Dartmoor National Park. He went on to praise the report and advised that overall we received a substantial assurance which is the highest possible result. Although 3 out of 8 areas were marked as reasonable assurance, any issues have since been addressed.

Mr Johnson said that the staff dealing with the audit was very complimentary about DNPA staff. Very happy with the report this year and advised that the timetable for next year was also included in this year's report.

Members agreed they were also happy with the report, which was positive, understandable by the layman, clear and easy to read.

Mr Johnson reminded us that risk of fraud is ever-present and that he is happy to come and talk to DNPA officers about mitigating risks in this area.

Thank you to The Head of Business Support and her team for their hard work on this report.

RESOLVED: Members noted the content of the report.

603 2022/23 Financial Outturn

The report was presented by the Head of Business Support

The purpose of this paper is to report the outturn position for 2022/23 and to receive approval to carry forward and includes the outturn balance, monies for contractual commitments, as well as various grants and contributions received during the year.

The revenue outturn is a deficit of £4,281 (0.11% variance against budget).

The key points were highlighted as

Income:

- External grant funding received exceeded budget expectations
- Sales, Fees, charges and other income fared better than the last financial year

Expenditure:

Some work programmes and normal spending patterns are still experiencing delays, with resources and supply lines issues. Main variations include:

- Staff turnover presented savings of just over £46k
- Premises repair and maintenance at Princetown Visitor Centre (Ian Mercer room / Ballroom) not yet completed.
- Legal fees increased due to the costs in relation to the backpack camping high court case.
- Public right of way improvements, (NB the Authority received external grant funds to cover this expenditure)

Due to the delays experienced in programmed work, requests have been submitted to carry forward budgets to cover outstanding contract commitments. eg. Works at Princetown.

There was a surplus of £24,703 for the Project Fund at the end of the year.

Donate for Dartmoor Project balance is currently £44K with projects in 2023/2024 still to be determined.

Capital expenditure of £65K spent in the year was detailed, but to note capital table outturn needs to be updated in the report as the figures are missing. The capital expenditure has been funded by National Park Grant and external funding. However, the table does show the detail for the approved Capital Budget for 2023/24.

Section 4 of the report summarises the overall financial position and lists the reserve balances used in 2022/23 (£252,227) and carry forward requests for 2023/24 (£805,535); most of which is external grant funding, including the additional £440k we received from Defra and the additional FIPL money received.

The net effect of this means that our reserve balances have increased by £607k in 2022/23, but with capital expenditure utilising some of the National Park Grant this movement is £553k.

Appendix 4 provides a detailed analysis of the movement in reserves for the 2022/23 financial year and the estimated movement right through until 31 March 2026

This is the final year that members will be requested to consider management's recommendations in relation to the technical matter in section 5 of the report.

The report concluded that :

- We have an outturn deficit of £4,218 - equating to 0.11% variance against budget.
- The additional Grant received from Defra has allowed the Authority to carry forward our internally generated income into reserves. This will be used to keep the Princetown visitor centre open.
- The efficiencies made during the year, particularly staffing, has meant we do not need to call on reserves to cover the costs for the backpack camping High Court case.
- 2022/23 has once again been one of sound financial management and the commitment of staff to continue to deliver high quality services.
- The Authority continues to maintain a robust financial position and is demonstrating a proactive approach to building stronger partnerships, generating increased income streams and financial resilience and agility.

A member commented on recent news item regarding a review of public body pension schemes and whether this will impact us. The Chief Executive (National Parks Officer) advised that this could have an impact on our pension fund, however it was not yet clear.

In response to Member question regarding the additional grant money received, it was advised that this will be used to support our revenue budget over the next 2 years, so Princetown will remain open until at least March 2025. It should be noted that the works there are not yet complete.

Members thanked The Head of Business Support for the report.

RESOLVED: Members

- (i) Noted the content of this report;
- (ii) Agreed that the Authority transfers the 2022/23 unallocated revenue deficit of £4,281 from Reserves;
- (iii) Agreed that the Authority approves the transfer of grants and contributions received with specific conditions or restrictions and monies set aside for contractual commitments into earmarked reserves;
- (iv) Agreed that it is unnecessary to include a note in the Statement of Accounts relating to the remote possibility of a contingent liability, as set out in section 5 of this report.

604 The Local Code of Corporate Governance and 2022/23 Annual Governance Statement

The report was presented by the Head of Business Support.

This report is to enable Members to consider the outcome of the review of our corporate governance arrangements and approve the Annual Governance Statement (AGS) which must accompany the publication of the Statement of Accounts.

No changes are required to the format of the Local Code this year.

A list of the most significant work and improvements undertaken in the last 12 months, as well as the proposed work programme for the 2023/24 financial year, is set out in the AGS

The Authority has carried out a robust review of its Governance arrangements, and is satisfied that:

- The system of internal control is sound;
- There are proper and sound arrangements in place to detect and deter fraud and corruption;
- Our arrangements to ensure the legality of our business transactions are adequate and effective.
- That our governance arrangements and our Local Code are compliant with the CIPFA framework “Delivering Good Governance in Local Government”.

RESOLVED: Members

- (i) Considered and approved the assessment of the Authority’s governance arrangements; and**
- (ii) Approved the 2022/23 Annual Governance Statement**

605 Smaller Bodies Audit Regime

The Head of Business Support was tasked previously by the Authority with investigating the possibility of DNPA being classed as a “smaller body” in order to cut down on the size and scope of the annual audits necessary.

Unfortunately, we are over the threshold of this classification as our expenditure was more than £6.5 million last year and looks set to be over this for this year too and therefore we must have the more detailed audit.

Members and Chair commented on the Audit Fees table and remarked that the amazing rise of the Audit costs over the last couple of years which reinforce the desire to bring our current perceived lack of value for money and good service from our Auditors. The Members agreed however that this had been a good exercise and particularly timely in view of the External Auditors’ report earlier in the meeting.

A Member commented on the difference that would be evident if we were a private sector business rather than a public body.

Particularly concerning is the prediction that our fees, as per PSAA email, could be going up by 150%, which does not make any sense.

RESOLVED: Members noted the outcome of the Authority's suitability for a Small Bodies Audit

606 Business Plan Monitoring 2022/23

The report was presented by the Head of Organisational Development.

The report set out the Authority's performance in delivering the 25 key actions identified in the 2022/23 Business Plan.

It was noted that six key actions that were not completed in the year to end of March 2023.

Most progress has been delayed due to reasons beyond the Authority's control and this has had knock-on impact to progress work on - for example - Natural Flood Management and Valuing Cultural Heritage.

However, the overall picture is of sound delivery against key actions in the Business Plan.

The key factors that have had an impact on delivery have been staff turnover and recruitment, staff absence and new priorities.

In response to a Member enquiring about our cyber-crime resilience, it was advised that the Authority carry out IT and Security Audits, in line with our Strategic Risks Strategy. The Head of Business Support will speak to the Head of ICT and get further details to ensure appropriate measures are in place. They will report back to this Meeting in due course.

A Member then commented that it was amazing that despite COVID and the subsequent staff turnover, that so many of the key actions had been delivered.

RESOLVED: Members noted the content of the report and comments on performance against the key actions identified in the 2022/23 Business Plan

607 Performance Indicators 2022/23

The report was presented by the Head of Organisational Development.

The report details how the Authority has performed against the performance indicator targets agreed for 2022/23 although the focus of this Committee is on those performance indicators that relate to how our services are performing, along with further commentary to highlight some specific areas – including sickness absence, visitor numbers and Development Management. The

proposed performance indicators targets for 2023/24 are also set out in the report.

In response to a Member querying the staff absence and results of analysis of these absences, it was advised that there is ongoing analysis of trends/causes, but there have been a number of significant long-term absences which have impacted the figures. Absences are actively managed. LT have managed to add capacity to teams and actively manage staff absence with regular checks and the supportive employee assistance programme, but it has been a challenge. It should also be noted that many staff have very little or no absence at all, however it remains important to closely monitor and manage staff attendance.

Members advised that the ongoing suspension of the pre-application planning advice service (due to staff resource and the implementation of a replacement planning system) seemed to be missed greatly by the public and was causing some concern. This was recognised by the Chief Executive (National Parks Officer).

It was also noted by Members that their own attendance at Authority meetings was below the agreed target. The Chief Executive (National Park Officer) advised that as with Authority staff, the figures are easily skewed by one or two long-term absences as the group is so small.

It was noted that Member Workshops, where it may be possible to discuss these issues, are potentially planned for 7th July and 8th September, the earlier meeting dependent on member appointments being made.

RESOLVED: Members

- (i) note the content of the report;
- (ii) analyse the performance for 2022/23 and consider any action which may be taken to maintain and/or improve good performance or to address under-performance;
- (iii) note the proposed performance indicator targets for 2023/24

608 Strategic Risk Register 2023/24

The report was presented by the Head of Organisational Development.

A new Strategic Risk Register has been developed to aid regular reviewing and raising issues. A new Risk Management Policy was adopted in January with a new scoring system which identifies risks against their impact and likelihood. The Leadership Team monitors and reviews the Strategic Risk Register on a quarterly basis and have applied the new scoring system to the updated Register.

A Member asked for a change chart – this will be supplied at the next meeting.

In response to a question about IT and the threat of external infiltration, it was advised that this was reflected in the register.

RESOLVED: Members noted the content of the report and approved the updated Strategic Risk Register and attached Appendix.

The Meeting was closed.

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