

# Auditor's Annual Report on Exmoor National Park Authority

2022/23 VFM arrangements

April 2024



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

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# 1. Executive summary



## Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Authority's arrangements under specified criteria and 2022-23 is the third year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our conclusions are summarised in the table below. We have not noted any significant weaknesses in arrangements and this represents a good outcome for the Authority.

Criteria	Risk assessment	2021-22 Auditor Judgment	2022-23 Auditor Judgment
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified. One improvement recommendation made.	No significant weaknesses in arrangements identified. No improvement recommendation raised
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified.	No significant weaknesses in arrangements identified. Two improvement recommendation made.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified.	No significant weaknesses in arrangements identified. No improvement recommendation made.

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

# Executive summary

## VFM arrangements



### Financial sustainability

The Authority is operating in an increasingly uncertain financial environment. The Authority, as with all national parks and local authorities, will need to continue to plan on the basis of “flat cash” funding in the medium term, effectively a cut in funding in real terms. This has become particularly acute after the year end at 31 March 2023, given the impact of rising inflation. Our work has not identified any significant weaknesses in arrangements to secure financial stability at the Authority. We raised no improvement recommendation on financial sustainability this year.



### Governance

Our work this year has focused on refreshing our understanding of the governance arrangements in place at the Authority. Our work has not identified any significant weaknesses in arrangements. We have raised two improvement recommendations in respect of risk management arrangements. Further details can be seen on pages 12 and 13 of this report.



### Improving economy, efficiency and effectiveness

The Authority has demonstrated a clear understanding of its role in securing economy, efficiency and effectiveness in its use of resources. Our work has not identified any significant weaknesses in arrangements in relation to delivering economy efficiency and effectiveness. We have raised no improvement recommendations.



### Audit of the 2022/23 Financial Statements

Our accounts audit was completed in December 2023 to February 2024 and the outcome was reported in our ISA260 Audit Findings Report to the Final Accounts Committee on 9 April 2024.



# 2. Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

## Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether they:

- (i) present a true and fair view of the Authority's financial position, and
- (ii) have been prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2022/23

We have completed our audit of your financial statements and issued an unqualified audit opinion on 9 April 2024, following the Final Accounts Committee meeting on that date. Our findings are set out in further detail on page 19.

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

Our work to date has not identified any issues requiring a statutory recommendation.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

Our work to date has not identified any issues requiring a public interest report.

## Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

Our work to date has not identified any issues requiring an application to the court.

## Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

Our work to date has not identified any issues requiring an advisory notice.

## Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

Our work to date has not identified any issues requiring a judicial review.

# 3. Securing economy, efficiency and effectiveness in the Authority's use of resources

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

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

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

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



## Financial Sustainability

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



## Governance

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



## Improving economy, efficiency and effectiveness

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



Our commentary on the Authority's arrangements in each of these three areas, is set out on pages 7 to 13. Further detail on how we approached our work is included at Appendix B.

# 4. Financial sustainability



## We considered how the Authority:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## Financial pressures

### 2022-23 revenue outturn

The 2022-23 revenue out-turn reported an underspend of £16k against net expenditure spend of £3.028 million which is a positive achievement given the Authority's continuing financial challenge around:

- Customer Driven Income – sensitive to factors beyond the Authority's control including consumer behaviour and the weather;
- National Park Grant Settlement - changes in government policy as a result of wider economic uncertainty which could result in a reduction in National Park Grant;
- Pay Award - any variance from the 3% allowance in the budget would create a financial pressure;
- National economic conditions - inflationary pressures and impact on consumer spend could adversely impact the Authority through fewer visitors or lower revenues.

Actual spend for the 2022/23 financial year was very close to the revised budgets. The pay award, implemented in November 2022, was backdated to the start of the year. The pay award at £1,925 per FTE was higher than the original budget, but additional resources were identified from reserves when the revised budget was set. There were few vacancies in the year and the Authority was protected from the worst effects of the increase in utility charges due to a pre-existing price fix.

### Savings

Savings schemes were not required to deliver the 2022/23 budget and the £16k underspend was transferred back into reserves. In 2022/23 there was a £200k withdrawal from reserves to meet the costs of the long running planning dispute and another £100k

draw from reserves to meet the costs of external consultants employed in Development Management. The Authority now recognises that it needs to develop savings schemes for individual years, £170k for 2024/25, £172k for 2025/26, £252k for 2026/27 and £291k for 2027/28.

### 2023/24 financial forecasts

At the November 2023 Authority meeting the new Chief Finance Officer, presented a revised 2023/24 budget which reflected a detailed review of all core budget headings. The revised budget was adapted and balanced for known actual in year financial developments up to November 2023. The key challenge for the remainder 2023/24 is funding the cost of the pay award. Any changes will be managed from within existing budgetary allocations so there is no overall forecast financial variance for 2023/24.

### Medium Term Financial Plan

The current Medium Term Financial Plan (MTFP) sets out the Authority's strategic approach to financial management for the financial years 2024/25 to 2027/28. The single largest area of expenditure for the Authority is staff salaries. The Authority does not know what the pay award will be for future years, but has budgeted 5% for 2024/25, 3.5% for 2025/26 after and then 2% for future years. The National Park Grant level is assumed as cash neutral for the years 2024/25 to 2027/28. Base interest rate increases, over the last year from 0.10% to 4%, have led to increases in anticipated returns on cash balances which has improved some anticipated income in future years.

An additional approach to prioritisation and budgeting is still needed to meet the annual fundings gaps in the four year

# Financial sustainability (continued)

## Medium Term Financial Plan (continued)

MTFP. Business Reviews across the Authority were implemented in October 2022 to determine which services will be withdrawn or reduced and which will be continued to deliver the annual savings required below.

### Medium Term Financial Plan to 2027/28

£000s	2024/25	2025/26	2026/27	2027/28
National Park Grant	3,211	3,211	3,211	3,211
Other Income	1,089	1,113	1,116	1,139
<b>Total Income</b>	<b>4,300</b>	<b>4,324</b>	<b>4,327</b>	<b>4,350</b>
Core Budget Expenditure	4,170	4,281	4,364	4,446
Programmes, Partnerships and Reserves	300	215	215	195
<b>Total Expenditure</b>	<b>4,470</b>	<b>4,496</b>	<b>4,579</b>	<b>4,641</b>
Savings Yet to Be identified	170	172	252	291

It is planned that this service prioritisation will lead to a more focussed and outward looking national park, on a sustainable financial footing, that is able to deliver the six corporate priorities in the Corporate Strategy 2023-26. Reserves and capital plans are also a significant resource in underpinning and supporting the delivery of the Authority's six corporate priorities.

### Level of reserves

The Authority has some £3.4m of forecast reserves at 31 March 2024, consisting of £2.2m of earmarked reserves for projects and £1.2m of contingency reserves. The Reserves Strategy, in the MTFP, aims to maintain the General Fund Reserve at its target of £350k to meet any unforeseen or exceptional items of expenditure. It provides working capital and is the equivalent of one month's operating costs.

Reserves will undergo further review and updating as part of the development of the 2024/25 Medium Term Financial Plan and revenue budget. This will be

presented to the Authority at the National Park Authority meeting in March 2024.

### Capital Strategy

Capital spend for this Authority is commonly of a small scale relating to rural capital projects, vehicles or IT. The Authority's capital programme for the MTFP period is estimated to be small at £29k in 2024/25 and £52k in 2025/26.

### Farming in Protected Landscapes (FiPL)

The MTFP also identifies the need to achieve additional grant income to support delivery of the Business Plan and Partnership Plan. A number of grants have been secured, the single most financially significant being FiPL which is funding for farmers and land managers in Areas of Outstanding Natural Beauty (AONB), National Parks and the Broads. The Authority received some £815k for 2022-23, the second year of delivery for the FiPL programme. The Authority has been able to meet its planned budget profile for the grant following the re-profiling in year. It expects to continue to the FiPL requirements in the next year of the FiPL scheme which attracts some £800k of grant and costs in 2023-24.



### Conclusion on Financial Sustainability

Overall, we are satisfied that the Authority has appropriate arrangements in place to ensure it manages risks to its financial sustainability. There is a high level of understanding of the Authority's significant financial challenges in terms of its budgetary pressures in the short and the medium term.



# 5. Governance



## We considered how the Authority:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

## Leadership effectiveness

Appropriate leadership is in place at the Authority. It operates through full Authority meetings as well as through its Standards Committee. The Authority is Those Charged With Governance (TCWG) and demonstrates appropriate challenge of financial and non-financial information. In January 2022, we recommended that the Authority undertake a self-assessment each year, which is considered best practice. The positive outcome of this was reported to the Standards Committee in July 2022.

Major decisions are made at meetings of the full Authority. The Authority meets regularly, with ten meetings in 2023-24, and appropriate minutes are taken which are approved and available online. The Authority is planning to reduce the number of meetings to eight a year from 2024, to reduce costs.

## Policies, procedures, and controls

The Authority expects the highest standards of corporate behaviour and responsibility from all Authority members and staff. There are a range of policies and procedures designed to ensure compliance with legislative and regulatory standards, including Codes of Conduct for Members and Staff, a Local Code of Corporate Governance, and a range of HR policies and procedures. In addition, the Authority has an anti-fraud and corruption policy in place. Members' interests are recorded on an individual basis on the Authority's website.

## Monitoring and Assessing Risk

The Leadership Team monitors and reviews the Strategic Risk Register on a six monthly basis. The Strategic Risk Register is then presented to the Authority in May and November each year. A report covering the review of risk management

arrangements for the Authority was taken to the November 2023 Authority meeting, which included the Health and Safety Policy and the Strategic Risk Register. Each risk on the Strategic Risk Register is allocated to senior officers with risks based on themes from the Institute of Risk Management. These themes include business continuity, employee retention, well-being, funding, cyber security and data management. Whilst these are valid themes, the Authority could improve its arrangements by better mapping its risks to the achievement of its objectives in its Corporate Strategy.

The Authority's arrangements for both performance management and risk management could be better streamlined so there is one integrated reporting framework for the corporate objectives, business plan, KPIs and the Strategic Risk register. We also suggest that risk and performance should be discussed at the monthly Leadership Team meetings as part of integrated risk and performance management, and also regularly reported to the Authority to every four of its eight meetings going forward rather than every six months.

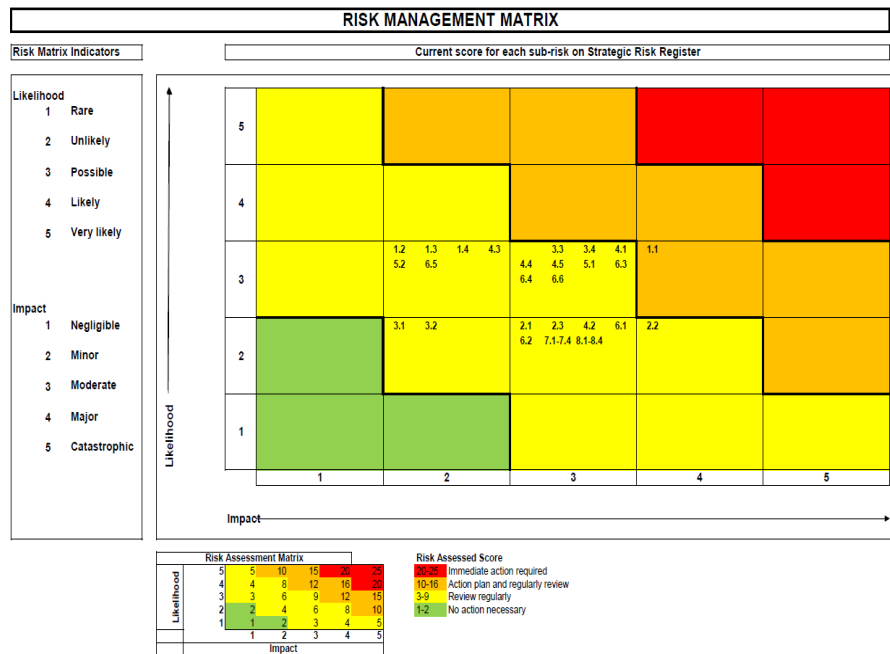
## Improvement Recommendation One:

- (a) integration of performance management and risk management through mapping risks to corporate objectives and risk rating the performance delivery of these objectives; and
- (b) monthly discussion of integrated risk and performance at Leadership Team with quarterly reporting to the Authority.

# Governance (continued)

## Monitoring and Assessing Risk (continued)

The risks are mapped onto a risk management matrix, which is RAG rated. The Authority introduced a fourth category of "yellow" to better focus the management of the middle amber risks into higher (amber) and lower (yellow) risks. However 31 of its 32 risks are now rated as the lower 'yellow' risks which, therefore, does not seem to have addressed the issue.



With the introduction of an integrated risk and performance management approach, the Authority's risk profile should show a more realistic spread of risks as it reflects the delivery of the Corporate Strategy. For example, the risk around achieving future savings plans will be a higher red risk as these are more difficult to identify and achieve. As well as the Authority identifying, assessing and scoring its strategic risks,

It also needs to identify additional control measures that can be implemented along with any resources that might be required to give a lower "Residual Risk" rating to show how the Authority is either reducing its risk profile or tolerating the risk. The Authority has the option to apply more controls to treat, transfer, terminate or tolerate (known as the 4 T's) its risks depending on the corporate priority and the resulting "risk appetite" for each risk. The Authority has yet to determine its "risk appetite" and therefore may wish to clarify what level of residual risks it will tolerate in order to achieve the delivery of its corporate objectives. **Improvement Recommendation Two: Determine the Authority's risk appetite for its strategic risks.**

## Internal control

Internal audit is provided by Devon Audit Partnership, a shared service agreement between a number of the local authorities in Devon. Internal audit agrees an annual audit plan with the Chief Finance Officer and then presents the plan to the Authority for approval in July each year. The Authority use the work and findings of internal audit to consider the operation of key controls during the year which is used to draft the Annual Governance Statement. Internal Audit also issue an Annual Report summarising their work each year, along with the Head of Internal Audit Opinion which provided Reasonable Assurance for 2022-23.



# Governance

## Budget Setting Process

The Authority has an established budget-setting process in place. The budget for 2023-24 was approved at full Authority in March 2023. The budget is reviewed regularly to forecast outturn results throughout the year, with a final outturn being presented to the July Authority. The Authority provides an appropriate level of routine review, particularly in light of the Authority's track record of delivering a balanced year end outturn position. The current and prior year periods both show small variances which are indicative of the effectiveness of the budget setting and monitoring processes in place.

## Budgetary Control


There are good systems in place for oversight of the budget. Budget monitoring is performed on a monthly basis led by the Chief Finance Officer. Matters arising are considered by the Leadership Team at regular meetings. Variances are identified and explained on a monthly basis, with actions to mitigate these agreed at Leadership Team level, where required. Quarterly reporting to members of the Authority against the forecast financial outturn position ensures members are aware of budget variances and how these are being managed. Detailed scrutiny of financial performance was undertaken by the reinvigorated Finance and Performance Advisory Panel in June 2023.

## Conclusion

Overall, we found no evidence of significant weaknesses in the Authority's arrangements for ensuring that it makes informed decisions and properly manages its risks. As outlined above, we have raised two improvement recommendations to strengthen governance arrangements as detailed overleaf.



# Improvement recommendations

<b>Improvement Recommendation 1</b>	We recommend that the Authority integrate performance management and risk management through mapping risks to its corporate objectives and risk rating the performance delivery of these objectives. It should discuss performance and risk at each of its monthly Leadership Team meetings with quarterly reporting of performance and risks to the Authority.
<b>Improvement opportunity identified</b>	The Authority's arrangements for both performance management and risk management could be better streamlined so there is one integrated reporting framework for the corporate objectives, business plan, KPIs and the Strategic Risk register. Each risk on the Strategic Risk Register is based on themes from the Institute of Risk Management, including business continuity, employee retention, well-being, funding, cyber security and data management. However better mapping its risks to the achievement of its objectives in its Corporate Strategy would be more efficient.
<b>Criteria impacted</b>	 Governance
<b>Auditor judgement</b>	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant. We have raised a recommendation to support management in making appropriate improvements.
<b>Management comments</b>	Agreed, the Leadership Team and Delivery Teams will be working with our assurance provider to further enhance Risk Management mapping and ownership. Risk Management has been included as a standing item for Leadership Team. RM will be included within our suite of Corporate Plan reporting which is presented to full Authority on a quarterly basis.

Progressing the actions management has identified to address the recommendations made will support the Authority in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendations

## Improvement Recommendation 2

The Authority should determine the risk appetite for each of its strategic risks once it has mapped them to the delivery of its corporate objectives.

## Improvement opportunity identified

The Authority has the option to apply more controls to treat, transfer, terminate or tolerate (known as the 4 T's) its risks depending on the corporate priority and the resulting "risk appetite" for each risk. The Authority has yet to determine its "risk appetite" and therefore should determine what level of residual risks it will tolerate in order to achieve the delivery of its corporate objectives.

## Criteria impacted



Governance

## Auditor judgement

Our work has enabled us to identify a potential improvement in arrangements which we do not consider to be significant. We have raised a recommendation to support management in making appropriate improvements.

## Management comments

The Authority has set aside a training day in March 2024 with our assurance provider (Devon Audit Partnership). This day is aimed at introducing and agreeing ownership of operational risks and linking these to strategic risks. Alongside this Leadership Team will remap and determine its appetite for strategic risks

# 6. Improving economy, efficiency and effectiveness



## We considered how the Authority:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

## Performance review, monitoring, and assessment

The Authority's vision and priorities are set out in its Corporate Plan which is updated and presented to the Authority meeting in March each year. Progress against plan is presented to the Authority twice a year in May and November. The Corporate Plan links the five-year Exmoor Partnership Plan to the National Park's individual strategic priorities for the year, and also where relevant to the detailed annual revenue budget and the Medium Term Financial Plan.

Our review identified that performance against the priorities and actions set out in the plan is also monitored routinely by the Leadership Team. There are 60 milestones setting out key actions across priority areas in the plan, with detailed descriptions of each action, the desired outcome, target start and end dates.

In addition to the Business Plan, there is a Performance Indicator framework in place comprising 37 indicators, a mix of "State of the Park" indicators, national indicators required by central government or agreed with other National Park Authorities, and local indicators set by the Authority.

The Authority is now in a position where it needs to achieve improvements in efficiency and productivity in order to achieve savings to maintain financial sustainability. We set out, in the Governance Section of this report, how the alignment of risk with performance would allow the Authority to identify what additional measures are needed to achieve its service and financial plans and if necessary where it needs to reconsider those plans.

## Partnership working and working with stakeholders

Partnership working continues to be a key feature of the Authority's working, the most significant during the past year being the Exmoor Mires Projects with Southwest Water and the Farming in Protected Landscapes scheme (FiPL). FiPL has provided new opportunities of working with farmers and land managers while investing in a range of schemes primarily around nature, ecology and agricultural developments. Generation Green funding allowed the Authority to engage with young people that are passionate about the environment.

Clear understandings are agreed with Partners and where the Authority takes the lead role, all matters are conducted in accordance with the Authority's Standing Orders and Financial Regulations. The Authority's Partnership Plan 2018 – 2023 is a statutory plan that the Authority is required to produce every five years. In preparation for an updated Partnership Plan from 2024, an online public opinion survey ran for a five month period from 4 April to 4 September 2023, asking all those with an interest in Exmoor to share their views on what makes Exmoor special to them, and what key issues they think are most important to tackle going forward.

The Partnership Plan does not try to identify all the activities and people involved in its delivery. It provides the framework for action, and a separate Delivery Programme developed with the partnership groups, sets out the actions required. This reflects the uncertainties regarding future policy and funding, and enables the Authority to be

# Improving economy, efficiency and effectiveness

flexible in how they respond to the challenges and opportunities ahead. The Delivery Programme will be updated and used to assess progress on the achievement of the Ambitions. A vital component of delivering the Plan will be securing the necessary resources to carry out the actions identified.

## Procurement

The Authority has procurement procedures within its Financial Regulations which sets out the approach to delivering effective procurement. This supports budget holders who have responsibility for procurement decisions. Budget holders are also supported by the Finance team. The Authority utilises Devon County Council's procurement services for professional advice, pro forma tender documents, and framework contracts in order to improve its own procurement processes.

## Conclusion

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



# 7. Follow-up of prior year recommendations

	<b>Recommendation</b>	<b>Type of recommendation</b>	<b>Date raised</b>	<b>Progress to date</b>	<b>Addressed?</b>	<b>Further action?</b>
1	<b>2021/22</b> In order to enhance clarity and transparency for Members and other key stakeholders, the Authority should include a projection of its useable reserves position across the life of the MTFP.	Improvement	April 2023	The 2024/25 budget will include this.	Yes	No
1	<b>2020/21</b> The Chief Finance Officer's budget setting report should explicitly report to the Authority on the robustness of estimates made for the purposes of calculations within the budget. This is a requirement of the Local Government Act 2003.	Improvement	April 2022	The 2023-24 budget includes this.	Yes	No
2	Consideration should be given to identifying in advance a range of savings options and schemes which would be available to be implemented should they be required. These proposals should be included within the MTFP and annual budget.	Improvement	April 2022	These proposals are being prepared for inclusion in the 2024-25 annual budget and MTFP to 2027-28	Yes	No
3	The Authority should approve a capital budget as part of the budget setting process, and set a capital programme for expected capital spend over the period of the Medium Term Financial Plan (MTFP).	Improvement	April 2022	The 2023-24 budget includes this.	Yes	No
4	The Authority should report to Members on its financial performance against budget periodically during the year.	Improvement	April 2022	This is now performed, with months 3 and month 9 reporting undertaken in year.	Yes	No



# 7. Follow-up of prior year recommendations

	<b>Recommendation</b>	<b>Type of recommendation</b>	<b>Date raised</b>	<b>Progress to date</b>	<b>Addressed?</b>	<b>Further action?</b>
5	Introduce an annual self-assessment effectiveness review of the Audit and Governance Committee which is the Committee considered to be Those Charged With Governance.	Improvement	April 2022	This has been completed in year as reported to the Standards Committee on 19 July 2022.	Yes	No
6	The Authority's Financial Regulations should be reviewed and updated to ensure that they remain up to date.	Improvement	April 2022	These regulations were updated in December 2022 along with a number of other policies.	Yes	No
7	The Authority participates in the annual National Park performance indicator set, which is co-ordinated by the Yorkshire Dales National Park. The Authority's performance against all of these indicators should be included within the performance monitoring reporting to members.	Improvement	April 2022	These indicators are now reported as part of the Corporate Plan.	Yes	No

# 8. Opinion on the financial statements



## Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2023 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2022/23

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Authority's Ethical Standard.

## Audit opinion on the financial statements

We issued our opinion on the Authority's financial statements on 9 April 2024.

Further information on our audit of the financial statements is set out overleaf.



# 8. Opinion on the financial statements



## Audit of the financial statements

The 2022/23 Audit Plan was presented to the Authority in May 2023. The Authority provided draft financial statements in line with the national timetable of 31 May 2023.

The final audit visit was carried out in December 2023 to February 2024.

## Findings from the audit of the financial statements

There were no significant findings from our audit work. We identified one recommendation for management and a small number of disclosure amendments, as well as one immaterial unadjusted misstatement relating to the estimated value of the defined benefit pension net liability.

The Audit Findings Report was presented to the Authority at the Final Accounts Committee on 9 April 2024. Requests for this Audit Findings Report should be directed to the Authority.



# Appendices

# Appendix A – Responsibilities of the Authority

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

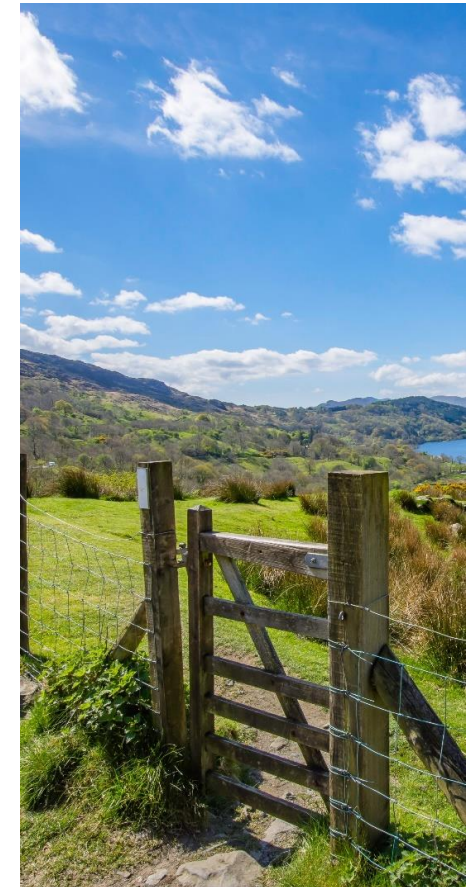
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records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

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

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: An explanatory note on recommendations

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

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

