DARTMOOR NATIONAL PARK AUTHORITY

2014/15
Audited
STATEMENT OF ACCOUNTS
&
Annual Governance Statement

Issued: xx September 2015

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Explanatory Foreword

Introduction

The financial activities of Dartmoor National Park Authority (DNPA) are regulated by the general legislation applying to all local authorities, supplemented by specific guidance given in the (National Park Authorities in England) Financial Grant Memorandum issued by the Department for the Environment, Food and Rural Affairs (Defra).

The majority of our funding is provided by Defra, through National Park Grant (NPG) which is generally for revenue purposes but also covers capital spending on vehicles, equipment and premises. The Secretary of State sets an overall spending limit for the Authority each year, net of any other income received from fees and charges, sales at our Visitor Centres, grants and contributions from other organisations and interest on investments etc.

The financial statements have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting (the Code) which is based on International Financial Reporting Standards (IFRS).

Accounting Policies and Comparative Information

The accounting polices on which the figures in the financial statements are related follow the financial statements (Note 1 page 14). There are no significant changes to accounting policies this year.

Economic context

GDP growth was robust in 2014, moderating in the second half of the year. Despite the weakness in the first 3 months of 2015, the outlook for growth remains solid. CPI inflation was 0.0% in March 2015 as falls in food, energy and other import prices continued to weigh on the annual rate. Inflation is likely to rise notably around the turn of the year as those factors begin to drop out. Inflation is then projected to rise further as wage and unit labour cost growth picks up and the Monetary Policy Committee predicts that inflation is likely to return to the 2% target within two years.

The outcome of the Comprehensive Spending Review (CSR) in 2010 resulted in Defra reducing its operations budget by 29% over the four years of the CSR financial planning timeframe. In June 2013 Defra's Departmental Expenditure Limit was cut by the Chancellor and in the Autumn Statement further cuts were made to Defra's unprotected budgets for 2014/15 and 2015/16. This resulted in NPG for 2014/15 being reduced by 8.51% (2.11% more than anticipated) and the NPG for 2015/16 being cut by a further 1.74%. The impact for Dartmoor National Park is a cash reduction in funding of £1,404,984 (28.2%), over the period 1 April 2010 to 1 April 2015. Applying 14.6% inflation to the original 2010/11 grant of £4,978,570 provides a figure of £5,705,441. The current grant for 2015/16 therefore represents a real terms cut (allowing for inflation) of £2,131,855 or 37.4%. If reductions in 'secondary' sources of income are also included then the real reduction in income for the National Park Authority will be in excess of 40% over the life time of the last Parliament.

Notwithstanding this significant reduction in funding, the Authority, through the change process it implemented in 2011/12 (reducing staffing levels by 25%) has established a robust financial position. We have also sought to offset these reductions in core funding by looking for alternative sources of income and investigate new ways to deliver services. We continue to have considerable success in levering in additional income, even though many of our partners are in a similar position. Changes (resulting in savings) to the senior management structure have also been put in place, taking effect from 1 April 2015; and ending the Your Dartmoor (grant) Fund; enabled us to set a balanced budget for 2015/16. However, Defra has indicated that we may face a further in-year cut during 2015/16 and the new Government has signalled that the direction of travel for public sector funding is for further cuts in the next Parliament.

The Statement of Accounts is a snap shot of the Authority's financial position as at 31 March 2015. It must be seen, however, in the context of a longer term financial management strategy that meets the challenges described in this section. Reduced staff capacity, low interest rates and a squeeze on funding create significant pressures on spending that are difficult to manage. The Authority has built up a prudent level of reserves over recent years, and this will provide some flexibility to meet these pressures over the medium term.

Financial Performance

Whilst our aspiration and ambition remain, our practical capacity to 'deliver for Dartmoor' has been significantly reduced (since 2010) and all areas of work have been impacted on as we have reduced expenditure and staffing levels to reflect the available budget. The Authority has once again proved to be very successful in levering in additional income, and has continued to make operational and efficiency savings in-year. During 2014/15 the Authority generated additional income of £159,098 from various sources including: grants, retail sales, donations, planning fees and other fees and charges. In-year operational and efficiency savings totalled £135,598 which included: Employees' and Members' related savings and re-negotiated contracts and services provided by third parties. This meant that planned buildings repairs and maintenance costs were able to be absorbed in-year rather than being met from reserve balances.

The Authority has also embarked on a five year, £3.9 million Heritage Lottery Fund (HLF) Landscape Partnership Project: "Moor than Meets the Eye" and is the lead accountable body. The income and expenditure relating to this project is accounted for separately and is therefore not included in our own Statement of Accounts. The Scheme Manager is line managed by the Director of Conservation and Communities and reports to the Landscape Partnership Board (Mr Lloyd represents the Authority on the Board) and the HLF. Members are to be kept informed of the Scheme progress, the financial implications and the associated risks via the Audit and Governance Committee.

When we set the 2015/16 Revenue Budget in February we did not set out a detailed Medium Term Financial Plan (MTFP). At that time, National Park Grant (NPG) for 2015/16 had not been confirmed by Defra and whilst the indicative figure has now been confirmed, we have received warning of potential in-year cuts and have received no indication of NPG settlement figures going-forward. The situation that we face is unprecedented in recent times. What is clear is that public sector spending is set on a downward trajectory for at least the next few years, but we do not know the speed or scale of any potential cuts. Other issues which create uncertainty include: uncertainty over national pay settlements for the public sector; maintaining the pension contributions determined by the actuary as the workforce reduces; and the impact of pension auto-enrolment

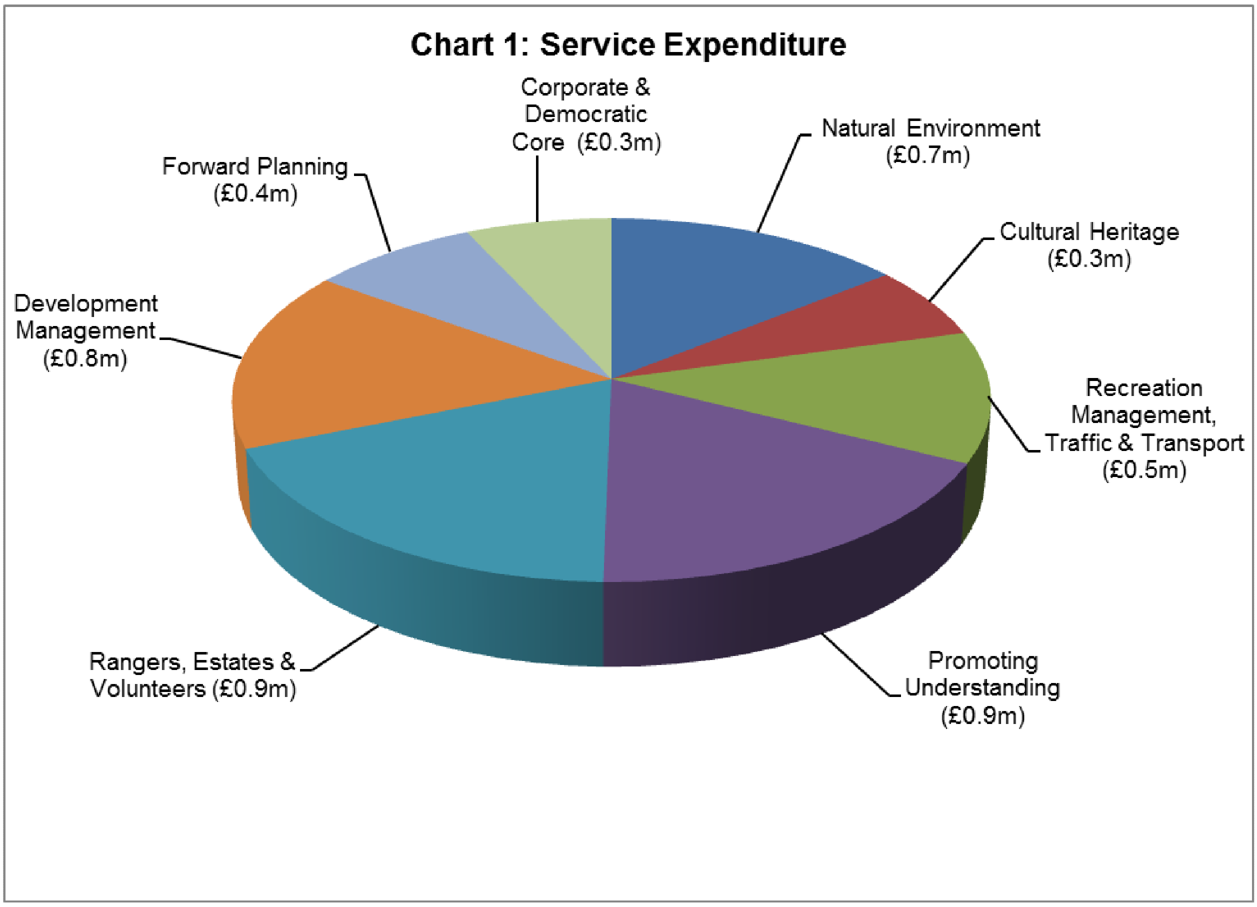
This means that the Authority may have to utilise a significant proportion of reserves over the life of the current and future MTFP if significant reductions in NPG are made, either by supporting some revenue spending, paying for redundancy packages or a combination of the two. The MTFP and the judgements and risks surrounding the purpose and the level of reserves held will need to be kept under constant review whilst we wait for clarity about future funding settlements. We know that there is an 'emergency budget' planned for 8 July 2015 but there is no information on the time schedule for the spending review at this time. We have however, once again positioned ourselves well for the future, with healthy reserve balances and we continue to proactively seek out external funding streams and develop other income generating ideas.

Budget management, financial control and value for money have been given the highest priority by Members and the Leadership Team. Robust budget management and financial control of resources in-year means that the actual outturn in terms of its Management Account reporting was a Surplus of £210,184) representing a minus 5.67% variance against the budget (£47,974 surplus and a minus 1.07% variance in 2013/14). This figure is reconciled to the deficit shown in the Comprehensive Income and Expenditure Statement (on page 11) in the following table:

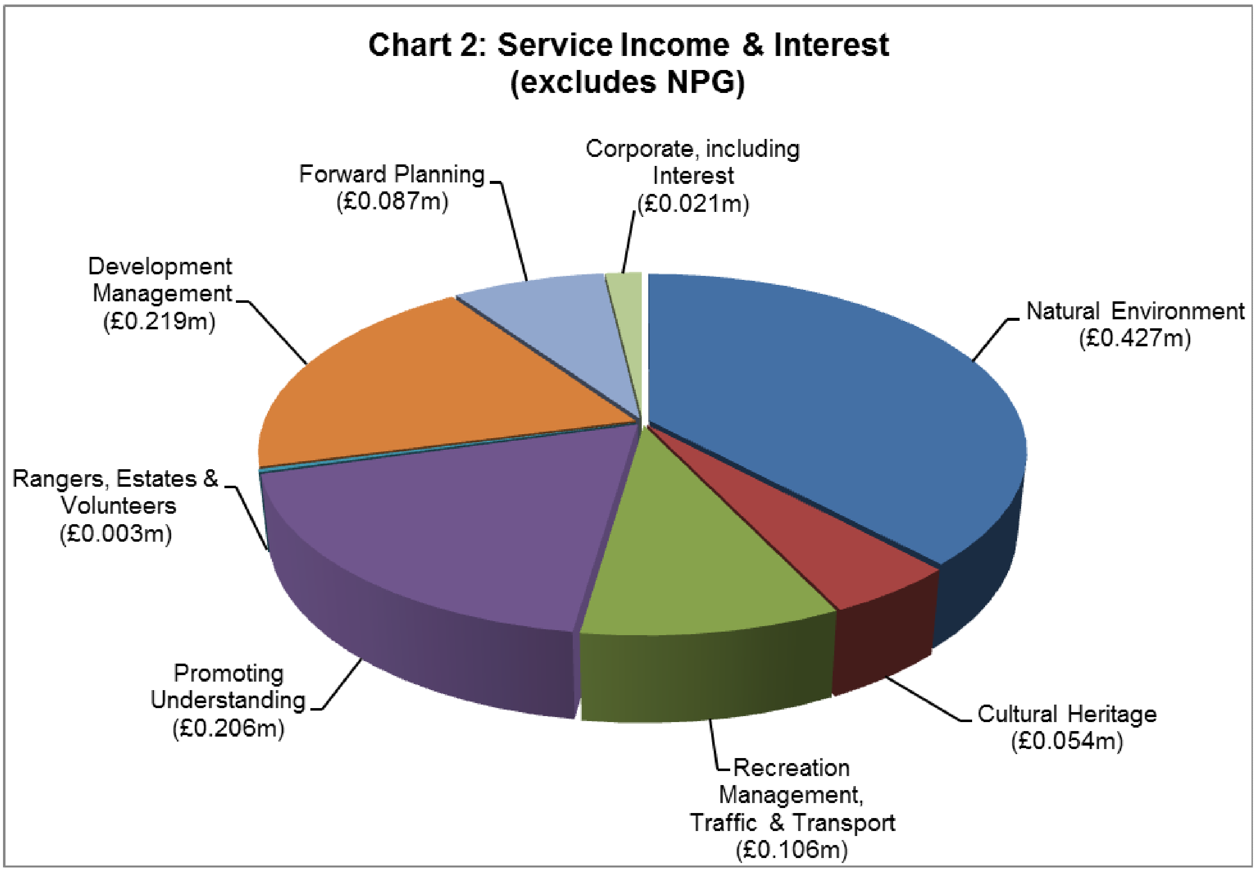
	31 March 2015 £000
Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	**432**
Reverse amortisation, depreciation & impairment charges	(163)
Reversal of IAS19 Retirement Benefit Adjustments	(424)
Net transfers to or (from) reserves per Management Accounts	(109)
Capital Expenditure funded from NPG	54
Revenue Budget Surplus (As reported in Management Accounts)	**(210)**

Revenue Spending

The Comprehensive Income and Expenditure Statement is produced in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Service Reporting Code of Practice and the Code. This requires a standard analysis of service expenditure, to be shown at total cost, which includes charges for capital asset utilisation, apportionments of central costs, expenditure from funds and reserves and appropriate provision for pension costs. Gross expenditure totalled £4.844 million and Chart 1 highlights spending for each Service as presented in the Comprehensive Income and Expenditure Statement (CIES).



In addition to National Park Grant (NPG) of £3.637 million, income received for the year from external grant support, sales, fees & charges and interest totalled £1.123 million. Chart 2 highlights the income for each service in (excluding NPG) as presented in the CIES.



General and Earmarked Reserves

The Authority brought forward reserve balances totalling £2.594 million on 1 April 2014 and utilised a total of £0.389 million during the year. At the end of the year the Authority approved appropriations to or within earmarked reserves of £0.490 million which has resulted in a closing balance of £2.695 million. It should be noted however that £1.006 million will be fully utilised in 2015/16, bringing the 2015/16 forecast closing balance to £1.689 million, well below the 2014/15 opening balance. The Movement in Reserves Statement on page 10 and Note 7 on page 26 details the movements in Reserves during the year.

The General Reserve, which is included in the total above remains at £0.3 million, which equates to approximately 8.4% of the 2015/16 Net Budget Requirement and is the minimum level that the Authority has determined must be retained.

In aggregate, the level of reserves and balances held is regarded as sufficient to meet current needs and to provide some 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 methodology approved by the Authority.

Capital Spending

The Capital Assets of the Authority includes: Land, Buildings, Community Assets, Heritage Assets, Intangibles, Vehicles, Plant and Equipment. The total carrying value in the Balance Sheet as at 31 March 2015 was £3.226 million (£3.236 million in 2013/14). The Authority commissioned a revaluation review of its only Heritage Asset this year, resulting in an unrealised gain of £99,019 being recognised in the Comprehensive Income and Expenditure Account and the Revaluation Reserve. This year's Capital programme included the purchase two vehicles, instead of leasing, at a cost of £38,504 and the installation of a new microphone system for the Parke Committee Room, at a cost of £15,722.

Pension Scheme Assets and Liabilities

The pension liability is based on an actuarial valuation and represents the benefits that have been accrued by members of the local government pension scheme. The disclosures show many things, with a key factor being that they are highly unpredictable due mainly to the “snapshot” valuation of assets and liabilities on one particular day at year-end and the mismatch between assets held and the corporate bonds based method that is used to value the liabilities in the “annual accounting valuation process” i.e. to meet the IAS19 accounting standard and the requirements of The Code. This accounting standard asks the question: “how much would the Authority have to borrow on the bonds market to fund the liabilities?” Which is completely different to the questions posed during the triennial funding valuation, i.e. “how much do employers need to pay in the future to have enough assets to pay benefits?”

The annual accounting valuation included in these accounts results in some “hard coding of assumptions” especially in relation to the discount rate, which is based on the Corporate Bonds yield (and the assumption that funds are invested in corporate bonds, which they are not). This results in inconsistent, volatile and counter intuitive results when producing asset and liability valuations at each year-end period.

The result of the annual accounting valuation as at 31 March 2015 for the Authority is that the net liability has increased by £3.611 million from £7.783 million to £11.394 million. This net liability has increased mainly as a result of the fall in the discount rate assumption used as at 31 March. This has been offset by the strong asset performance by the Fund. However, it is worth noting that if the same valuation exercise had been repeated just two weeks later, the discount rate had risen again so that the increase in liability would have been reduced by approximately £2 million.

The pension fund deficit as reported in these accounts does not represent an immediate call on the Authority’s reserves but simply provides an accounting valuation snapshot (at 31 March 2015), with the value of assets and liabilities changing on a daily basis. It is arguable whether the annual calculation of the pension fund deficit accurately reflects the long run position, many believe it does not. It clearly asks different questions and gives different results from the triennial funding valuation.

The last triennial valuation undertaken by the actuary and effective from 1 April 2014 shows a continued improvement in funding (83% funded in 2013). Currently all major asset classes have performed better than expected and are anticipated to more than cover any increase in liabilities going forward. With less than 12 months to go before the next fund valuation, the Actuary is currently predicting a 1-2% increase in the overall funding level, that the deficit recovery programme is on track and that employer contributions are likely to remain stable, as they have for us since 2011.

Financial Statements

The financial statements and their purpose are summarised as follows:

- **Movement in Reserves Statement** (page 10) – this statement shows the movement in year for the reserves held by the Authority analysed into useable reserves (i.e. those that can be applied to either fund expenditure or reduce taxation / government grant) and other reserves. The surplus or deficit on the Provision of Services line shows the true economic cost of providing services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to and from earmarked reserves undertaken by the Authority
- **Comprehensive Income and Expenditure Statement** (page 11) – this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation / government grant. National Park Authorities receive government grant and raise income to cover expenditure in

accordance with regulations; this may be different from the accounting cost. The taxation / government grant position is shown in the Movement In Reserves Statement

- **Balance Sheet** (page 12) – the Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are useable reserves and are those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitation on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves are those that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

- The Authority has a negative Balance Sheet as at 31 March 2015 which means that the Authority's liabilities are £5.18 million greater than its assets. The negative Balance Sheet has no impact on the Authority being considered a going concern. The net Pension liability of £11.394 million (£7.783m in 2013/14) has a substantial impact on the net worth of the authority as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy. The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme Actuary, (see Note 35 for further information).

- **Cash Flow Statement** (page 13) – the Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation / grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash flows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

Conclusion

Given reduced staff capacity (in excess of a 25% reduction since 2010) managing an ambitious and complex work programme once again presented a significant challenge. Whilst there has been some slippage in programmed work, Members have recognised the huge effort that all staff have made this year and have congratulated them for the outcomes achieved.

Indeed, it is pleasing to note that once again, in an era of austerity, that there continues to be significant support for Dartmoor National Park from our partners and the public, as demonstrated by the additional income received this year, which will be used to the benefit of the Park and its communities. Staff and Members should also be congratulated for:

- proactively seeking and achieving efficiency savings where ever possible;
- proactively seeking and securing external funding;
- promoting our key messages, which results in financial support in terms of sales, sponsorship, donations and partnership working and funding
- working strategically with our local authority neighbours (Teignbridge, West Devon, South Hams and Devon County Councils) with whom we achieve so much more together

The financial statements record that as a result of careful management of the Authority's resources a reasonable level of reserves has been maintained, leaving the Authority in a sound financial position to cope with future challenges. The impact of the economic downturn has seen a significant squeeze on public expenditure, including that for National Park Authorities, and this looks likely to continue for the foreseeable future. The financial resilience of the Authority during this period will be recorded in future years' financial statements and will give a unique insight into the robustness of its financial management structures.

The achievement of such a robust financial position this year results from the painstaking effort over many months of a great many people. I would like to place on record my thanks to Members and Officers of the Authority who have once again achieved so much and who continue to work so hard to deliver for Dartmoor and to secure the financial health of the Authority.

Mary Davis
Chief Financial Officer to the Authority
Xx September 2015

Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Approve the Statements of Accounts

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently
- Made judgments and estimates that were reasonable and prudent
- Complied with the local authority Code

The Chief Finance Officer has also:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

Chief Finance Officer's Certificate

I certify that this Statement of Accounts for the year ended 31 March 2015 has been prepared in accordance with the Accounts and Audit Regulations 2011 and that it gives a true and fair view of the financial position of Dartmoor National Park Authority as at 31 March 2015 and its income and expenditure for the year ended 31 March 2015.

Signed: …………………….............. Mary Davis, Chief Finance Officer to the Authority

Date: x September 2015

Approval of the Accounts by the Authority

I confirm that these accounts were approved and authorised for issue by Members of the Authority at the meeting held on 4 September 2015.

Signed: …………………….............. Mr P Harper, Chairman of the Authority

Date: 4 September 2015

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for grant funding purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

	General Fund Balance £000	Earmarked General Fund Reserves £000	**Total Usable Reserves £000**	Unusable Reserves £000	**Total Authority Reserves £000**
Balance brought forward at 1 April 2013	**(300)**	**(2,424)**	**(2,724)**	**5,562**	**2,838**
<u>Movement in reserves during 2013/14</u>					
Surplus/(deficit) on the provision of services	230	0	**230**	0	**230**
Other Comprehensive Income and Expenditure	0	0	**0**	(1,405)	**(1,405)**
Total Comprehensive Income and Expenditure	230	0	**230**	(1,405)	**(1,175)**
Adjustments between accounting basis and funding basis under regulations (Note 6)	(400)	0	**(400)**	400	**0**
Net Increase/Decrease before Transfers to Earmarked Reserves	(170)	0	**(170)**	(1,005)	**(1,175)**
Transfers to/(from) Earmarked Reserves (Note 7)	170	(170)	**0**	0	**0**
Increase/(Decrease) in year	**0**	**(170)**	**(170)**	**(1,005)**	**(1,175)**
Balance carried forward at 31 March 2014	**(300)**	**(2,594)**	**(2,894)**	**4,557**	**1,663**
<u>Movement in reserves during 2014/15</u>					
Surplus/(deficit) on the provision of services	432	0	**432**	0	**432**
Other Comprehensive Income and Expenditure	0	0	**0**	3,088	**3,088**
Total Comprehensive Income and Expenditure	432	0	**432**	3,088	**3,520**
Adjustments between accounting basis and funding basis under regulations (Note 6)	(533)	0	**(533)**	533	**0**
Net Increase/Decrease before Transfers to Earmarked Reserves	(101)	0	**(101)**	3,621	**3,520**
Transfers to/(from) Earmarked Reserves (Note 7)	101	(101)	**0**	0	**0**
Increase/(Decrease) in year	**0**	**(101)**	**(101)**	**3,621**	**3,520**
Balance carried forward at 31 March 2015	**(300)**	**(2,695)**	**(2,995)**	**8,178**	**5,183**

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from Government Grant. National Park Authorities receive Government Grant and raise other income to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation (government grant) position is shown in the Movement in Reserves Statement.

2013/14				2014/15		
Gross Expenditure	**Gross Income**	**Net Expenditure**		**Gross Expenditure**	**Gross Income**	**Net Expenditure**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
589	(325)	264	Conservation of the Natural Environment	692	(427)	265
329	(76)	253	Conservation of Cultural Heritage	312	(54)	258
546	(100)	446	Recreation Management and Transport	565	(106)	459
828	(134)	694	Promoting Understanding	868	(206)	662
914	(3)	911	Rangers, Estates and Volunteers	901	(3)	898
774	(184)	590	Development Management	779	(219)	560
546	(7)	539	Forward Planning & Communities	390	(87)	303
355	(3)	352	Corporate and Democratic Core	337	(3)	334
0	(156)	(156)	Exceptional Item: Grant income (Note 4)	0	0	0
4,881	**(988)**	**3,893**	**Cost of services**	**4,844**	**(1,105)**	**3,739**
8	(42)	(34)	Other Operating Expenditure (Note 8)	8	0	8
362	(16)	346	Financing and Investment Income and Expenditure (Note 9)	340	(18)	322
	(3,975)	(3,975)	Taxation and Non Specific Grant Income (Note 10)		(3,637)	(3,637)
5,251	**(5,021)**	**230**	**(Surplus) or Deficit on Provision of Services**	**5,192**	**(4,760)**	**432**
		(604)	(Surplus) / Deficit on Revaluation of Property, Plant and Equipment (Note 12)			(99)
		(801)	Re-measurement of the Net Defined Benefit Liability/(Asset) (Note 35)			3,187
		(1,405)	**Other Comprehensive Income and Expenditure**			**3,088**
		(1,175)	**Total Comprehensive Income and Expenditure**			**3,520**

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2014 £000		Note	31 March 2015 £000	31 March 2015 £000
2,720	Property, Plant and Equipment	11	2,622	
487	Heritage Assets	12	586	
29	Intangible Assets	13	18	
3,236	**Long Term Assets**			**3,226**
33	Inventories	16	71	
461	Short Term Debtors	17	344	
2,549	Cash and Cash Equivalents	18	2,835	
3,043	**Current Assets**			**3,250**
(159)	Short Term Creditors	19	(256)	
0	Provisions	20	(9)	
(159)	**Current Liabilities**			**(265)**
(7,783)	Other Long Term Liabilities	35	(11,394)	
(7,783)	**Long Term Liabilities**			**(11,394)**
(1,663)	**Net Assets/(Liabilities)**			**(5,183)**
(2,894)	Usable Reserves			(2,995)
4,557	Unusable Reserves	21		8,178
1,663	**Total Reserves**			**5,183**

Authorised for Issue
The un-audited Accounts were issued on 22 June 2015 by Mary Davis, County Treasurer at Devon County Council, the Chief Finance Officer (Section 151 Officer) for Dartmoor National Park Authority.

The audited Accounts were authorised for issue by the Chief Financial Officer on x September 2015.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

31 March 2014		**Note**	**31 March 2015**
£000			**£000**
230	**Net (surplus) or deficit on the provision of services**		**432**
	Adjustments for –		
(376)	Non cash movements	22	(772)
54	Investing and Financing Activities	23	0
(92)	**Net cash flows from Operating Activities**	24	**(340)**
166	Investing Activities	25	54
0	Financing Activities		0
74	**Net (Increase) or decrease in cash and cash equivalents**		**(286)**
2,623	Cash and cash equivalents at the beginning of the reporting period	18	2,549
2,549	**Cash and cash equivalents at the end of the reporting period**		**2,835**

Note 1. Accounting Policies

General Principles

The Statement of Accounts summarises the Authority's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. The Authority is required to prepare an Annual Statement of Accounts by the Accounts and Audit Regulations 2011 in accordance with proper accounting practices. These practices primarily comprise:

- The Code of Practice on Local Authority Accounting in the UK 2014/15 (The Code)
- The Service Reporting Code of Practice 2014/15 (SeRCOP)
- International Financial Reporting Standards (IFRS)
- The National Park Authorities, England, Grant Memorandum (Revised) 2008

The accounting convention is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The accounts are prepared on the underlying assumption of a going concern basis.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits associated with the transaction will flow to the Authority
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- Interest payable on borrowings and receivable on investments is accounted for on the basis of effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- Where revenue and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected
- Where grant offers have been made by the Authority to individuals or organisations but not drawn down by the 31 March, agreement is sought from the Authority to make provision for their future payment from an earmarked reserve

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in periods of up to nine months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

Exceptional Items

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in notes to the accounts, depending on how significant the items are to an understanding of the Authority's performance.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of the transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparatives for the prior period.

Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible non-current assets attributable to the service

The Authority is not required to use National Park Grant to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in any overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision or loans fund principal) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any type of leave e.g. time off in lieu) earned by employees but not taken before year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date, or on an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accrual basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement, at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or the pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amount payable, but unpaid at year-end.

Post Employee Benefits

Employees of the Authority are members of the Local Government Pension Scheme (LGPS) administered by Devon County Council which is accounted for as a defined benefit scheme. The scheme provides defined benefits to members (retirement lump sums and pensions) related to pay and service.

- The liabilities of the Devon Pension Fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions related to items such as mortality rates, employee turnover rates and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 3.4% based on the annualised yield at the 24 year point on the Merrill Lynch AA rated corporate bond curve.
- The assets of the Devon pension scheme attributable to the Authority are included in the balance sheet at their fair value:
    - Quoted securities – current bid price
    - Unquoted securities – professional estimate
    - Unitised securities – current bid price
    - Property – market value

The change in the net pension liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income & Expenditure Statement to the services for which the employees worked
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement as part of Non Distributed Costs
- Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing & Investment Income and Expenditure line of the Comprehensive Income & Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
    - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as other Comprehensive Income & Expenditure
    - Actuarial gains and losses – changes in net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pension Reserve as Other Comprehensive Income & Expenditure
- Contributions paid to the Devon Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits
The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events. But where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Instruments

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities.

Financial Liabilities
Financial liabilities are initially measured at fair value and carried at their amortised cost. As the Authority has no borrowings, the only financial liabilities are short-term creditors and these are included within the balance sheet at cost.

Financial Assets
Financial assets are classified into two types:

- Loans and Receivables - assets that have a fixed or determinable payments but are not quoted in an active market. The Authority has not made any loans and all investments are fixed rate and are included within the balance sheet at cost
- Available for Sale Assets – assets that have a quoted market price and /or do not have fixed or determinable payments. The Authority does not have any available for sale financial assets.

Foreign Currency Translation

Where the Authority has entered into a transaction in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

Government Grants and Contributions

Whether paid on account, by instalments, or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments; and
- The grants or contributions will be received

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution, have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or otherwise returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

When revenue grants and contributions are received with restrictions but without conditions, they are credited to the relevant service line in the Comprehensive Income and Expenditure Statement. Where the grant or contribution has yet to be applied to finance revenue expenditure, they are reversed out of the General Fund Balance in the Movement in Reserves Statement, to an earmarked reserve.

National Park Grant (NPG)

National Park Grant is a general grant allocated by Defra directly to National Park Authorities as revenue grant. NPG is non-ring-fenced and is credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

Heritage Assets

The Authority owns “Uppacott”, a Grade 1(star) listed, Devon Longhouse. This property was acquired principally because of its historical and cultural value and provides an opportunity for the public to increase their knowledge, understanding and appreciation of Dartmoor’s cultural heritage. The acquisition was part funded by the Heritage Lottery Fund (HLF).

Heritage Assets are recognised and measured (including the treatment of revaluations gains and losses) in accordance with the Authority’s accounting policies on property, plant and equipment. “Uppacott” is reported in the Balance Sheet at insurance valuation which is based on a building re-instatement cost assessment (carried out in March 2015). Part of the property dates back to the 14th Century, and it is therefore deemed to have an indeterminate life: hence the Authority does not consider it appropriate to charge depreciation.

The Authority does not have a policy for the acquisition and disposal of Heritage Assets, the acquisition of “Uppacott” was a ‘one-off’ opportunity. The property is managed and preserved in accordance with the Authority’s Asset Management Plan, the terms and conditions of the HLF grant and a property specific Business Plan.

The carrying amount of this Heritage Asset will be reviewed where there is evidence of impairment. Any impairment is recognised and measured in accordance with Authority’s general policies on impairment. If this property is identified for disposal in the future, it will be dealt with in accordance with the Authority’s general provisions relating to the disposal of property, plant and equipment and the terms and conditions of the HLF grant. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised when it is demonstrable that the project is technically feasible and it is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably, be attributable to the asset and is restricted to that incurred during the development phase (research and development cannot be capitalised).

Expenditure on the development of websites cannot be capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in reserves Statement and posted to the Capital Adjustment Account and (for any sale proceed greater than £10,000) the Capital Receipts Reserve.

Inventories

Inventories are included in the Balance Sheet at the total of the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classed as operating leases. Where a lease covers both land and buildings, the land and building elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy, where fulfilment of the arrangement is dependent on the use of specified assets.

The Authority as a Lessee

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the term of the lease, even if this does not match the pattern of the payments (e.g. if there is a rent free period at the beginning of the lease).

Finance Leases
Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:
- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- A finance charge (debited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies generally applied to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the period).

The Authority is not required to cover depreciation or revaluation and impairment losses arising on leased assets from National Park Grant. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

As the Authority only has two finance leases and the lease liability is not material for either of them, the annual lease payments are accounted for within the Comprehensive Income and Expenditure Statement as they fall due. The assets are therefore carried as Property, Plant and Equipment in the Balance Sheet, rather than as a Long Term Liability.

Overheads and Support Services

The costs of overheads and support services are charged to those services that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2014/15 (SeRCOP) and the National Parks Financial Grant Memorandum 2008. The total absorption costing principle is used. The full cost of overheads and support services are shared between users in proportion to the benefits received with the exception of:
- Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional democratic organisation; and
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and are accounted for as separate headings in the Comprehensive income and Expenditure Statement as part of the Cost of Services.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, for rentals to others, or for administrative purposes that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition
Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be

measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

De-minimus
Expenditure below:
- £20,000 for buildings
- £5,000 for vehicles, plant and equipment
- £20,000 for information communications technology related equipment (systems upgrades and software) is treated as revenue expenditure and is charged to the relevant service line in the Comprehensive Income & Expenditure Statement in the year that it is incurred.

Measurement
Assets are initially measured at cost comprising:
- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located

The Authority does not capitalise borrowing costs incurred whilst assets are under construction. The costs of assets acquired other than by purchase is deemed to be its fair value, unless the asset does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:
- Community assets and assets under construction - depreciated historical cost
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets held in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service).

Where decreases in value are identified, they are accounted for by:
- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising from before that date have been consolidated into the Capital Adjustment Account.

Impairment
Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation
Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Buildings – straight line allocation over the useful life of the property as estimated by the valuer
- Vehicles, Plant & Equipment – straight line allocation over the life of the asset, as advised by a suitably qualified officer

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost, being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale
When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are classified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line on the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts, credited to the Capital Receipts Reserve and can only be used for new capital investment or set aside to reduce the Authority’s underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not charged against National Park Grant, as the cost of financing non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation, that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made about the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties. When payments are made they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service.

Reserves

The Authority sets aside specific amounts for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement of Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement. The reserve is then appropriated back to into the General Fund Balance in the Movement in Reserves Statement so there is no net charge against Government Grant for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and employee benefits and do not represent useable resources for the Authority – these reserves are explained in the relevant policies.

Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of fixed assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the amount charged to National Park Grant.

Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty’s Revenue and Customs. VAT receivable is excluded from income.

Note 2. Critical Judgements in applying Accounting Policies

In applying the accounting policies as set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There continues to be a degree of uncertainty about future levels of funding for Local Government and National Park Authorities. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of the need to close facilities and reduce levels of service provision

Note 3. Assumptions made about the future and other sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because these balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet as at 31 March 2015 for which there is a significant risk of material adjustment in forthcoming financial years are as follows:

Item	Uncertainties	Effect if Actual Results Differ From Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effect on the net pensions' liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £0.678m However, the assumptions interact in complex ways. During 2014/15, the Authority's actuaries advised that the net pensions' liability had increased by £4.073m as a result of estimates being corrected as a result of experience and a change in financial assumptions and decreased by £0.886m attributable to the return on plan assets in excess of interest.

Note 4. Material Items of Income and Expense

2013/14

Grant Income

During 2013/14 the Authority submitted a funding bid to Defra to help meet the costs of repairing Dartmoor's access infrastructure, following the significant damage suffered in the 2013/14 winter storms and floods. £150,000 was received as a one-off contribution for the sole use of repairing access infrastructure.

Defra also made an additional Grant payment of £6,000 to each of the ten English National Park Authorities in-year, to enable us to meet our obligations for publishing data under the INSPIRE Directive.

Note 5. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Chief Finance Officer on x September 2015. Where events taking place before this date provided information about conditions existing at

31 March 2015, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 6. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure, recognised by the Authority in the year in accordance with property accounting practice, to the resources that are specified by statutory provisions, as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or capital investment (or for the deficit of resources that the Authority is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used to fund new capital expenditure or to be set aside to finance historical capital expenditure. Any balance on the reserve shows the resources that have yet to be applied for these purposes at year-end.

2014/15	**General Fund £000**	**Capital Receipts Reserve £000**	**Movement in Unusable Reserves £000**
Adjustments involving the Capital Adjustment Account:			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of non-current assets	(152)		152
Amortisation of Intangible Assets	(11)		11
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:			
Capital Expenditure charged to the General Fund Balance	54		(54)
Adjustments involving the Pension Reserve:			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (Note 35)	(869)		869
Employer's pensions contributions and direct payments to pensioners payable in the year	445		(445)
Adjustment involving the Accumulating Compensated Absence Adjustment Account:			
Amount by which remuneration charged to the Comprehensive Expenditure and Income Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0		0
Total Adjustments	**(533)**	**0**	**533**

2013/14 Comparative Figures	General Fund	Capital Receipts Reserve	Movement in Unusable Reserves
	£000	£000	£000
Adjustments involving the Capital Adjustment Account:			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of non-current assets	(92)		92
Revaluation losses on Property, Plant and Equipment	(5)		5
Amortisation of Intangible Assets	(11)		11
Amounts of non-current assets written off on disposal or sale, as part of the gain/loss on disposal	(12)		12
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:			
Capital Expenditure charged to the General Fund Balance	166		(166)
Transfer of sale proceeds credited as part of the gain/loss on disposal	54	(54)	0
Use of the Capital Receipts Reserve to finance new capital expenditure		54	54
Adjustments involving the Pension Reserve:			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (Note 35)	(944)		944
Employer's pensions contributions and direct payments to pensioners payable in the year	440		(440)
Adjustment involving the Accumulating Compensated Absence Adjustment Account:			
Amount by which remuneration charged to the Comprehensive Expenditure and Income Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4		(4)
Total Adjustments	**(400)**	**0**	**400**

Note 7. Transfers To/From Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet expenditure in 2014/15

Earmarked Reserves	**Balance at 1 April 2013**	Transfers Out 2013/14	Transfers In/Within 2013/14	**Balance at 31 March 2014**	Transfers Out 2014/15	Transfers In/Within 2014/15	**Balance at 31 March 2015**
	£000	£000	£000	**£000**	£000	£000	**£000**
Appeals / Litigation	(250)	0	0	(250)	0	0	(250)
Capital Projects	(215)	0	164	(51)	51	(24)	(24)
Repairs & Maintenance	(130)	0	30	(100)	0	(50)	(150)
Pay & Pensions	(327)	0	(186)	(513)	0	162	(351)
General Inflation / Loss of Income	(85)	0	1	(84)	0	(18)	(102)
Reduction in NPG	(608)	0	0	(608)	0	37	(571)
Budget Commitments	(259)	89	(264)	(434)	134	96	(204)
External / Match Funding	(217)	0	(110)	(327)	0	(174)	(501)
Grants & Contributions Received	(333)	286	(180)	(227)	204	(309)	(332)
2014/15 Revenue Outturn - unallocated	0	0	0	0	0	(210)	(210)
Total	**(2,424)**	375	(545)	**(2,594)**	389	(490)	**(2,695)**

Note 8. Other Operating Expenditure

31 March 2014 £000		31 March 2015 £000
8	Pension Fund Administration Costs	8
(42)	(Gains) / Losses on the Disposal of Non-Current Assets	0
(34)		8

Note 9. Financing and Investment Income and Expenditure

31 March 2014 £000		31 March 2015 £000
362	Net Interest Cost on the Net Defined Benefit Liability (asset)	340
(16)	Interest Receivable and Similar Income	(18)
346		**322**

Note 10. Taxation and Non Specific Grant Income

31 March 2014 £000		31 March 2015 £000
	Non-ringfenced Government Grants:	
(3,975)	National Park Grant (Defra)	(3,637)
(3,975)		**(3,637)**

Note 11. Property Plant and Equipment

Property, Plant & Equipment Movements in 2014/15	**Land & Buildings**	**Vehicles, Plant, Furniture & Equipment**	**Community Assets**	**Total Property, Plant and Equipment**
Cost or Valuation	**£000**	**£000**	**£000**	**£000**
At 1 April 2014	2,199	688	216	**3,103**
Additions	0	54	0	**54**
Derecognition - Disposals	0	(1)	0	**(1)**
At 31 March 2015	**2,199**	**741**	**216**	**3,156**
Accumulated Depreciation and Impairment				
At 1 April 2014	0	(383)	0	**(383)**
Depreciation Charge	(115)	(37)	0	**(152)**
Derecognition - Disposals	0	1	0	**1**
At 31 March 2015	**(115)**	**(419)**	**0**	**(534)**
Net Book Value:				
At 31 March 2015	**2,084**	**322**	**216**	**2,622**
At 31 March 2014	**2,199**	**305**	**216**	**2,720**

Property, Plant & Equipment Movements in 2013/14	**Land & Buildings**	**Vehicles, Plant, Furniture & Equipment**	**Community Assets**	**Total Property, Plant and Equipment**
Cost or Valuation	**£000**	**£000**	**£000**	**£000**
At 1 April 2013	1996	468	201	**2,665**
Additions	0	220	0	**220**
Revaluation Increases/(Decreases) recognised in the Revaluation Reserve	211	0	0	**211**
Revaluation Increases/(Decreases) recognised in the Surplus/Deficit on the Provision of Services	(5)	0	0	**(5)**
Reclassifications	(15)	0	15	**0**
Reclassified (to) / from Held for Sale	12	0	0	**12**
At 31 March 2014	**2,199**	**688**	**216**	**3,103**
Accumulated Depreciation and Impairment				
At 1 April 2013	(315)	(369)	0	**(684)**
Depreciation Charge	(78)	(14)	0	**(92)**
Depreciation written out to the Revaluation Reserve	393	0	0	**393**
At 31 March 2014	**0**	**(383)**	**0**	**(383)**
Net Book Value:				
At 31 March 2014	**2,199**	**305**	**216**	**2,720**
At 31 March 2013	**1,681**	**99**	**201**	**1,981**

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

Asset Type	**Estimated Useful Life**	**Depreciation Rate**
Buildings	24-60 years	Straight line
Vehicles	7 years	Straight line
Plant & Equipment	6-14 years	Straight line
ICT Hardware	3-10 years	Straight line

Depreciation is charged to the Comprehensive Income & Expenditure Statement by being absorbed as an overhead across all the service headings in the Net Cost of Services.

Revaluations

The Authority carries out a valuation programme that ensures that all Property, Plant and Equipment required to be measured at fair value, and that it is all revalued at least every five years. Land and building valuations are carried out by our qualified external valuer, Stuart Oxton BSC (Hons) MIRCS, of NPS (South West) Ltd. The basis for valuation is set out in the Accounting Policies. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second hand market or latest list prices adjusted for the condition of the asset.

The significant assumptions applied in estimating the fair values are:

- Taken as the amount that would be paid assuming its existing use value
- Disregarding any alternatives uses

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the balance sheet using the following measurement bases:

- Assets surplus to requirements – lower of net current replacement cost or net realisable value
- Community assets – depreciated historical cost
- Land, buildings, vehicles, plant and equipment – lower of net current replacement cost or net realisable value in existing use

Net current replacement cost is assessed as:

- Non-specialised operational properties – existing use value (EUV)
- Specialised operational properties – depreciated replacement cost (DRC)
- Surplus assets – market value (MV)

	Land and Buildings	**Plant, Vehicles, Furniture & Equipment**	**Community Assets**	**Total**
Revaluations:	**£000**	**£000**	**£000**	**£000**
Valued at Historical Cost:		741	216	**957**
Valued at Current Value in:				
31 March 2014	2,199			**2,199**
Total	**2,199**	**741**	**216**	**3,156**

Note 12. Heritage Assets

The Authority owns "Uppacott", a Grade 1(star) listed, Devon Longhouse. This property was acquired principally because of its historical and cultural value and provides an opportunity for the public to increase their knowledge, understanding and appreciation of Dartmoor's cultural heritage. The acquisition was part funded by the Heritage Lottery Fund (HLF). Part of the property dates back to the 14^{th} Century, and it is therefore deemed to have an indeterminate life: hence the Authority does not consider it appropriate to charge depreciation and carries the asset in the Balance Sheet at Insurance value. A review of the carrying value of the asset was undertaken as at 31 March 2015 which has resulted in an increase of £0.99m.

Reconciliation of the carrying value of Heritage Assets held by the Authority:

31 March 2014 £000		**31 March 2015 £000**
487	**Carrying Value at the start of the year**	**487**
	Revaluation	99
487	**Carrying Value at end of year**	**586**

Note 13. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include purchased licenses only, as the Authority does not internally generate software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are between 3-15 years and the carrying amount of assets is amortised on a straight line basis.

Amortisation is charged to the Comprehensive Income & Expenditure Statement by being absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement of Intangible Asset balances during the year is as follows:

31 March 2014 £000	Intangible Assets	31 March 2015 £000
	Balance at start of year:	
157	Gross Carrying Amounts	157
(117)	Accumulated Amortisation	(128)
40	**Net carrying amount at start of year**	**29**
(11)	Amortisation for the Period	(11)
29	**Net carrying amount at end of year**	**18**

Note 14. Financial Instruments

The following categories of financial instrument are disclosed in the Balance Sheet:

31 March 2014 £000		31 March 2015 £000
2,549	Cash at Bank	2,835
461	Debtors: Financial Assets carried at contract amounts	215
(159)	Creditors: Financial Liabilities carried at contract amounts	(256)

The (gains) and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are as follows:

31 March 2014 £000		31 March 2015 £000
(16)	Interest and Investment Income	(18)

Financial assets and liabilities are carried in the Balance Sheet at amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that will take place over the remaining life of the instrument using the following assumptions:

- The fair value of trade and other receivables and payables is taken to be the invoiced or billed amount
- The fair value of cash deposits is taken to be the cash balance as at 31 March

Note 15. Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due
- Liquidity risk – the possibility that the Authority may not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Head of Resources, under policies approved by the Authority. The Authority has adopted the CIPFA Code of Practice for Treasury Management in Public Services and as part of this approves an annual Treasury Management Strategy and Practices which sets out the policies on borrowing, investment, credit risk and interest rate exposure. The Authority provides written principles for overall risk management as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of surplus cash. The Authority, at all times, invests its surplus funds prudently. Priority is given to security and liquidity rather than yield.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. This risk is minimised through the Authority's Annual Investment Strategy which requires that deposits are only made with financial institutions that meet certain minimum credit criteria. The Authority uses the ratings produced by all three of the UK's credit rating agencies.

The Authority's standard terms and conditions for payment of invoices are 30 days from invoice date. The Authority does not generally allow credit for customers, such that, £3,777 of the £35,842 'Miscellaneous and Trade debtor' balance was past its due date for payment as at 31 March. Historical experience of default with regards to trade receivables is such that Authority has no need to make a provision for bad debts.

The past due but not impaired amount can be analysed by age as follows:

31 March 2014 £000		**31 March 2015 £000**
0	Less than three months	4
0	Three to six months	0
2	More than one year	0

Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available when needed. Surplus cash is invested with financial institutions that meet certain minimum credit criteria and limits are set for the amount that can be invested for fixed periods. All trade and other payables are due to be paid in less that one year. The Authority currently has no borrowings and so there is no significant current or future risk that it will be unable to raise finance to meet its commitments under financial instruments.

Market Risk

This is the risk that the Authority's investments will decrease due to changes in market factors and includes the following elements:

Interest Risk

In terms of short-term cash investments, the variable rate of interest earned on surplus funds moves during the year and any assumptions in annual budgets are made cautiously based on current market and treasury forecasts. A 1% movement in interest rates would result in £20,000 more or less than budget if investments were held for a year. The Authority is currently debt free and has no plans to borrow.

Price Risk

The Authority does not have any investments in equity shares.

Foreign Exchange Risk

The Authority has some exposure to exchange rate movements as some income and expenditure is denominated in foreign currencies, but these are small and are always converted into, or out of sterling at the time of each transaction.

Note 16. Inventories (stock held for resale)

The Authority has three Visitor Centres within the National Park boundary, which sell books, maps, souvenirs, items of clothing and other suitable material that promotes National Park Purposes; furthers the provision of information and education; and defrays the cost of the overall service. The "trading" results, while significant, are incidental to the main provision of a Visitor Centre Service.

Hence, there is no attempt to recharge proportions of staffing or other premises costs against the gross profit stated below.

31 March 2014 £000		31 March 2015 £000
(84)	Gross Sales	(135)
34	Plus: Opening Inventory	33
52	Plus: Purchases	86
33	**Less: Closing Inventory**	**71**
(31)	Gross Profit	(87)

Note 17. Short Term Debtors

Representing sums of money owed to the Authority for goods and services supplied during the year and not paid for by 31 March, or where the Authority has paid for goods and services in advance of this date.

31 March 2014 £000		31 March 2015 £000
240	Central Government Bodies	71
3	Other Local Authorities	11
125	Public Corporations & Trading Funds	90
93	Other Entities and Individuals	172
461	**Total**	**344**

Note 18. Cash and Cash Equivalents

31 March 2014 £000		31 March 2015 £000
2,549	Bank Current Accounts	2,835

Note 19. Short Term Creditors

These represent sums of money owed by the Authority for goods and services received during the year and not paid for by 31 March, or where the money has been received by the Authority in advance.

31 March 2014 £000		31 March 2015 £000
(2)	Other Local Authorities	(26)
(9)	Public Corporations & Trading Funds	(10)
(148)	Other Entities & Individuals	(220)
(159)	**Total**	**(256)**

Note 20. Provisions

31 March 2014 £000		31 March 2015 £000
0	**Balance at the Start of the Year**	**0**
0	Provisions for Redundancy made in 2014/15	(9)
0	**Balance outstanding at year-end**	**(9)**

Note 21. Unusable Reserves

31 March 2014 £000		31 March 2015 £000
(906)	Revaluation Reserve	(960)
(2,363)	Capital Adjustment Account	(2,299)
7,783	Pensions Reserve	11,394
43	Accumulated Absences Account	43
4,557	**Total Unusable Reserves**	**8,178**

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, Heritage and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since April 2007, the date that the Reserve was created. Accumulated gains arising before that are consolidated into the balance on the Capital Adjustment Account.

31 March 2014 £000	**Revaluation Reserve**	**31 March 2015 £000**
(310)	**Balance at 1 April**	**(906)**
(604)	Upward Revaluation of Assets	(99)
(914)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(1,005)
8	Difference between Fair Value Depreciation and Historical Cost Depreciation	45
8	Amount written off to the Capital Adjustment Account	45
(906)	**Balance at 31 March**	**(960)**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6 on pages 25 and 26, provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

31 March 2014 £000		31 March 2015 £000
(2,255)	**Balance at 1 April**	**(2,363)**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
92	Charges for Depreciation and Impairment of Non-Current Assets	152
5	Revaluation losses on Property Plant and Equipment	0
11	Amortisation of intangible assets	11
12	Amounts of Non-Current Assets written off on disposal or sale as part of the Gain / Loss on disposal to the Comprehensive Income and Expenditure Statement	0
(2,135)		(2,200)
(8)	Adjusting amounts written out of the Revaluation Reserve	(45)
2,143	**Net written out amount of the cost of Non-Current Assets consumed in the year**	**(2,245)**
	Capital Financing applied in the year:	
(166)	Capital Expenditure charged against the General Fund	(54)
(54)	Use of Capital Receipts to finance new capital expenditure	0
(2,363)	**Balance at 31 March**	**(2,299)**

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

31 March 2014 (Restated) £000		31 March 2015 £000
8,080	**Balance at 1 April**	**7,783**
(801)	Actuarial Gains or (Losses) on Pensions Assets and Liabilities	3,187
944	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	869
(440)	Employer's pensions contributions and direct payments to pensioners payable in the year	(445)
7,783	**Balance at 31 March**	**11,394**

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

31 March 2014 £000		31 March 2015 £000
47	**Balance at 1 April**	**43**
(47)	Settlement or cancellation of accrual made at the end of the preceding year	(43)
43	Amounts accrued at the end of the current year	43
43	**Balance at 31 March**	**43**
(4)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0

Note 22. Cash Flow Statement – Adjustments to surplus or deficit on the Provision of Services for non-cash movements

31 March 2014 (Restated) £000		31 March 2015 £000
(103)	Depreciation and Amortisation	(163)
(5)	Impairment and Downward Valuations	0
(504)	Actuarial Charges for Retirement Benefits	(424)
(1)	Increase / (Decrease) in Inventory	38
78	Increase / (Decrease) in Debtors	(117)
171	(Increase) / Decrease in Creditors & Receipts in Advance	(97)
0	(Increase) / Decrease in Provisions	(9)
(12)	Carrying amount of Non-Current Assets de-recognised	0
(376)		**(772)**

Note 23. Cash Flow Statement – Adjustments to surplus or deficit on the Provision of Services for Investing and Financing Activities

31 March 2014 £000		31 March 2015 £000
54	Proceeds from the Sale Non-Current Assets	0
54		**0**

Note 24. Cash Flow Statement – Operating Activities

31 March 2014 £000		31 March 2015 £000
3,899	Cost of Services	3,315
(16)	Interest Received	(18)
(3,975)	Taxation and Non-Specific Grant Income	(3,637)
(92)		**(340)**

Note 25. Cash Flow Statement – Investing Activities

31 March 2014 £000		31 March 2015 £000
220	Purchase of Property, Plant and Equipment and Intangible Assets	54
(54)	Proceeds from the Sale Non-Current Assets	0
166	**Net cash flows from investing activities**	**54**

Note 26. Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice (SeRCOP). However, decisions about resource allocation are taken by the Authority on the basis of budget reports analysed across directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- No charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement)
- The cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year
- Expenditure on some support services is budgeted for centrally and not charged to directorates

The income and expenditure of the Authority's principal directorates recorded in the budget reports for the year is as follows:

Directorate Income and Expenditure 2014/15	**Natural Environment**	**Cultural Heritage**	**Recreation Management & Transport**	**Promoting Understanding**	**Ranger, Estates & Volunteers**	**Development Management**	**Forward Planning & Communities**	**Corporate & Democratic Core**	**Corporate Support**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fees, charges and other Service income	(427)	(54)	(106)	(206)	(3)	(219)	(72)	(3)	(38)	(1,128)
Government Grants	0	0	0	0	0	0	(15)	0	0	(15)
Total Income	**(427)**	**(54)**	**(106)**	**(206)**	**(3)**	**(219)**	**(87)**	**(3)**	**(38)**	**(1,143)**
Employee expenses	364	146	216	432	516	471	152	195	0	2,492
Other Service expenses	206	92	234	196	144	67	168	136	38	1,281
Support Service recharges	103	58	90	198	224	198	53	0	0	924
Total Expenditure	**673**	**296**	**540**	**826**	**884**	**736**	**373**	**331**	**38**	**4,697**
Net Expenditure	**246**	**242**	**434**	**620**	**881**	**517**	**286**	**328**	**0**	**3,554**

Directorate Income and Expenditure 2013/14	Natural Environment	Cultural Heritage	Recreation Management & Transport	Promoting Understanding	Ranger, Estates & Volunteers	Development Management	Forward Planning & Communities	Corporate & Democratic Core	Corporate Support	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fees, charges and other Service income	(325)	(76)	(100)	(134)	(3)	(184)	(7)	(3)	(16)	(848)
Government Grants	0	0	(150)	0	0	0	0	0	(6)	(156)
Total Income	**(325)**	**(76)**	**(250)**	**(134)**	**(3)**	**(184)**	**(7)**	**(3)**	**(22)**	**(1,004)**
Employee expenses	317	154	210	369	512	462	168	209	0	2,401
Other Service expenses	142	99	224	235	151	91	300	125	16	1,383
Support Service recharges	106	59	88	184	204	180	54	0	0	875
Total Expenditure	**565**	**312**	**522**	**788**	**867**	**733**	**522**	**334**	**16**	**4,659**
Net Expenditure	**240**	**236**	**272**	**654**	**864**	**549**	**515**	**331**	**(6)**	**3,655**

Reconciliation of Directorate Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement.

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

2013/14 £000		2014/15 £000
3,655	Net expenditure in the Directorate Analysis	3,554
678	Amounts in the Comprehensive Income and Expenditure Statement not reported to Management in the analysis	684
(440)	Amounts included in the analysis not included in the Comprehensive Income and Expenditure Statement	(499)
3,893	**Cost of Services in Comprehensive Income and Expenditure Statement**	**3,739**

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of Directorate income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2014/15	Directorate Analysis	Services and Support Services not in Analysis	Amounts not reported to management for decision making	Amounts not included in CIES	Allocation of Recharges	Cost of Services	Corporate Amounts	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fees, charges and other Service income	(1,128)	0	0	0	38	**(1,090)**	0	**(1,090)**
Interest and investment income	0	0	0	0	0	**0**	(18)	**(18)**
Gain or Loss on the Disposal of Non-current Assets	0	0	0	0	0	**0**	0	**0**
Government Grants and contributions	(15)	0	0	0	0	**(15)**	(3,637)	**(3,652)**
Total Income	**(1,143)**	**0**	**0**	**0**	**38**	**(1,105)**	**(3,655)**	**(4,760)**
Employee expenses	2,492	0	521	(445)	501	**3,069**	0	**3,069**
Other Service expenses	1,281	0	0	(54)	423	**1,650**	0	**1,650**
Support Service recharges	924	0	0	0	(962)	**(38)**	0	**(38)**
Depreciation, amortisation & impairment	0	0	163	0	0	**163**	0	**163**
Interest Payments	0	0	0	0	0	**0**	348	**348**
Total Expenditure	**4,697**	**0**	**684**	**(499)**	**(38)**	**4,844**	**348**	**5,192**
Surplus or deficit on the provision of services	**3,554**	**0**	**684**	**(499)**	**0**	**3,739**	**(3,307)**	**432**

2013/14	Directorate Analysis	Services and Support Services not in Analysis	Amounts not reported to management for decision making	Amounts not included in CIES	Allocation of Recharges	Cost of Services	Corporate Amounts	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fees, charges and other Service income	(848)	0	0	0	16	**(832)**	0	**(832)**
Interest and investment income	0	0	0	0	0	**0**	(16)	**(16)**
Gain or Loss on the Disposal of Non-current Assets	0	0	0	0	0	**0**	(42)	**(42)**
Government Grants and contributions	(156)	0	0	0	0	**(156)**	(3,975)	**(4,131)**
Total Income	**(1,004)**	**0**	**0**	**0**	**16**	**(988)**	**(4,033)**	**(5,021)**
Employee expenses	2,401	0	570	(440)	508	**3,039**	0	**3,039**
Other Service expenses	1,383	0	0	0	367	**1,750**	0	**1,750**
Support Service recharges	875	0	0	0	(891)	**(16)**	0	**(16)**
Depreciation, amortisation & impairment	0	0	108	0		**108**	0	**108**
Interest Payments	0	0	0	0	0	**0**	370	**370**
Total Expenditure	**4,659**	**0**	**678**	**(440)**	**(16)**	**4,881**	**370**	**5,251**
Surplus or deficit on the provision of services	**3,655**	**0**	**678**	**(440)**	**0**	**3,893**	**(3,663)**	**230**

Note 27. Member Allowances

Name	Allowance	Expenses	Total	Appointed by
	£	£	£	
K Ball	1,585	108	1,693	Devon County Council
SD Barker	1,585	0	1,585	Devon County Council
GJ Gribble	1,585	0	1,585	Devon County Council
PW Harper*	5,507	608	6,115	Secretary of State - National
PW Hitchins*	2,798	1,035	3,833	South Hams District Council
LJG Hockridge	1,585	182	1,767	Devon County Council
MH Jeffery	1,585	0	1,585	Teignbridge District Council
DEB Lloyd*	2,377	1,091	3,468	Secretary of State - National
CM Marsh*	280	77	357	West Devon County Council
JR McInnes*	3,169	699	3,868	Devon County Council
IJF Mortimer	2,174	149	2,323	Secretary of State – National
DE Moyse	1,585	339	1,924	West Devon Borough Council
J Nutley*	2,966	331	3,297	Secretary of State - Parish
N Oakley	1,585	0	1,585	Secretary of State - National
MH Retallick*	3,169	301	3,470	Secretary of State - Parish
PR Sanders	1,585	414	1,999	Devon County Council
JB Shears	1,261	181	1,442	Secretary of State - Parish
P Vogel*	2,377	58	2,435	Teignbridge District Council
NA Way	195	45	240	Devon County Council
DW Webber	1,585	80	1,665	Secretary of State - Parish
RP Blackshaw	92	0	92	Standards Committee - Independent
R Woodall	92	158	250	Standards Committee - Independent
Total 2014/15	**40,722**	**5,856**	**46,578**	
2013/14 Comparatives	**46,440**	**7,926**	**54,366**	

* Includes Chair, Deputy Chair or special responsibility allowances. Allowances are not an indication of attendance or actual duties undertaken.

Note 28. Officers' Remuneration

a) The remuneration paid to the Authority's senior employees is as follows:

		Salary, Fees and Allowances	Expenses Allowances	Pension Contributions	Total
		£	£	£	£
Chief Executive (NPO)	**2014/15**	88,540	771	16,645	**105,956**
	2013/14	88,540	1,236	16,203	**105,979**
Director of Communications & Business Support *	**2014/15**	0	0	0	**0**
	2013/14	58,826	224	10,765	**69,815**
Director of Planning	**2014/15**	59,150	379	11,120	**70,649**
	2013/14	58,826	226	10,765	**69,817**
Director of Conservation & Communities	**2014/15**	57,426	167	10,796	**68,389**
	2013/14	55,399	67	10,138	**65,604**

*The Director of Communications and Business Support retired on 31 March 2014 and has not been replaced.

b) The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer pension contributions) were paid the following amounts:

2013/14 Number of Employees	Remuneration Band	2014/15 Number of Employees
0	55,000 – 59,000	1

One other officer received remuneration over £50,000 in 2014/15 being in receipt of a redundancy payment at the termination of their employment (excludes senior officers who are included in the previous table).

c) The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies included within the Comprehensive Income & Expenditure Statement are set out in the table below:

Exit package cost band (including special payments)	(a) Number of compulsory redundancies		(b) Number of other departures agreed		Total number of exit packages by cost band (a + b)		Total cost of exit packages in each band (£)	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
£0-£20,000	0	2	0	0	0	2	0	1,323
£20,001-£40,000	0	1	0	0	0	1	0	20,011
Total Cost in CIES	**0**	**3**	**0**	**0**	**0**	**3**	**0**	**21,334**

Note 29. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

2013/14 £000	Credited to Taxation and Non Specific Grant Income:	2014/15 £000
(3,975)	National Park Grant (Defra)	(3,637)
(3,975)	**Total**	**(3,637)**

2013/14 £000	Credited to Services:	2014/15 £000
(49)	Devon County Council	(70)
(65)	English Heritage	(46)
(156)	Defra	(20)
(96)	Rural Development Programme for England	(70)
(150)	South West Water	(260)
(1)	Various AONBs (Areas of Outstanding Natural Beauty)	(0)
(54)	National Association of National Parks	(50)
(6)	Duchy of Cornwall	(5)
(5)	Defence Infrastructure	(0)
(5)	Cordiale – Interreg (ERDF)	(0)
(0)	Teignbridge District Council – New Homes Bonus	(25)
(0)	South Hams District Council – New Homes Bonus	(17)
(0)	West Devon Borough Council – New Homes Bonus	(19)
(0)	Princess' Countryside Fund	(12)
0	Natural England	(2)
0	Department of Communities and Local Government	(15)
(7)	Other	(4)
(594)	**Total**	**(615)**

Note 30. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grants claims and statutory inspections and to non-audit services provided by the Authorities external auditors:

2013/14 £000		2014/15 £000
12	Fees payable to Grant Thornton UK LLP in respect of statutory audit	12
12	**Total**	**12**

Note 31. Related Party Transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers of the accounts to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government has effective control over the general operations of the Authority predominately via the Department for Environment, Food and Rural Affairs (Defra). Defra is responsible for providing the statutory framework, within which the Authority operates, provides the majority of its funding in the form of National Park Grant and prescribes the terms of many of the transactions that the Authority has with other parties. Details of transactions with government departments are set out in the subjective analysis in Note 26 on reporting for resources allocation decisions and in Notes 10 and 29.

Members of the Authority have direct control over the Authority's financial and operating policies. A list of the Members' allowances paid in 2014/15 is shown in Note 27. The Authority's Standing Orders require Members to declare their interests in related parties in a register of interests. In addition Members are asked to declare separately any transactions with the Authority. No material transactions have been disclosed.

Officers of the Authority are bound by the Authority's Code of Conduct which seeks to prevent related parties exerting undue influence over the Authority. Senior Officers are required to declare any transactions with the Authority. No transactions have been disclosed.

The Authority has several Service Level Agreements (SLAs) with **Devon County Council** (DCC) which include: acting as the Authority's Chief Finance Officer (S151) and providing Exchequer, HR, Legal and ICT services. The Authority made payments totalling £58,925 in 2014/15 for the provision of these services (£43,355 in 2013/14). The Authority also entered into two staff secondment agreements with DCC in-year at a cost of £62,136 to cover vacancies at DNPA.

The Authority has an agreement with Devon County Council conferring delegated responsibility on the Authority for the inspection, maintenance and management of most Public Rights of Way within the National Park, including footpaths, bridleways and restricted byways. In 2014/15 the Authority received £43,000 from Devon County Council for maintenance work (£49,700 in 2013/14).

The Authority also received funding of £20,000 towards the Naturally Healthy Dartmoor Project from the County Council (a three year project) and £7,014 Granite & Gears funding towards public realm improvements at Princetown. DNPA made contributions to the County Council totalling £7,923 (£6,706 in 2013/14) for other Dartmoor related projects and initiatives undertaken by the County Council.

Devon Audit Partnership
The Authority's Internal Audit function is provided via a Service Level Agreement, by the Devon Audit Partnership (DAP) at an annual cost of £4,750 (£4,655 in 2013/14).

Teignbridge District Council
The Authority has entered into a service level agreement with Teignbridge District Council to receive Health & Safety Support, at an annual cost of £8,103 (£8,103 in 2013/14).

Other Partnerships
The Authority has entered into a collaboration agreement in respect of the Devon Portal Project, which will provide a common gateway to local authority services in Devon, the lead Authority is Devon County Council. Dartmoor National Park Authority has not made a financial contribution in 2014/15.

The Authority is a partner in the National Parks Shared Internet Portal Project, to which the annual contribution for membership is £10,000 (£10,000 in 2013/14); the accountable body is National Parks UK Ltd (formerly Association of National Park Authorities - ANPA).

The Authority has contributed £10,000, jointly with the other 14 UK NPAs, to facilitate the formation of a new company to explore options for commercial sponsorship, by taking forward and developing the "Britain's Breathing Spaces" National Park Brand for the collective benefit of all 15 NPAs.

The Authority is a member of the Learning & Development Partnership with six other Local Authorities in Devon, which is hosted by Teignbridge District Council. The Partnership delivers identified training needs to staff, members and volunteers at an annual cost of £2,000.

The Authority is also holding a cash balance of £50,805 for the "Moor than Meets the Eye" Heritage Lottery Funded Landscape Partnership Project, in its bank account. The Authority is the lead and accountable body for the partnership, however as the balance of monies held is not DNPA funds, the income and expenditure relating to the project is accounted for separately and therefore excluded from the Authority's primary financial statements.

Assisted Organisations
The Authority gives grants or contributions for conservation, interpretation, education, culture and heritage projects to organisations and individuals. Whilst individually these payments are not material to the Authority, the total of grants and contributions given in 2014/15 was £34,080 (£32,860 in 2013/14) and could be considered as material to those assisted organisations.
The Authority enters into land management and access agreements with various land owners or tenants across Dartmoor. The total amount paid in 2014/15 was £18,524 (£19,350 in 2013/14).

Note 32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note:

31 March 2014 £000		31 March 2015 £000
	Opening Capital Financing Requirement (CFR)	
	Capital Investment:	
220	Vehicles, Plant and Equipment	54
220	**Total Expenditure**	**54**
	Sources of Finance:	
(166)	Direct Revenue Contributions	(54)
(54)	Capital Receipts	0
(220)	**Total Finance**	**(54)**
0	**Closing Capital Financing Requirement (CFR)**	**0**

Note 33. Leases

Authority as Lessee

The Authority has acquired two administrative buildings under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

31 March 2014 £000		31 March 2015 £000
	Land and Buildings:	
404	Parke, Bovey Tracey (DNPA Headquarters)	368
464	High Moorland Office and Visitor Centre, Princetown	421
868	**Total**	**789**

The annual lease payments are accounted for within the Comprehensive Income and Expenditure Account as they fall due. The lease liability is not included within the Balance Sheet as the sum is not material. The future minimum lease payments are made up of the following amounts:

31 March 2014 £000		31 March 2015 £000
3	Not later than one year	3
14	Later than one year and not later than five years	14
31	Later than 5 years	27
48	**Total**	**44**

Operating Leases

The Authority has acquired the following operating leases:

- Multiple land leases, many of which are at nil payment or a peppercorn rent
- Short term storage leases
- Vehicle fleet: Land Rovers, cars and vans, with typical lives of five years

The future minimum lease payments are made up of the following amounts:

2014/15	**Land & Buildings £000**	**Vehicles £000**	**Equipment £000**
Not later than one year	7	16	7
Later than one year and not later than five years	26	52	2
Later than 5 years	285	0	0
Total	**318**	**68**	**9**

2013/14 Comparatives	**Land & Buildings £000**	**Vehicles £000**	**Equipment £000**
Not later than one year	6	4	6
Later than one year and not later than five years	26	9	5
Later than 5 years	256	0	0
Total	**288**	**13**	**11**

Expenditure charged to the Comprehensive Income and Expenditure Account during the 2014/15 financial year in relation to these leases was:

31 March 2014 £000		31 March 2015 £000
4	Recreation Management and Transport	4
32	Rangers, Estates and Volunteers	18
14	Support Services (Corporate amounts)	11
50	**Total**	**33**

Note 34. Termination Benefits

In 2014/15 the Authority terminated the contracts of three employees, and incurred liabilities of £21,334 see Note 28 c) for the number of exit packages and the total cost per band. No employment contracts were terminated in 2013/14.

Note 35. Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme, administered by Devon County Council – this is a funded, defined benefit scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet the actual pensions payments as they eventually fall due.

The Devon Pension Fund is operated under the regulatory framework for Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Devon County Council and Policy is determined in accordance with Pensions Fund Regulations.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, changes to inflation, bond yields and the performance of equity investments held by the scheme.

Transactions Relating to Retirement Benefits

We recognise the cost of retirement benefits in the reported Cost of Services when they are earned by employees, rather than when benefits are eventually paid as pensions. However, the charge we are required to make against Government Grant is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

31 March 2014 (Restated) £000	Comprehensive Income & Expenditure Statement	31 March 2015 £000
	Cost of Services:	
574	Current Service Cost	521
	Other Operating Expenditure:	
8	Administration Expenses	8
	Finance and Investment Income and Expenditure:	
362	Net Interest Expense	340
944	**Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services**	**869**
	Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	
	Re-measurement of the of the net defined benefit liability comprising:	
9	Return on Plan Assets (excluding the amount included in the net interest Expense)	886
201	Other actuarial gains/(losses)	0
(796)	Changes in financial assumptions	(4,007)
(34)	Changes in demographic assumptions	0
1421	Experience gain/(loss) on defined benefit obligation	(66)
801	**Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement**	**(3,187)**
	Movement in Reserves Statement	
(944)	Reversal of Net Charges made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in accordance with The Code	**(869)**
	Actual amount charged against the General Fund Balance for pensions in the year:	
427	Employer's contributions payable to the scheme	435
13	Retirement benefits payable to pensioners – Discretionary benefits arrangements	10
440		**445**

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

31 March 2014 £000		31 March 2015 £000
(21,961)	Present value of the defined benefit obligation	(27,085)
14,296	Fair value of plan assets	15,887
(7,665)	Net Liability	(11,198)
(118)	Present value of unfunded obligation	(196)
(7,783)	**Net Liability arising from Defined Benefit Obligation**	**(11,394)**

Reconciliation of the Movements in the Fair Value of Scheme (Plan) assets:

31 March 2014 £000		31 March 2015 £000
13,398	**Opening Fair Value of Fund Assets**	**14,296**
618	Interest on Assets	645
	Re-measurement Gain/(Loss):	
9	• Return on Plan Assets less Interest	886
201	• Other actuarial Gain/(Loss)	0
(8)	Administration Expenses	(8)
440	Employer Contributions (including Unfunded)	445
151	Contributions by Scheme Participants	155
(513)	Benefits Paid	(532)
14,296	**Closing Fair Value of Scheme Assets**	**15,887**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Local Government Pension Scheme and unfunded benefits – liabilities

31 March 2014 £000		31 March 2015 £000
(21,478)	**Opening Defined Benefit Obligation**	**(22,079)**
(574)	Current Service Cost	(521)
(980)	Interest Cost	(985)
(151)	Contributions from Scheme Participants	(155)
	Re-measurement Gain/(Loss):	
(34)	• Actuarial Gains and (Losses) arising on changes in demographic assumptions	0
(796)	• Actuarial Gains and (Losses) arising on changes in financial assumptions	(4,007)
1,421	• Experience (Loss)/Gain on Defined Benefit Obligation	(66)
0	Past Service Cost, Including Curtailments	0
500	Benefits Paid	522
13	Unfunded Pension Payments	10
(22,079)	**Closing Defined Benefit Obligation**	**(27,281)**

The Local Government Pension Scheme Assets

The estimated asset allocation for Dartmoor National park Authority as at 31 March 2015 is as follows:

31 March 2014 £000		Authority Asset Share – Bid Value	31 March 2015 £000	
1,001	7%	Gilts	1,011	6%
3,717	26%	UK Equities	3,916	25%
4,861	34%	Overseas Equities	5,480	34%
1,286	9%	Property	1,588	10%
286	2%	Infrastructure	440	3%
2,144	15%	Target Return portfolio	2,343	15%
286	2%	Cash	274	2%
715	5%	Other Bonds	552	3%
0	0	Alternative Assets	283	2%
14,296	**100%**	**Total**	**15,887**	**100%**

Based on the above, DNPA's share of the assets in the Fund is less than 1%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the Scheme as at 31 March 2013.

The principal assumptions used by the actuary have been:

31 March 2014		**31 March 2015**
5%	**Expected Return on Assets:**	11%
	Mortality Assumptions:	
	Longevity at 65 for current pensioners:	
22.7	Men	22.8
26.0	Women	26.1
	Longevity at 65 for future pensioners (retiring in 20 years)	
24.9	Men	25.1
28.3	Women	28.4
	Financial Assumptions:	
3.6%	RPI Increases	3.3%
2.8%	CPI Increases	2.5%
4.6%	Rate of increase in salaries	4.3%
2.8%	Rate of increase in pensions	2.5%
4.5%	Rate of discounting scheme liabilities	3.4%
50%	Take-up of option to convert annual pension into retirement lump sum	50%
N/A	Take up of active members to pay 50% contributions for 50% benefits	10%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis

	£000	**£000**	**£000**
Adjustment to Discount Rate:	+0.1%	0.0%	-0.1%
Present Value of Obligation	26,746	27,281	27,286
Projected Service Costs	678	695	712
Adjustment to Long Term Salary Increase:	+0.1%	0.0%	-0.1%
Present Value of Obligation	27,376	27,281	27,186
Projected Service Costs	695	695	695
Adjustment to Pension Increases and Deferred Revaluation:	+0.1%	0.0%	-0.1%
Present Value of Obligation	27,735	27,281	26,836
Projected Service Costs	712	695	679
Adjustment to Mortality Age Rating Assumption:	+1 Year	None	-1 Year
Present Value of Obligation	26,332	27,281	28,238
Projected Service Costs	671	695	719

Impact of the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant rate as possible. The Authority has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2016. The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

The Authority anticipates that it will pay £0.460 million expected contributions to the scheme in 2015/16.

GLOSSARY OF FINANCIAL TERMS

Accounting Policies
Accounting Policies determine the basis on which income and expenditure, assets and liabilities, transactions and adjusting events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised, how it is to be measured and where in the comprehensive income and expenditure statement or Balance Sheet it is to be presented.

Accruals
Except for the Cash Flow Statement, the Statement of Accounts is prepared using the Accruals basis of accounting. This requires the non cash effects of transactions to be reflected in the accounting period during which those effects are experienced and not in that during which any cash is paid or received. On this basis, income and expenditure is reported when the related activity or benefit actually occurs.

Actuary
An Actuary is an expert on pension scheme assets and liabilities. Actuaries compute the actuarial charges falling die in each year in accounting for retirement benefits. Actuaries also make recommendations every three years regarding the rate of employer contributions due to the Local Government Pension Scheme.

ANPA
Association of National Park Authorities

AONB
Area of Outstanding Natural Beauty

Appropriation
Amounts transferred between the Comprehensive Income & Expenditure Statement and Reserves.

Balance Sheet
The Balance Sheet is one of the primary financial statements and presents the Authority's recognised assets, liabilities and reserves at the end of each financial year. It shows the distribution of assets in relation to short and long term liabilities and the extent to which the Authority's net worth is available in usable and unusable reserves.

Budget
A Budget is approved annually by the Authority's and sets out the approved spending and income for a financial year. It is prepared in accordance with legislation applicable to local authorities and the National Park Grant Memorandum issued by Defra. The budget does not include any of the adjustments needed to comply with financial reporting standards, as such and is not truly comparable with the results as shown in the Comprehensive Income and Expenditure Account for the year.

Capital Expenditure
Capital expenditure is expenditure on the construction, acquisition, development or improvement of property, plant and equipment and of intangible assets. Under legislation it may be financed from capital sources or from funds set aside from revenue.

Capital Adjustment Account
The Capital Adjustment Account records the funding from internal resources of Capital Expenditure and the financing (under statute) of certain revenue expenditure. It also includes, for existing Property, Plant and Equipment, the revaluation gains accumulated prior to 1 April 2007 (the date on which a separate revaluation reserve was established). It is an unusable reserve and relevant adjustments are summarised in the Movement in Reserves Statement. Categorised as timing adjustments, these typically comprise period Depreciation, Amortisation and Impairment debits, charges for financing of certain revenue expenditure under statute or for repayment of financial

assistance for capital purposes, revaluation deficit adjustments, credits for financing charges to Revenue (including MRP) and for unconditional grants applied to Capital Expenditure. Finally, there are adjustments in respect of assets reclassified (as investments or assets held for sale) or de-recognised on disposal.

Capital Charges
Depreciation, Amortisation and downward revaluations (subject to restriction) are charges made to the comprehensive income and expenditure account for the use, depletion or impairment of non-current assets during each financial period. These charges do not affect the funding position of the Authority and are accordingly appropriated from the general fund to the capital adjustment account. Capital Charges reduce the carrying value of non-current assets and correspondingly reduce the capital adjustment account and (subject to restriction) the revaluation reserve.

Capital Expenditure
Capital Expenditure represents expenditure on the construction, acquisition, development or improvement of Property, Plant and Equipment and of Intangible Fixed Assets (principally, software licenses). Under legislation it may be financed from capital sources or from funds set aside from revenue. It is to be distinguished, however, from Revenue Expenditure funded from Capital Under Statute which is charged, appropriately, as revenue expenditure in the Comprehensive Income and Expenditure Statement and only matched with its capital funding by transfer in the Movement in Reserves Statement.

Capital Receipts
Capital Receipts are income received from the sale of Property, Plant and Equipment or Intangible Assets. They are available only to finance new Capital Expenditure or to repay debt. Until this occurs they are held on the Capital Receipts Reserve.

Cash Flow Statement
The Cash Flow Statement summarises the inflows and outflows of cash and cash equivalents resulting from operations, and from investing and financing activities. It also shows how the net cash flow from operations is related to the Net Surplus or Deficit on Provision of Services.

CIPFA
CIPFA (The Chartered Institute of Public Finance and Accountancy) is the lead body for setting standards in public sector accounting practice.

Comprehensive Income and Expenditure Statement
The Comprehensive Income and Expenditure Statement shows the cost in the year of providing services in accordance with generally accepted accounting practices (rather than the amount to be funded from taxation or NPG).
It discloses the gross income and expenditure of continuing operations analysed by service, any exceptional items, other operating expenditure, financing and investment income and expenditure, and taxation and non-specific grant income. These items together comprise the surplus or deficit on the provision of services. Below this line, valuation and actuarial gains and losses are included in order to arrive at the total comprehensive income and expenditure. Those elements which are not to be included in the surplus or deficit under statutory regulations are transferred to the respective Unusable Reserves in the Movement in Reserves Statement.

Community Assets
Assets that the Authority intends to hold in perpetuity, that have no determinable and useful life (where useful life is defined as a period of time over which the Authority benefits from the use of the asset) and that may have restrictions on their disposal.

Contingent Liability
A contingent liability is either a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events, not wholly within the Authority's control; or a present obligation arising from past events where it is not probable that a

transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability

Creditors
Amounts owed by the Authority for goods and services that it has received but for which payment has not been made by 31 March.

Current Assets/Liabilities
Current Assets are either assets held with the expectation of realisation within twelve months of the Balance Sheet date or cash. Current Liabilities are liabilities due for settlement within twelve months of the Balance Sheet date.

Debtors
Amounts owed to the Authority at 31 March, where services have been delivered but payment has not been received.

Depreciation
Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. As charged in the Comprehensive Income and Expenditure Statement, it represents the measure of the cost or re-valued amount consumed during the period. Depreciation is charged with but is distinct from Impairment.

ENPAA
English National Park Authorities Association, renamed National Parks England (NPE).

Exceptional Items
Material items which derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately, by virtue of their size or incidence, to give fair presentation of the accounts.

Financial Reporting Standards (FRS)
Are accounting standards developed by the Accounting Standards Board. They determine the standards adopted in the preparation and presentation of the Authority's accounting records.

General Fund
The General Fund is the usable revenue reserve which finances the Authority's working capital. It represents the cumulative net budget surplus after appropriations to or from earmarked reserves.

Government Grants
Government Grants are amounts receivable from Government and Government agencies, (local, national or international), in order to fund Capital Expenditure or services and statutory functions. Government Grants are held as Creditors until all conditions for their receipt have been met. They are then included in the Comprehensive Income and Expenditure Statement. Specific revenue grants are allocated to service expenditure lines while other grants are included in Taxation and Non-specific Grant Income. Capital grants, once recognised, are transferred in the Movement in Reserves Statement to reserves; either to Capital Grants Unapplied or, when consumed, to the Capital Adjustment Account. Contributions from other bodies are accounted for in the same way as their Government grant equivalents. The following abbreviations have been used to describe awarding bodies in the analysis of Government Grants:

- DCLG = Department [of] Communities & Local Government
- DEFRA = Department [for] the Environment, Farming and Rural Affairs

Heritage Assets
A tangible asset with historic, scientific, technological, geophysical or environmental qualities held and maintained principally for its contribution to knowledge and culture, included in the Balance Sheet at valuation.

Impairment
Impairment is the charge made in order to reduce the carrying amount of Property, Plant and Equipment or Intangible Assets to the recoverable amount. An Impairment loss is recognised when a specific asset's remaining service potential has been detrimentally affected by, for example, obsolescence, damage, or the adverse effects of reorganisation or regulatory changes. It is distinct from revaluation losses which, being price based, are non-specific in nature. Impairment also has separate applications to Financial Instruments.

Intangible Assets
Intangible Fixed Assets (principally, software licenses) have no physical substance but are of value in use over more than one year. These assets are not considered as marketable and are included in the Balance Sheet, subject to any Impairment, at amortised historical cost.

International Financial Reporting Standards (IFRS)
These standards are issued by the international accounting standards board. They are adapted under the auspices of CIPFA so as to apply to local authorities and consolidated in the code of practice on local authority accounting (the Code). The code applied to statements of account for the first time in 2010/11.

Leases
Finance Leases transfer substantially all the risks and rewards of ownership on an asset concerned to the Authority as lessee; operating leases do not. Finance leases are capitalised as assets within property, plant and equipment and the corresponding liability is shown, discounted to net present value in the Balance Sheet. The lease payments are disaggregated as repayment of principal and interest, while depreciation is charged annually to the service for which it is used. Operating leases are included simply as expenditure in the comprehensive income and expenditure account.

Minimum Revenue Provision (MRP)
MRP represents the minimum amount that, under Government regulations, the General Fund must be charged each year in order to fund the repayment of existing debt.

Movement in Reserves Statement
The Movement in Reserves Statement sets out the transfers between reserves which are mad in arriving at their balance sheet values. The Surplus or (Deficit) on the Provision of Services is carried to the general fund. Appropriations are then made (to exclude non-monetary charges and credits) to unusable reserves, except for asset disposal sales proceeds and unapplied capital grants, which are usable reserves. Other discretionary appropriations are made to earmarked reserves for projected future spending. Appropriations are also made between the capital adjustment account and either the capital receipts reserve or capital grants unapplied reserve in order to reflect the application of capital grants and disposal receipts already credited to the comprehensive income and expenditure account. Adjustments to revaluation surpluses similarly involve the capital adjustment account and the revaluation reserve.

Net Book Value/Carrying Amount
Net Book Value is the carrying amount at which assets and liabilities are included in the Balance Sheet under the Code. In the case of Financial Instruments, it is stated after including any timing adjustments and, in the case of property, plant and equipment and intangible assets, any revaluation, depreciation or amortisation. In all cases it is stated after any recognised Impairment.

NPAPA
National Park Authorities Performance Assessment – a peer review.

NPMP
National Park Management Plan – the single most important strategic plan for all National Parks and is a statutory requirement.

Outturn
Outturn represents the annual results of the revenue and capital programmes which the Authority reports in order to account for its use of public funds under government legislation. It is reported in the same terms as the budget. It is not subject to external audit, does not comply with the Code, nor does it include a balance sheet. As such is not truly comparable to the statement of accounts.

Prior Period Adjustments
Prior period adjustments are adjustments, applicable to prior years, arising from changes in Accounting Policies or from the correction of material errors. They do not include corrections of recurring items or adjustments of accounting estimates made in prior years.

Property, Plant and Equipment
Assets that have physical substance and are held for use in the provision of services or for administrative purposes and are expected to be used over more than one year and are included in the balance sheet under the heading of property, plant and equipment. Such assets are carried at fair value and are regularly revalued in order to ensure that this remains the value at which they are reported annually. Where there is no market-based evidence of fair value (because of the specialist nature of the asset) depreciated replacement cost is used as an estimate of fair value. Depreciation is charged annually by reference to the remaining useful life of an asset.

Provisions
A provision is a liability of uncertain timing or amount. It is recognised when there is a present obligation (whether legal or constructive) as a result of a past event where a transfer of economic benefit is likely to result and a reliable estimate of this transfer can be made.

Prudence
The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets, the ultimate cash realisation of which can be assessed with reasonable certainty.

Prudential Code
This refers to the CIPFA Prudential Code for Capital Finance in Local Authorities which outlines the guidance applicable from 1 April 2004 for the greater freedom for local authorities to borrow to fund capital investment (under the Local Government Act 2003) subject to compliance.

Related Parties
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over it in making financial or operating decisions. Parties are also related if they are subject to common control. Related parties include subsidiaries, Associates, Joint Ventures, and possibly other entities or individuals. Central Government is, of course, a related party.

Related parties attract additional disclosure requirements in order to identify the extent to which the Authority may exercise or be subject to influence or control.

Revaluation Reserve
The Revaluation Reserve is an unusable reserve holding revaluation gains on Property, Plant and Equipment and Intangible Fixed Assets. Each revaluation is asset specific, allowing no offset, and restricted to operational assets; thus excluding investment properties and surplus assets. Accounting for changes in valuation is closely prescribed and distinct from Impairments.

Revenue Account
An account that records an authority’s day-to-day expenditure and income on such items as salaries and running costs of services.

Revenue Expenditure Funded From Capital Under Statute (REFCUS)
REFCUS is revenue expenditure that is funded from capital either because it is capital in nature (but not ownership) or because capital financing has been allowed by specific regulation. REFCUS is included accordingly in the Comprehensive Income and Expenditure Statement and transferred to Capital Adjustment Account in the Movement in Reserves Statement.

Section 151 Officer
The Section 151 Officer is the officer designated under that Section of the Local Government Act 1972 to take overall control of the financial affairs of the Authority and to take personal responsibility for its financial administration.

Service Reporting Code of Practice (SeRCOP)
Provides guidance and an overall framework for financial reporting in order that data consistency, comparability is achieved and aims to meet the demands of both the Best Value and Transparency initiatives.

Service Level Agreement (SLA)
Sets out the type and standards of service that one organisation provides to another, or the services provided by one part of an organisation to another part of the same organisation.

Unusable Reserves
Unusable Reserves are reserves that the Authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (where amounts would only become available to provide services if the assets are sold) and those that hold timing differences shown in the Movement in Reserves Statement line ‘Adjustments between accounting basis and funding basis under regulations’.

Usable Reserves
Usable Reserves are reserves that the Authority may use to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Usable Reserves comprise: the Capital Receipts Reserve and Capital Grants Unapplied Reserve; and under Revenue: Earmarked Reserves (sums set aside for specific future expenditure) and the General Fund.

Valuation
Assets and liabilities are included in the Balance Sheet at their carrying amounts: those valuations determined in accordance with The Code. These are set out in the note on Accounting Policies.

ANNUAL GOVERNANCE STATEMENT 2014/15

SCOPE OF RESPONSIBILITY

Dartmoor National Park Authority (DNPA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. DNPA also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, DNPA is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

DNPA has developed a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework ‘Delivering Good Governance in Local Government’. A copy of the code is available on our website or from The Monitoring Officer, Dartmoor National Park Authority, Parke, Bovey Tracey, Newton Abbot, Devon TQ13 9JQ. The Annual Governance Statement explains how DNPA has complied with the Local Code of Corporate Governance and also meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of a statement on internal control.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and cultures and values, by which DNPA is directed and controlled and the activities through which it accounts to, engages with and leads the community, including residents, visitors and stakeholders. It enables DNPA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of DNPA policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at DNPA for the year ended 31 March 2015 and up to the date of approval of the Business Plan and Statement of Accounts. The framework has been further supported by the Local Code of Corporate Governance, since its adoption in December 2009.

THE GOVERNANCE FRAMEWORK & LOCAL CODE OF CORPORATE GOVERNANCE

DNPA operates within a Corporate Governance Framework which ensures accountability to its users, stakeholders and the wider community to which it relates. It comprises the systems and processes, cultures and values by which decisions are made and functions undertaken to deliver the purposes and duties of the organisation.

The key elements of the systems and processes that comprise DNPA's governance arrangements are based on the 6 core principles contained in the Local Code of Corporate Governance and include the following aspects:

- The vision, objectives and priorities for the local area (Dartmoor National Park) for the period 2014 -2019 as set out in "Your Dartmoor", the National Park Management Plan (NPMP). "Your Dartmoor" was developed via a process of extensive community involvement and the associated action plans are being revised annually in a process involving a wide range of partners/stakeholders

- The Business Plan for the Authority is a strategic document which provides a link between the National Park Management Plan,and work programmes (for teams and individuals). The Business Plan, including priorities and targets, is reviewed annually and a separate annual review is produced in June to report on performance and highlight key projects undertaken in - year.

- The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2010) as set out in the Application Note to "Delivering Good Governance in Local Government". The CFO is the County Treasurer of Devon County Council whose services are retained through a Service Level Agreement. This arrangement which requires some delegation to the Head of Business Support is set out in Financial Regulations.

- The principles of decision making are set out in the Authority's Standing Orders, supported by:

    1. Financial Regulations, a Disposals Policy, a Sustainable Procurement Policy and Procurement Procedures;
    2. The Authority's adopted codes of practice in relation to treasury management for investments and for capital finance and accounting (the Prudential Code)
    3. Scheme of Delegation
    4. Code of Conduct for Members and Officers
    5. Job descriptions for Members and Officers
    6. Policies and Procedures

- Public involvement and transparency in decision making is facilitated through formal consultations, workshops, involvement in service reviews, consultative forums with members of the community representing access, land use, conservation, businesses and community interests and public participation at the Authority and its Committees

- Ensuring that established policies, procedures, laws and regulations are complied with is the responsibility of nominated statutory Officers, the Monitoring Officer and the Chief Financial Officer as laid down in the Authority's Standing Orders & Financial Regulations

- A Risk Management Strategy that defines and identifies the process for ongoing risk management and the responsibilities of the various stakeholders in the risk management process

- A Corporate Strategic Risk Register is discussed and approved annually by the Authority and then actively monitored/reviewed on a regular basis within year by the Audit and Governance Committee. The Authority's internal project management guidance requires identification and management of risks. The strategic risk register is monitored by Leadership Team on a a quarterly basis together with consideration of more operational risks.

- A programme of service reviews or value for money/business reviews that look closely at and challenge service provision and delivery and discharges the Government's Value for Money requirements for the Authority

- Comprehensive budgeting systems set targets to measure financial performance which reviewed by the Leadership Team and is reported to the Audit and Governance Committee on a quarterly basis.

- Performance management is applied consistently throughout the Authority against a Performance Management framework. Reports of progress against performance targets is reported quarterly to Audit & Governance Committee

- Performance against Corporate processes and outcome targets is further assessed through the National Park Authority Performance Assessment (NPAPA) process on a 5 yearly cycle. DNPA was assessed in February 2011. The next review process is subject to discussion between the Department of the Environment, Food and Rural Affairs (Defra) and all ten English National Park Authorities..

- Standards sub-Committee monitors the ethical framework for the Authority and will alert the Authority to any potential issues arising from its decision making processes.

All of the above elements are subject to independent challenge and scrutiny through Internal and External Auditors and other review bodies such as Defra.

REVIEW OF EFFECTIVENESS

Dartmoor National Park Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system is informed by the work of the Leadership Team and other Officers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's (Devon Audit Partnership) annual report and also by responding to comments and recommendations made by external auditors and other review agencies and inspectorates.

The Authority's Chief Financial Officer and Monitoring Officer have also provided assurance that there have been no significant control issues that have required the need for: formal action in their respective roles; significant additional funding; had a material impact on the accounts; or resulted in significant public interest, damaging the reputation of the Authority.

Although a review of the effectiveness of the Governance arrangements is reported once per year to the Authority, the process of gathering evidence and monitoring performance is continual and is managed through reports to Audit & Governance Committee.

Significant improvements have been undertaken during 2014/15 as follows:

- Implemented the changes resulting from Defra's review of Governance arrangements in National Park Authorities, which commenced in 2012
- Rolled out Finance and Procurement training across the Authority
- Continued with a major refurbishment scheme at the National Park Visitor Centre, Princetown
- Undertook a Value for Money Review of the Service Level Agreement the Authority has with Devon County Council for maintaining Public Rights of Way. Agreed a revised approach to the management of public rights of way within the National Park which will be trialled in 2015/16 for potential roll-out across the National Park in 2017/18
- Developed and consulted on a new draft Communications Strategy for the Authority, with a particular focus on external communications and community engagement
- Undertook a staffing and structure review of the Leadership Team to seek further reductions in the Authority's salary budget, reflecting the future uncertainty in the level of National Park Grant funding received from Defra
- Reviewed our Governance arrangements, Scheme of Delegation & financial regulations to reflect the new Leadership Team structure
- Adopted an Affordable Housing Supplementary Planning Document (SPD) in order to guide Local Plan Policies
- Approved the Local Development Scheme – a timetable for the Development Plan preparation and review
- Became the lead Partner to deliver the 5 year "Moor Than Meets the Eye" Heritage Lottery Funded Landscape Partnership scheme
- Developed a joint Economic Prospectus for Dartmoor and Exmoor National Parks to clarify the role of the two Authorities in economic development and the opportunities for sustainable rural growth
- Set up the Dartmoor Communities Grant Fund, in partnership with West Devon Borough, South Hams District and Teignbridge District Councils
- Adopted a Sponsorship Policy to aid the development of new fundraising and income generation
- Approved the Chagford Masterplan
- Approved the commencement of charging for pre-application planning advice
- The Ranger Service gained membership of the Community Safety Accreditation Scheme

GOVERNANCE ISSUES

Although the Authority has been assessed as having strong Governance arrangements in place, to ensure continuous improvement, it is proposed that the following work is undertaken during 2015/16:

- Adopt a new Communications Strategy, with a particular focus on external communications and community engagement
- Review the Statement of Community Involvement – which sets out how we engage with stakeholders on Plan preparation
- Develop an organisational development strategy to support staff, volunteers and members improve processes and sustain high performance
- Develop a revised website as a two-way tool for communication, focused on user needs

- Continue to work at a national and local level to develop fundraising and new income sources
- Engage, via National Parks England, with the forthcoming spending review and respond as required to future funding settlement

CERTIFICATION

We have been advised on the implication of the results of the review of the effectiveness of the governance framework by the Audit and Governance Committee and a plan to address weaknesses and ensure continuous improvement of systems is in place.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: ………………………………… **Signed:…………………………………….**
K D Bishop
Chairman of the Authority **Chief Executive (National Park Officer)**

Date: …………………………………….. **Date: ………………………………………**