



EXMOOR
NATIONAL PARK

EXMOOR NATIONAL PARK AUTHORITY
EXMOOR HOUSE, DULVERTON
SOMERSET TA22 9HL
TEL: (01398) 323665
FAX: (01398) 323150
E-mail: info@exmoor-nationalpark.gov.uk
www.exmoor-nationalpark.gov.uk

24 April 2024

EXMOOR NATIONAL PARK AUTHORITY

To: All Members of the Exmoor National Park Authority

A meeting of the Exmoor National Park Authority will be held in the **Committee Room, Exmoor House, Dulverton** on **Tuesday, 7 May 2024 at 10.00am.**

The meeting will be open to the press and public subject to the passing of any resolution under s.100(A)(4) of the Local Government Act 1972.

There is Public Speaking at this meeting, when the Chairperson will allow members of the public two minutes each to ask questions, make statements, or present a petition relating to any item relevant to the business of the Authority or relating to any item on the Agenda. Anyone wishing to ask questions should notify the Corporate Support Officer as soon as possible, or at the latest by 4pm on the working day before the meeting of the agenda item on which they wish to speak, indicating a brief summary of the matter or matters to be raised (contact Committees@exmoor-nationalpark.gov.uk).

The meeting will be **recorded**. By entering the Authority's Committee Room and speaking during Public Speaking you are consenting to being recorded. We will make the recording available via our website for members of the public to listen to and/or view, within 72 hours of the meeting taking place.

Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairperson so that those present may be made aware.

(The agenda and papers for this meeting can be downloaded from the National Park Authority's website www.exmoor-nationalpark.gov.uk).

Sarah Bryan
Chief Executive

A G E N D A

The meeting will be chaired by Miss A V Davis, Chairperson of the Authority.

1. Apologies for Absence

2. Declarations of Interest/Lobbying of Members

Members are asked to declare any interests they may have in relation to items on the agenda for this meeting.

3. Chairperson's Announcements

4. Minutes (1) To approve as a correct record the Minutes of the meetings of the Authority held on 5 March 2024 (Item 4)

(2) To consider any Matters Arising from those Minutes.

5. Public Speaking: The Chairperson will allow members of the public to ask questions, make statements, or present a petition. Questions of a general nature relevant to the business of the Authority can be asked under this agenda item. Any questions specific to an agenda item can be posed when that item is considered subject to the discretion of the person presiding at the meeting.

6. Completion of Audit for 2022/23: To consider the report of the Chief Finance Officer (Item 6)

7. Internal Audit Arrangements: To consider the report of the Chief Finance Officer (Item 7)

8. Personnel Update

Starters:

25/03/2024 – Lee Clarke – Seasonal Information Advisor, Dunster National Park Centre (fixed term)

01/04/2024 – Wayne Thomas – Vehicle and Plant Operative (TUPE transfer)

02/04/2024 – Juan Castello – Exmoor Moorland Bird Survey Lead Officer (fixed term)

08/04/2024 – Exmoor Moorland Bird Survey Officers (fixed term)

Michael Shrimpling

Tom Raven

Richard Tompsett

08/04/2024 – Glyn Ashton – Planning and Customer Support Assistant (fixed term)

09/04/2024 – Julie Colman – Rural Enterprise Coordinator (permanent)

15/04/2024 – Reviving Exmoor's Heartlands Project Manager (job share)

Charlotte Thomas

Sarah Eveleigh

13/05/2024 - Yvonne Dale – Senior Planning Officer (permanent)

20/05/2024 - Lucy Shipley – Historic Environment Records Officer (permanent)

Leavers

19/05/2024 – Daniel Day-Robinson – Assistant Planning Officer

9. Any Other Business of Urgency

Further information on any of the reports can be obtained by contacting the National Park Authority at the address and telephone numbers at the top of the agenda. Details of the decisions taken at this meeting will be set out in the formal Minutes which the Committee will be asked to approve as a correct record at its next meeting. In the meantime, details of the decisions can be obtained by emailing Committees@exmoor-nationalpark.gov.uk

ITEM 4

EXMOOR NATIONAL PARK AUTHORITY

MINUTES of the Meeting of the Exmoor National Park Authority held on Tuesday, 5 March 2024 at 10.00am in the Committee Room, Exmoor House, Dulverton.

PRESENT

Miss A V Davis (Chairperson)
Mr R Milton (Deputy Chairperson)
Mr S J Pugsley (Deputy Chairperson Planning)

Mr L Baker	Dr M Kelly
Mr A Bray	Mr M Kravis
Mr T Butt Philip	Mrs F Nicholson
Mrs M Chilcott	Mr J Patrinos
Mr M Ellicott	Mrs F Smith
Mr D Elson	Mr N Thwaites
Mr B Geen	Dr S Warren
Mr J Holtom	Mr J Yabsley

Apologies for absence were received from Mrs C Lawrence, Mrs E Stacey and Miss L Williams. It was noted that Dr M Kelly would be joining the meeting late.

89. DECLARATIONS OF INTEREST:

- In relation to Item 13.2 – Application No. 62/43/213/009 – Proposed variation of condition 2 of approved application 62/43/23/002 to extend the hours of operation (0700 – 1900hrs) – Woody Bay Station, Lynton & Barnstaple Railway Co Ltd, Parracombe, Devon EX31 4RA, Mr J Holtom declared a personal interest as Chairman of Parracombe Parish Council.

90. CHAIRPERSON'S ANNOUNCEMENTS:

- The Chairperson thanked the Corporate Support Officer, Judy Coles, for her work supporting members of the Authority over the past 7 years. Carol Carder would now be responsible for Members' services and was welcomed to the Authority.

91. MINUTES

- Confirmation:** The **Minutes** of the Authority's meeting held on 6 February 2024 were agreed and signed as a correct record.
- Matters arising:** There were no matters arising.

92. PUBLIC SPEAKING: There were no public speakers.

93. MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2028/29 AND BUDGETS 2024/25: The Authority considered the **report** of the Chief Finance Officer.

The Authority's Consideration

Members thanked the Chief Finance Officer for a comprehensive report and welcomed the achievement of a balanced budget while noting the medium-term budgetary challenges and the future level of available financial capacity.

The following was also noted:

- The Authority's stated objectives in furtherance of National Park purposes could not be achieved without its dedicated core staff and the percentage allocation to staff costs was set out the budget documents. However, the expression of budget allocations to individual areas of the Authority's work, all of which were delivered or facilitated by core staff, might be of greater value in wider communications, including the use of pictorial images or infographics.
- The importance of continuing to identify and realise external funding opportunities and the need for strategic planning in anticipation of the end of existing funding streams.
- The significant value to the Authority of its many volunteers.
- In relation to future National Park Grant allocation, Officers and Members would continue to promote the work of Exmoor National Park Authority to government, working in conjunction with the wider UK National Parks family and organisations including National Parks England, the Campaign for National Parks and the Exmoor Society.

Mr J Yabsley joined the meeting during this item and was therefore not eligible to vote.

RESOLVED:

1. To note the month 9 budget monitoring position for 2023/24.
2. To approve the Core, Capital and Programmes, Partnerships and Contributions to Reserves Budgets for 2024/25 as summarised in Appendices 2, 3 and 4 to the report.
3. To note the position on reserves as detailed in Appendix 5 to the report.
4. To adopt the Medium Term Financial Plan 2024/2025 to 2028/2029.
5. To thank the Authority's Finance Team for their significant work in preparing the Medium Term Financial Plan 2024/25 to 2028/2029 and Budgets 2024/25.

- 94. EXMOOR NATIONAL PARK AUTHORITY CORPORATE PLAN 2024/2025:** The Authority considered the [report](#) of the Chief Executive and Head of Climate, Nature and Communities.

The Authority's Consideration

Members welcomed the Exmoor National Park Authority Corporate Plan 2024/2025 which set out the Authority's key priorities for the next financial year and how National Parks could contribute to the government's objectives in relation to the nature and climate crisis, and health and wellbeing.

The debate noted the following:

- A clear focus on 6 priority actions would assist budgetary management and the re-establishment of the member External Funding Working Group would be considered.
- The significant work of the communications team and the continued dialogue with Exmoor Young Voices was welcomed.

- The potential to enhance communications in relation to public funding appeals.
- Consideration would be given to how the underpinning nature of the Authority's work to support farming communities, and recognition of the link between food quality and land management, could be better conveyed in strategic documents.
- Detailed work to understand the impact of atmospheric pollution and to develop a strategy to inform the management of sensitive sites and the determination of planning applications was dependent on external funding.
- The Authority-owned estate continued to deliver National Park purposes and to be financially sustainable, consistent with the over-arching priority action relating to income generation.
- The Authority would continue to support the delivery of locally needed affordable housing through its role as planning authority. A project plan was being developed in relation to additional funding secured from the Planning Delivery Skills fund to address the backlog in determining planning applications.
- The potential to achieve a greater focus on health and wellbeing would be explored.
- In light of budgetary constraints, it was suggested that the Authority's ownership of an Exmoor pony herd be reviewed.
- Members and Officers would participate in the planned work to update the Authority's values.

Members welcomed the significant extent of service delivery, particularly given the continued budget constraints.

RESOLVED:

1. To approve the Exmoor National Park Authority Corporate Plan 2024/2025.
2. To delegate to the Chief Executive and Chairperson authority to agree minor amendments following Member discussion and production of the final Exmoor National Park Authority Corporate Plan 2024/2025.
3. To thank Climate, Nature and Communities team for an excellent report.

- 95. TREASURY MANAGEMENT STRATEGY STATEMENT 2024/2025:** The Authority considered the report of the Chief Finance Officer.

The Authority's Consideration

Members thanked the Chief Finance Officer for his report and the broader financial view it provided.

RESOLVED:

1. To note the report of the Chief Finance Officer.
2. To approve the proposed Treasury Management Strategy for 2024/2025 as set out in sections 2 and 3 of the report.
3. To note the Prudential Indicators for 2024/2025 to 2026/2027 as set out in section 4 of the report.

- 96. SCHEME OF MEMBERS' ALLOWANCES 2024/2025:** The Authority considered the report of the Head of Finance and Operations.

The Authority's Consideration

The Committee welcomed the inclusion of the Dependents Carer's Allowance.

In the context of budgetary challenges and as an amendment to the recommendation that the Authority adopt the Scheme of Members' Allowance 2024/2025 as set out in Appendix 1 to the report, Mr J Patrinos proposed that the current level of Members' annual allowance be reduced by £500 (from £3,095 to £2,595), subject to future adjustments as linked to staff cost of living pay awards. The proposed amendment was seconded by Mr D Elson.

Mr Patrinos cited paragraph 8.2 of the Authority's Standing Orders which provides that on the requisition of any Member of the Authority supported by four other Members, the voting shall be recorded to show how each Member present and voting gave their vote for or against the motion, or who abstained from voting.

Mr Patrinos made a requisition that voting on the proposed amendment be recorded. Mr T Butt Philip, Mr D Elson, Mr M Kravis and Mrs F Smith supported this requisition.

Members' consideration of the Scheme of Allowances at a recent informal meeting was acknowledged and it was noted any Member had the option of not claiming all or part of any allowance.

The vote on the proposed amendment was recorded as follows:

1.	Mr L Baker	Against
2.	Mr A Bray	Against
3.	Mr T Butt Philip	Against
4.	Mrs M Chilcott	Against
5.	Mrs A V Davis	Against
6.	Mr M Ellicott	Against
7.	Mr D Elson	For
8.	Mr B Geen	Against
9.	Mr J Holtom	Against
10.	Mr M Kravis	Against
11.	Mr R Milton	Against
12.	Mrs F Nicholson	Against
13.	Mr J Patrinos	For
14.	Mr S J Pugsley	Against
15.	Mrs F Smith	Against
16.	Mr N Thwaites	Against
17.	Dr S Warren	Against
18.	Mr J Yabsley	Against

The proposed amendment therefore failed, and the meeting debated the substantive motion that the Authority adopt the Scheme of Members' Allowances 2024/2025 as set out in Appendix 1 to the report, subject to future adjustments to Members' Allowances as linked to staff cost of living pay awards.

Members noted that a reduction in the mileage rate to the national mileage rate would be progressed and that the alteration of subsistence allowances to be commensurate with the constituent Authorities would be considered.

It was confirmed that the Members' Scheme of Allowances was being referred to an Independent Remuneration Panel.

RESOLVED:

1. To adopt the Scheme of Members' Allowances 2024/2025 as set out in Appendix 1 to the report, subject to future adjustments to Members' Allowances as linked to staff cost of living pay awards.
2. To delegate to the Chief Executive arrangements to refer the Members' Scheme of Allowances to an Independent Remuneration Panel.

97. APPOINTMENTS TO THE PLANNING COMMITTEE: The Authority considered the [report](#) of the Head of Climate, Nature and Communities.

The Authority's Consideration

The Authority's decision at its meeting on 7 November 2023 to create a Planning Committee of 12 Members with delegated authority to carry out the planning functions of the Authority Committee was noted.

Members were invited to make appointments to the Planning Committee in accordance with the Scheme of Delegation and the expressions of interest set out in the report. In relation to the Parish Member appointments, there were four expressions of interest for three appointments. Following a vote by secret ballot, Andrew Bray, Bill Geen and Jeremy Holtom were confirmed as Parish Member appointees to the Planning Committee.

Dr M Kelly joined the meeting during this item was therefore not eligible to vote.

RESOLVED: To make the following Member appointments to the Planning Committee until the Authority's annual meeting in July 2025.

- 4 Somerset Council appointed Members:
Christine Lawrence, Frances Nicholson, Steven Pugsley, Fran Smith
- 1 Devon County Council appointed Member:
Jeremy Yabsley
- 1 North Devon District Council appointed Member:
John Patrinos
- 3 Secretary of State appointed Members:
Dominic Elson, Mike Kelly, Evelyn Stacey
- 3 Parish Council appointed Members:
Andrew Bray, Bill Geen, Jeremy Holtom

98. PERSONNEL UPDATE: The Authority noted the recent staff changes as set out on the agenda.

99. ANY OTHER BUSINESS OF URGENCY: There was none.

The meeting closed for recess at 12.30pm.

Mr L Baker left the meeting.

Items relating to the Authority's role as sole local planning authority for the National Park area including determination of planning applications. This section of the meeting was chaired by Mr S J Pugsley, Deputy Chairperson (Planning)

The meeting reconvened at 1.30pm

DEVELOPMENT MANAGEMENT

100. Application No: 6/29/23/006

Location: Hurlstone Bungalow, Allerford, Minehead TA24 8HJ

Proposal: Proposed demolition of existing bungalow and sheds. Erection of replacement eco-bungalow and new shed (resubmission of application 6/29/21/121)

The Authority considered the [report](#) of the Development Manager.

Public Speaking:

1. Dorrien Bickerstaff – local resident
2. Susan Bamford – local resident
3. Penelope Kelham – local resident
4. Ian Kelham – local resident
5. Gillian Laramy on behalf of Peter Laramy – local resident
6. Geoff Garfield - area representative of the Southwest Coast Path Association
7. Fletcher Robinson – CPRE
8. Sarah Shorten on behalf of local residents
9. Laura Carew – Applicant's mother
10. Harriet Carew – Applicant's spouse
11. Ivo Carew – Applicant

The Authority's Consideration

It was noted that a site visit had been held on 29 September 2023 and that a report to the 3 October 2023 Authority Committee had been deferred following concerns that the report did not adequately address all salient points, and that further information was required to enable Officers to fully understand and consider the planning merits of the proposed scheme.

The meeting was advised that the application had been revised in the interim period, bringing the car parking within the existing garden area, and by slightly shortening the proposed length of the replacement dwelling. It was also noted that revised

existing elevation drawings had been submitted, which show the dwelling to have a lower height than initially shown.

Members received the report and welcomed its detailed nature and the level of scrutiny to which the application had been subjected.

The meeting was advised that the Planning Case Officer was mindful that the application deferred at the Authority Committee meeting on 3 October 2023 had recommended approval. However following analysis of the current application, it was the judgment of the Planning Case Officer that the potential benefits of the application would not outweigh the harms identified in the report, and it was therefore recommended that planning permission be refused.

When applying the relevant legal test, it was confirmed that on the balance of probabilities it was considered that the residential use of the property on the application site had not been abandoned. It was also confirmed that the property was an open market dwelling and there was no mechanism by which local occupancy of the existing or any replacement dwelling could be secured.

The report contained detailed responses both to the application as deferred on 3 October 2023 and to the revised application from the following consultees:

South West Coast Path Association, South West Water, Environment Agency, SCC Highways Authority, National Trust, Campaign to Protect Rural England, Selworthy & Minehead Without Parish Council, Natural England, Exmoor Society, Exmoor Natural History Society, ENPA Future Landscapes Officer, ENPA Wildlife Officer, Somerset County Council Lead Local Flood Authority, Devon & Somerset Fire & Rescue Service, ENPA Public Rights of Way Officer, Wessex Water Authority.

The Planning Case Officer confirmed that while elements of the application were acceptable, the character and appearance of the proposed development in a sensitive setting and the potential effect on statutory protected species remained of concern.

It was noted that the Local Plan permits the erection of a replacement dwelling and the principle of the proposed development was therefore acceptable. It was the view of some Members that the proposal would offer an improvement to the National Park's housing stock, and it was also noted that the application was acceptable in terms of flood risk and drainage; impact on existing access; and that the proposed development would not exceed 93m² gross internal area.

Further, it was noted that Natural England raised no objection to the proposal, and it was suggested that concerns relating to the impact of the proposal on the landscape setting and ecology might be mitigated by the attachment of planning conditions.

However, the Committee was mindful of the environmentally sensitive nature of the site and a number of Members expressed concern about the potential harmful impact of the proposed scheme, particularly in terms of its scale and massing, artificial light spillage, and its proximity to the South West Coast Path. It was their view that these concerns outweighed any potential benefits offered by the proposal. It was also noted that the application did not include a detailed access statement or risk assessment in relation to construction activities, particularly bearing in mind the location of the site adjacent to a public bridleway.

It was confirmed that the Authority Committee must determine the current application as presented to them, taking account of all available information, the consultee

responses, the professional guidance of the Planning Case Officer, and having regard to the policies of the Exmoor National Park Authority Local Plan 2011-2031.

A motion by Mr A Bray to refuse planning permission was seconded by Dr M Kelly. When put to the vote, the motion was defeated.

A motion to approve planning permission subject to appropriate conditions was proposed by Mr D Elson.

Mr Elson considered that the proposal would be an efficient use of land, buildings, services and infrastructure, and welcomed the use of sustainable building techniques. He acknowledged that the proposal would alter the immediate setting of the existing dwelling, however he did not consider it would be visually intrusive to the extent suggested by the report.

While the proposed replacement dwelling would not exceed 93sqm gross internal area, it would be larger than the existing structure. Mr Elson therefore questioned what would be meant by reflecting the massing and scale of the original dwelling and submitted that the Authority could be afforded a degree of flexibility in its interpretation of a reflection of massing and scale.

Mr Elson noted the ability to condition low visible light transmission glass, automated window blinds or internal lighting to help to mitigate any impact of light spillage on commuting or foraging bats. Moreover, he suggested that concerns about light spillage should be considered from the baseline of potential light spill from the existing structure.

Therefore, in Mr Elson's judgement the proposal complied with Exmoor National Park Local Plan policies, including:

- GP1 – Achieving National Park Purposes and Sustainable Development
- CE-S1– Landscape and Seascape Character
- HC-D17 – Replacement Dwellings

The motion was seconded by Mr J Patrinos. When put to the vote, the motion was passed.

RESOLVED:

1. To grant planning permission subject to appropriate conditions.
2. To delegate the drafting of appropriate conditions to the Development Manager, such conditions to be agreed by the Deputy Chairperson (Planning).

Conditions:

- (1) The development hereby permitted shall be begun before the expiration of three years from the date of this permission.

Reason: In accordance with the provisions of Section 91 of the Town and Country Planning Act 1990, (as amended by the Planning & Compulsory Purchase Act 2004).

- (2) The development hereby permitted shall not be carried out except in complete accordance with the details shown on the following list of plans:
 - Site Plan – Proposed, drawing number P.015 Revision E; Mr I Carew Hurlstone Bungalow ALLERFORD MINEHEAD TA24 8HJ Certificate to: 6/29/23/006
 - Elevations – Proposed, drawing number E.004 Revision C;

• Elevations – Proposed, drawing number E.002 Revision C; • Ground Floor Plan – Proposed, drawing number P.025 Revision D; • Boiler Shed Ground and First Floor Plan – Proposed, drawing number P.035 Revision A; • Boiler Shed – Proposed Elevations, drawing number P.021; and • Location Plan – Existing, drawing number P.000 Revision A.

Reason: For the avoidance of doubt and to ensure the development accords with the approved plans, as amended.

- (3) The development hereby approved shall not take place between 1st March and 31st August inclusive, unless a competent ecologist has undertaken a careful, detailed check for active birds' nests immediately before vegetation removal commences and provides written confirmation to the Local Planning Authority that no birds will be harmed and/or that there are appropriate measures in place to protect nesting bird interest on site. In no circumstances shall netting be used to exclude nesting birds. The inspection shall take place immediately prior to the commencement of development (within the preceding 24 hours). Providing that this is adhered to and appropriate evidence provided in writing to the Local Planning Authority, this condition does not require discharging prior to the commencement of development in order to avoid an unacceptable delay between the inspection and the commencement of development.

Reason: To ensure that wild birds building or using their nests are protected and the authority will require evidence that no breeding birds would be adversely affected before giving any approval under this condition in accordance with Policy CE-S3 Biodiversity and Green Infrastructure of the Exmoor National Park Local Plan 2011-2031.

- (4) Prior to the commencement of the development hereby approved a site walkover must be carried out by a suitably qualified and experienced ecologist no more than one week before works commence to check whether any badger setts have been created on or within 30 metres of the site.

Reason: To ensure that badgers and their habitat are protected in accordance with Policy CE-S3 Biodiversity and Green Infrastructure of the Exmoor National Park Local Plan 2011-2031.

- (5) Prior to the commencement of the development hereby approved, details for the installation of low visible light transmission (VLT) glass to be installed within the doors and windows shall be submitted to and agreed in writing by the Local Planning Authority. Specifically, the details shall include the visible light transmission percentage of the proposed glazing in the interests of minimising the potential for light spill from internal lighting. The development shall thereafter be carried out in accordance with the agreed details and thereafter all glazing within the dwelling shall accord with the approved VLT percentage glass.

Reason: In the interests of the character and appearance of the area, the conservation of protected species and habitats, and to protect Exmoor's dark night sky.

- (6) Prior to the commencement of the development hereby approved, including works to take down the existing building, a European Protected Species Licence, shall be submitted to and approved in writing by the Local Planning Authority.

Reason: In order to secure the 'strict protection' of European protected species in accordance with the Conservation of Habitats and Species regulations 2017 and Policy CE-S3 of the Exmoor National Park Local Plan 2011-2031.

- (7) Prior to the commencement of the development hereby approved, a scheme of landscaping, which shall include details of both hard and soft landscape works and earthworks, shall be submitted to, and approved in writing by, the Local Planning Authority. The scheme as approved shall be carried out no later than the first planting season following the completion of the development. Any trees, shrubs or plants that die within a period of five years from the completion of the development, or are removed and/or become seriously damaged or diseased in that period, shall be replaced (and if necessary continue to be replaced) in the first available planting season with others of similar size and species, unless the Local Planning Authority gives prior written permission for any variation.

Reason: In the interests of the character and appearance of the development.

- (8) Prior to installation, a sample of the natural clay tile for the roof of the approved dwelling and the roof of the approved outbuilding shall be submitted to and be approved in writing by the Local Planning Authority. Once approved the roofs shall be finished in the agreed natural clay tile and thereafter natural clay tile shall be retained on the roofs of the house and outbuilding.

Reason: To ensure that the character and appearance of this building is sympathetic to this location within the National Park.

- (9) During works excavations shall be covered overnight to prevent badgers falling in and becoming trapped, or ramps at least 40 cm wide shall be installed with an angle no steeper than 40 degrees, to enable badgers to escape. Excavations shall be checked every morning to ensure that there are no trapped badgers, and any badgers present shall be left to escape by their own volition. Open pipework with an outside diameter of 150 mm or larger shall be capped overnight to prevent badgers from becoming trapped.

Reason: To ensure that badgers and their habitat are protected in accordance with Policy CE-S3 Biodiversity and Green Infrastructure of the Exmoor National Park Local Plan 2011-2031.

- (10) No external lighting shall be installed within the application site unless, prior to the installation of any external lighting on site, a 'lighting design strategy for bats' shall be submitted to and approved in writing by the local planning authority. The strategy shall: a) identify those areas/features on site that are particularly sensitive for bats and that are likely to cause disturbance in or around their resting places, foraging habitat and commuting routes; and b) show how and where external lighting will be installed (for example through the provision of appropriate lighting contour plans and technical specifications) so that it can be clearly demonstrated that areas to be lit will not disturb or prevent the above species using their territory or having access to their resting places. All external lighting shall be installed in accordance with the specifications and locations set out in the strategy, and these shall be

maintained thereafter in accordance with the strategy. Under no circumstances should any other external lighting be installed without prior consent from the Local Planning Authority.

Reason: In the interests of visual amenity, the conservation of protected species and habitats and to protect Exmoor's dark night sky.

- (11) Unless otherwise required by condition of this permission, the development hereby approved shall be carried out in strict accordance with the recommendations within the 'Hurlstone Bungalow, Bossington CEMP, EMES and LEMP', dated May 2023 prepared by Seasons Ecology. Specifically, on the outset of the development, including habitat clearance works, precautionary measures will be adhered to as recommended within the submitted Preliminary Ecological Appraisal (PEA) dated February 2022 prepared by Seasons Ecology and as shown on Figure 1. These include:
- Demarcation of the construction zone (which comprises the maximum area of anticipated digger movement) with Heras fencing or similar to protect retained hedgerows, scrub and trees, as well as the SSSI to the south of the site. At least a 1m buffer will be provided from the hedgerows;
 - The areas containing three-cornered leek (invasive/non-native species) shall be identified and location clearly demarcated to enable it to be avoided/removed appropriately. Wheel cleaning procedures will also be in place to mitigate against the spread of this invasive species;
 - A short extent of hedgerow (2m) removal is proposed to facilitate the relocated pedestrian access to the site. These works shall be carried out in accordance with the PEA precautionary measures of working to ensure no killing/ injury of dormice. An experienced and licenced ecologist shall oversee all vegetation removal (including the scrub remnants already cleared), undertaking a fingertip search for any nests immediately prior to removal. The hedgerow to be removed shall be cut to 30cm in winter, then translocated in spring. Or a single-phase removal (the whole hedgebank) shall be undertaken in September/ October (subject to nesting birds). The hedgerow base shall be translocated outside of the winter period to ensure no hibernating dormice are encountered. If any dormice or nests are unexpectedly encountered during works, works should stop immediately;
 - Any removal of tussocky grassland/remnant scrub shall be undertaken carefully during suitable weather conditions when reptiles and amphibians are active (typically when night-time temperatures are consistently above 5 degrees centigrade). These habitats shall be cut towards the retained adjoining habitat to enable any reptiles and/or amphibians to escape. An initial cut to around 150mm is recommended followed by a second cut as low as possible; and,
 - Ecological Clerk of Works to provide briefing (the Ecological Toolbox Talk) to site staff, to explain; the species at risk, sensitivity of surrounding areas and habitats (such as the adjacent SSSI to the south of the site); and to ensure copies of the CEMP EMES and LEMP and species identification guidance is available on site as a reference document at all times. Subsequent talks to new staff are also to be provided by the Biodiversity Champion during all site inductions.

Reason: In the interests of the conservation of protected species and habitats and in accordance with Policy CE-S3 Biodiversity and Green Infrastructure of the Exmoor National Park Local Plan 2011-2031.

- (12) In accordance with the recommendations within the 'Hurlstone Bungalow, Bossington CEMP, EMES and LEMP', dated May 2023 prepared by Seasons Ecology, machinery and materials shall be stored within the construction zone away from the habitats associated with the SSSI along the southern boundary, hedgerows and trees with buffers maintained to protect these habitats throughout construction; Care will be taken to prevent the spread of invasive and non-native species and wheel cleaning procedures will be in place for construction vehicles accessing the site; during construction all trenches should be covered overnight (if more than 1m deep) or an escape route provided (if less than 1m deep) to prevent any badger or otters commuting across the site becoming trapped; Protection measures will be undertaken during works in relation to the bat EPSL in accordance with the PEA and the bat survey report prepared by Smart Ecology (2022-069 version 1).

Reason: In the interests of the conservation of protected species and habitats and in accordance with Policy CE-S3 Biodiversity and Green Infrastructure of the Exmoor National Park Local Plan 2011-2031.

- (13) Unless otherwise agreed in writing by the Local Planning Authority, prior to the first occupation of the dwelling hereby approved, at least four bird nest boxes will be erected on suitable trees, compensatory bat roosts within the boiler room including a suitable roof void (designed specifically for roosting lesser horseshoe bats) and at least three bat tiles (suitable for common pipistrelle bats) and at least two bat boxes shall be provided on boundary trees, and insect boxes shall be provided. These features shall be provided in accordance with the recommendations within 'Hurlstone Bungalow, Bossington CEMP, EMES and LEMP', dated May 2023 prepared by Seasons Ecology.

Reason: To ensure the development contributes to the Government's target of no net biodiversity loss as set out in the National Planning Policy Framework; ENPA Local Plan: Policy CE-S3 Biodiversity and Green Infrastructure and the authority's obligations for biodiversity under the Natural Environment and Rural Communities Act 2006.

- (14) The development hereby approved shall be carried out in strict accordance with the Vehicle Management Plan submitted with the application and the amended Construction Method Statement dated December 2023.

Reason: To ensure acceptable impacts as a result of construction related traffic to the site.

- (15) The windows, doors and external joinery of the development hereby permitted shall be timber and thereafter timber windows, doors and external joinery shall be retained.

Reason: In the interests of the satisfactory appearance of the development upon completion and in the interests of the visual appearance of the development in this location within the National Park.

- (16) All external frames shall have a minimum 100 mm reveal unless agreed otherwise in writing with the Local Planning Authority.

Reason: In the interests of the satisfactory appearance of the development upon completion and in the interests of the visual appearance of the development in this location within the National Park.

(17) Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (England) Order 2015 (or any Order revoking and reenacting that Order with or without modification), no extensions to the dwelling hereby permitted shall be erected without the prior permission, in writing, of the Local Planning Authority.

Reason: To control the size of the dwelling interests the mix of the existing housing stock of the National Park, to accordance with Policies HC-S2 and HC-D17 of the Exmoor National Park Local Plan 2011-2031. To prevent a further increase in floorspace under permitted development rights, which would see the replacement dwelling become larger than the 93 sqm, it is necessary to remove such rights so that the Local Planning Authority can formally consider a proposal to increase the floorspace further.

(18) There shall be no more than one dwelling within the application site.

Reason: To confirm the terms of the permission and ensure that the existing dwelling is removed through the development.

(19) The solar panels on the roof of the replacement dwelling hereby approved shall only be black with black frames. The solar panels shall be retained as such thereafter and any subsequent replacement solar panels shall comply with the requirements of this condition.

Reason: In the interests of the satisfactory appearance of the development and to conserve the character and appearance of the landscape and locality.

The meeting closed for a recess at 3.20pm.

Mr R Milton and Mrs F Nicholson left the meeting.

The meeting was reconvened at 3.30pm.

101. Application No: 62/43/23/009

Location: Woody Bay Station, Lynton & Barnstaple Railway Co Ltd, Parracombe, Devon EX31 4RA

Proposal: Proposed variation of condition 2 of approved application 62/43/23/002 to extend the hours of operation (0700 – 1900 hrs)

The Authority considered the [report](#) of the Development Manager.

Public Speaking:

1. Ric Auger – volunteer for Lynton & Barnstaple Railway Co Ltd
2. Marge Ash – speaking on behalf of local resident, Amanda Tassell

RESOLVED: To approve variation of condition 2 of approved application 62/43/23/002 to extend the hours operation to 0700 to 1900hrs subject to the conditions set out in the report.

102. APPLICATION DECISIONS DELEGATED TO THE CHIEF EXECUTIVE: The Authority noted the [decisions of the Chief Executive determined under delegated powers](#).

5 March 2024

103. SITE VISITS: There were no Site Visits to arrange.

The meeting closed at 4pm.

(Chairperson)

EXMOOR NATIONAL PARK AUTHORITY

7 May 2024

COMPLETION OF AUDIT FOR 2022/23

Report of the Chief Finance Officer

Purpose of Report: To confirm the completion of the 2022/23 External Audit and present the finalised Audit Findings Report of the External Auditor.

RECOMMENDATIONS:

The Authority is recommended to:

1. **RECEIVE AND NOTE** the draft minutes of the Final Accounts Committee meeting held on 9 April 2024 at Annex 1.
2. **RECEIVE** the final Audit Findings Report of the External Auditor at Annex 2 and Electronic Publication letter at Annex 3.
3. **NOTE** that the signed auditors' opinion on the financial statements including signed audit certificate has been received.
4. **NOTE** that the publication requirements in respect of an audit conclusion statement and publication of audited Statement of Accounts accompanied by final audit reports have been complied with.

Authority Priority: Develop and maintain effective and efficient services.

Legal and Equality Implications: Local Government Act 2003, Parts 1-3 (Capital Finance, Financial Administration and Grants), Sections 1-39 Accounts and Audit (England) Regulations 2011, Part 2 (Financial Management and Internal Control)

CIPFA Code of Practice on Local Authority Accounts in the United Kingdom 2013 (the CODE).

The equality and human rights implications of this report have been assessed as having no impact on any particular individual or body.

Financial and Risk Implications: The external auditor's fees are provided for in the annual budget and the assurances given by the auditors form a key part of the Authority's risk management and governance processes.

Climate Change Response: This report does not have an adverse impact on our ability to respond to Climate Change.

1. THE AUDIT FINDINGS REPORT

- 1.1 Following the Final Accounts Committee meeting of 9 April 2024, our External Auditor Grant Thornton UK LLP has completed their audit of the Authority's financial statements for the year ending 31 March 2023. Grant Thornton provided a finalised copy of their audit findings report which is contained in Annex 1. No changes were made to the report following presentation to the Final Accounts Committee.

2. SIGNED AUDIT OPINION

- 2.1 Annex 2 contains a copy of the audit closure letter for the year ending 31 March 2022/23.
- 2.2 The Authority has complied with the publication requirements including a notice of conclusion of audit alongside the publication of audited statement of accounts and associated opinion, as well as the auditor's Audit Findings Report and Annual Report. These documents were published on our website on the 10 April 2024: [Notice of Conclusion of Audit 2022-23](#)

Ben Barrett
Chief Finance Officer
April 2024

EXMOOR NATIONAL PARK AUTHORITY FINAL ACCOUNTS COMMITTEE

MINUTES of the meeting of the Final Accounts Committee of the Exmoor National Park Authority held on Tuesday 9 April 2024 at 10.00am in the Committee Room, Exmoor House, Dulverton.

PRESENT

Miss A V Davis (Chairperson)
Mrs M Chilcott
Mr M Ellicott
Mr B Geen
Mr R Milton
Mrs F Nicholson
Mr S J Pugsley
Mrs E Stacey

In Attendance:

Mr B Barrett, Chief Finance Officer
Mr B Morris, Grant Thornton (via Microsoft Teams connection)
Mr L Royle, Grant Thornton (via Microsoft Teams connection)

- 1. APOLOGIES FOR ABSENCE:** Apologies for absence were received from Mr J Patrinos.
- 2. DECLARATIONS OF INTEREST:** There were no declarations of interest.
- 3. MINUTES:** The [Minutes](#) of the meeting of the Final Accounts Committee held on 1 December 2022 were approved as a correct record, subject to amendment to record attendance by Mr S J Pugsley, not Mrs S J Pugsley. There were no matters arising.
- 4. PUBLIC QUESTION TIME:** There were no speakers at public question time.
- 5. STATEMENT OF ACCOUNTS FOR 2022/23**

The Committee considered the [report](#) of the Chief Finance Officer.

Mr Barrie Morris and Mr Liam Royle of the Authority's external auditors, Grant Thornton, joined the meeting remotely via Microsoft Teams, and presented the Audit Findings Report to the Committee. This summarised the 2022/23 audit of the Authority's financial statements and its arrangements to secure value for money in its use of resources.

The Committee was advised that the Audit Findings Report was a positive report which did not identify any audit issues, or any adjustments required to be made to the accounts.

In relation to the one unadjusted item, it was confirmed that this reflected the potential understatement of the Authority's share of the assets within the pension scheme, and that the increase in unusable reserves was due to the decrease in the pension fund liability.

The Committee was advised that the audit process was now fully complete and subject to this meeting approving the accounts and the letter of representation being signed, it was anticipated that the audit opinion would be unmodified and that the external auditors were satisfied that the Authority had made proper arrangements in securing economy, efficiency and effectiveness in its use of resources.

The Committee thanked the Chief Finance Officer and his team, along with the team at Grant Thornton, for their professional work on behalf of the Authority.

RESOLVED:

1. To receive the Audit Findings Report of the External Auditor as set out in Annex 1 to the report and to confirm that the changes contained within the report have been carried out.
2. To authorise the Chief Finance Officer to issue the letter of representation as set out in Annex 2 to the report.
3. To adopt the Statement of Accounts for 2022/23 as set out in Annex 3 to the report.

6. ANY OTHER BUSINESS OF URGENCY: There was none.

The meeting closed at 10.15am

(Chairperson)



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

Year ended 31 March 2023

April 2024



Contents



Your key Grant Thornton team members are:

Barrie Morris

Key Audit Partner

T 0117 305 7708

E barrie.morris@uk.gt.com

Liam Royle

Manager

T 0117 305 7687

E liam.c.royle@uk.gt.com

Tsitsi Ganga

Audit In-charge

T 0117 305 7772

E tsitsi.ganga@uk.gt.com

Section

	Page
1. Headlines	3
2. Financial statements	6
3. Value for money arrangements	19
4. Independence and ethics	21

Appendices

A. Communication of audit matters to those charged with governance	24
B. Action plan – Audit of Financial Statements	25
C. Follow up of prior year recommendations	26
D. Audit Adjustments	28
E. Fees and non-audit services	30
F. Auditing developments	31

This Audit Findings (ISA260) presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed and agreed with management and were presented to the meeting of the Final Accounts Committee on 9 April 2024.

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Exmoor National Park Authority ('Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2023 for the attention of those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Authority's financial statements give a true and fair view of the financial position of the Authority and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We commenced our post-statements audit in December 2023 and the audit was completed in March 2024.

Our findings are summarised on pages 6 to 19. We have not identified any audit adjustments affecting the primary financial statements or the Authority's level of useable reserves, although we have identified a number of required adjustments to disclosures as detailed in Appendix D. We have raised one recommendation for management as a result of our audit work in 2022-23, as detailed in Appendix B. Our follow up of recommendations from the prior year's audit are detailed in Appendix C.

The draft financial statements were submitted for audit in line with the agreed timetable and were supported by good quality working papers.

Our work is complete and there are no matters of which we are aware that required modification of our audit opinion or material changes to the financial statements.

We issued our audit opinion following the meeting of the Final Accounts Committee on 9 April 2024.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our audit report opinion is unmodified. We have been able to satisfy ourselves that the Authority has made proper arrangements in securing economy, efficiency and effectiveness in its use of resources.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

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

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which was presented at the 6 February 2024 meeting of the Exmoor National Park Authority. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties

Significant matters

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

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during the course of our audit.

1. Headlines

National context – audit backlog

Nationally there have been significant delays in the completion of audit work and the issuing of audit opinions across the local government sector. Only 1% (5 of 467) of local government bodies had received audit opinions in time to publish their 2022/23 accounts by the deadline of 30 September 2023. We at Grant Thornton have a strong desire and a firm commitment to complete as many audits as soon as possible and to address the backlog of unsigned opinions.

Over the course of the last year, Grant Thornton has been working constructively with DLUHC, the FRC and the other audit firms to identify ways of rectifying the challenges which have been faced by our sector, and we recognise the difficulties these backlogs have caused authorities across the country. We have also published a report setting out our consideration of the issues behind the delays and our thoughts on how these could be mitigated. Please see [About time? \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/about-time/)

National context – level of borrowing

All local authorities, including national parks, are operating in an increasingly challenging national context. With inflationary pressures placing increasing demands on budgets, there are concerns as local authorities look to alternative ways to generate income. We have seen an increasing number of authorities look to ways of utilising investment property portfolios as sources of recurrent income. Whilst there have been some successful ventures and some prudently funded by authorities' existing resources, we have also seen some authorities take excessive risks by borrowing sums well in excess of their revenue budgets to finance these investment schemes.

The impact of these huge debts on bodies, the risk of potential bad debt write offs and the implications of the poor governance behind some of these decisions are all issues which now have to be considered by auditors across local authority audits.

As a National Park Authority, we know your operations do not normally give rise to such business ventures. Considering the current national picture and economic climate, our view is any such decisions which might arise in future must be carefully considered in a manner that protects the Authority's future financial sustainability.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents will be discussed with management and the Audit & Governance Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Authority's business and is risk based, and in particular included:

- An evaluation of the Authority's internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

Conclusion

We have completed our audit of your financial statements and we issued our audit opinion following the meeting of the Final Accounts Committee on 9 April 2024.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan dated September 2023.

We set out in this table our determination of materiality for Exmoor National Park Authority.

Materiality (£) Qualitative factors considered

Materiality for the financial statements	117,000	We have determined materiality at 2% of gross operating expenditure. We consider this as the most appropriate criteria given stakeholders interest in the Authority delivering its budget.
Performance materiality	88,000	Assessed to be 75% of financial statement materiality.
Trivial matters	4,400	This equates to 5% of materiality. This is our reporting threshold to the Authority for any errors identified.



2. Financial Statements: Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
Management override of controls	<p>We have:</p> <ul style="list-style-type: none">evaluated the design effectiveness of management controls over journals.analysed the journals listing and determined the criteria for selecting high risk unusual journals.identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration.gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness.evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>Our work has not identified any issues in respect of management override of controls. For all the journals reviewed we concluded that they were appropriate transactions.</p>
Valuation of land and buildings	<p>We have:</p> <ul style="list-style-type: none">evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work.evaluated the competence, capabilities and objectivity of the valuation expert used by the Authority.discussed with the valuer the basis on which the valuation was carried out.challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding.tested revaluations made during the year to see if they had been input correctly into the Authority's asset register.evaluated the assumptions made by management for those assets not revalued during the year (as applicable) and how management has satisfied themselves that these are not materially different to current value at year end. <p>Our work has not identified any issues in relation to the valuation of land and buildings.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Valuation of pension fund net liability

The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability for 2022-23 is considered a significant estimate due to the size of the numbers involved (£1.9m in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions.

We therefore identified valuation of the Authority's pension fund net balance as a significant risk, which is one of the most significant assessed risks of material misstatement.

2022-23 is the first year in which the liability is based on the updated triennial valuation undertaken by the pension fund actuary based on data as at 31 March 2022. There has therefore been a significant reduction in the liability, which was £12.2m in the prior year.

Commentary

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net balance is not materially misstated and evaluated the design of the associated controls.
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work.
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation.
- assessed the accuracy and completeness of the information provided by the Authority's to the actuary to estimate the liability.
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary.
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.
- evaluated the triennial pension fund valuation outcomes and assessed the reasonableness and prudence in that overall valuation through our audit approach.
- obtained assurances from the auditor of the Somerset Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our audit work did not identify any issues in respect of valuation of the net pension liability.

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Risk of fraud in revenue recognition and expenditure (Rebutted)

Revenue

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including at the Authority, mean that all forms of fraud are seen as unacceptable.

Expenditure

Whilst not a presumed significant risk we have had regard to Practice Note 10 (Audit of financial statements and regularity of public sector bodies in the United Kingdom). Having considered the nature of the expenditure streams at the Authority, we have determined that the risk of fraud arising from expenditure recognition can be rebutted, because:

- there is little incentive to manipulate expenditure for an Authority where services are provided to the public through taxpayers funds
- the culture and ethical frameworks of local authorities, including at the Authority, mean that all forms of fraud are seen as unacceptable.

Commentary

As indicated in our Audit Plan, we do not consider this to be a significant risk for the Authority. We have therefore not undertaken any specific work in this area other than our standard audit procedures around income and expenditure which included:

Accounting policies and systems:

- evaluated the Authority's accounting policies for recognition of income and expenditure for its material income and expenditure streams and compliance with the CIPFA Code.
- updated our understanding of the Authority's business processes associated with accounting for income and expenditure.

Grant income

- for grant income, we sample tested items for supporting evidence and checked the appropriateness of the accounting treatment in line with the CIPFA Code.

Expenditure

- agreed, on a sample basis, non pay expenditure and year end payables to supporting evidence.
- undertook detailed substantive analytical procedures on pay expenditure.

We also designed and carried out appropriate audit procedures to ascertain that recognition of income and expenditure is in the correct accounting period, for example, using cut off testing, focusing either side of the balance sheet date of 31 March 2023.

Our work has not identified any issues in respect of the risk of fraud in revenue and expenditure recognition.

2. Financial Statements: new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Commentary	Auditor view
Leases During the course of our audit work we identified that a number of the Authority's properties were leased to tenants under operating leases. The income had been correctly accounted for, but there was no disclosure note reporting future minimum lease payments as required by the Code of Practice.	We discussed the issue with the Head of Finance and Operations to understand whether a disclosure ought to be included. He reviewed the balances and identified that there was a material balance of future minimum lease payments attributable to the Authority's leases (as a lessor) which would therefore require disclosure. He agreed to prepare a disclosure note on this basis.	We have reviewed the new disclosure note and tested the underlying documentation, with no issues arising.

2. Financial Statements: key judgements and estimates

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

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £19.857m	<p>Land and buildings comprises £1.853m of specialised assets such as visitor centres and public conveniences, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£18.004m) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end.</p> <p>The Authority has engaged NPS Group Limited as their management expert to complete the valuation of properties as at 31 March 2023 on an annual basis. All assets were revalued as at 31 March 2023.</p> <p>The total year end valuation of land and buildings was £19.857m, a net increase of £0.370m from 2021/22 (£19.487m).</p>	<p>We have:</p> <ul style="list-style-type: none"> assessed the competence and expertise of management's expert. reviewed the completeness and accuracy of the underlying information used to determine the estimate reviewed the appropriateness of any alternative site assumptions. ensured there have been no changes to the method used to revalue the assets and ensure that the method is suitable for different classes of the assets. considered the adequacy of disclosure of the estimate in the financial statement. <p>There are no significant issues arising from our work.</p>	Light Purple

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment																								
Net pension liability – £1.928m	<p>The Authority's total net pension liability at 31 March 2023 is £1.928m (PY £12.242m) comprising the Somerset Pension Fund defined benefits pension scheme obligation.</p> <p>The Authority uses Barnet Waddingham to provide actuarial valuations of the Authority's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation, based on the 31 March 2022 data, was completed in 2023. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been an £11.100m net actuarial gain during 2022/23.</p>	<p>In considering this estimate we have:</p> <ul style="list-style-type: none"> Made an assessment of management's expert. Made an assessment of actuary's approach taken and deemed it reasonable. Used PwC as our auditor's expert to assess the actuary and assumptions made by the actuary, and considered their assumptions as follows: <table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>4.8%</td> <td>4.8% - 4.85%</td> <td>✓</td> </tr> <tr> <td>Pension increase rate</td> <td>2.85%</td> <td>2.65%-2.95%</td> <td>✓</td> </tr> <tr> <td>Salary growth</td> <td>3.85%</td> <td>3.65%-3.95%</td> <td>✓</td> </tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td> <td>23.1 / 21.4</td> <td>20.9 - 23.4 19.5 - 22.1</td> <td>✓</td> </tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td> <td>24.7 / 23.2</td> <td>24.3 - 25.9 22.9 - 24.5</td> <td>✓</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Assessed the completeness and accuracy of the underlying information used to determine the estimate. Reviewed the impact of any changes to valuation method. Considered the reasonableness of the Authority's share of LGPS pension assets. Considered the reasonableness of any increase/decrease in estimate. Reviewed the adequacy of disclosure of the estimate in the financial statements. <p>There were no significant issues arising from our work.</p>	Assumption	Actuary Value	PwC range	Assessment	Discount rate	4.8%	4.8% - 4.85%	✓	Pension increase rate	2.85%	2.65%-2.95%	✓	Salary growth	3.85%	3.65%-3.95%	✓	Life expectancy – Males currently aged 45 / 65	23.1 / 21.4	20.9 - 23.4 19.5 - 22.1	✓	Life expectancy – Females currently aged 45 / 65	24.7 / 23.2	24.3 - 25.9 22.9 - 24.5	✓	Light Purple
Assumption	Actuary Value	PwC range	Assessment																								
Discount rate	4.8%	4.8% - 4.85%	✓																								
Pension increase rate	2.85%	2.65%-2.95%	✓																								
Salary growth	3.85%	3.65%-3.95%	✓																								
Life expectancy – Males currently aged 45 / 65	23.1 / 21.4	20.9 - 23.4 19.5 - 22.1	✓																								
Life expectancy – Females currently aged 45 / 65	24.7 / 23.2	24.3 - 25.9 22.9 - 24.5	✓																								

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Information Technology





This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
SAP	ITGC assessment (design and implementation effectiveness only)					Journals

Exmoor National Park Authority rely on Somerset Council (previously Somerset County Council) for the provision of their Financial Management system, SAP. The above ITGC assessment is the Somerset Council auditors' assessment of the system at the Council during the financial year ending 31 March 2023.

The IT audit identified a number of deficiencies in the SAP system which were reported to Somerset Council at their Audit Committee on 25 January 2024. These findings are highly technical in nature and relate to administrative access to the SAP system and its production environment. None of the users whose accounts are considered to have inappropriate access are employed by Exmoor National Park Authority. Although we are required to report the overall ITGC rating as above, we do not believe that there is any risk to the Authority arising from these deficiencies.

Assessment

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for testing

2. Financial Statements: matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

Significant matter	Commentary
Significant events or transactions that occurred during the year.	None noted
Conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement.	None noted
Concerns about management's consultations with other accountants on accounting or auditing matters.	None noted
Discussions or correspondence with management in connection with the initial or recurring appointment of the auditor regarding accounting practices, the application of auditing standards, or fees for audit or other services.	None noted
Significant matters on which there was disagreement with management, except for initial differences of opinion because of incomplete facts or preliminary information that are later resolved by the auditor obtaining additional relevant facts or information.	None noted
Prior year adjustments identified.	None noted
Other matters that are significant to the oversight of the financial reporting process.	None noted

2. Financial Statements: other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with Authority. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	<p>A signed letter of representation has been received from the Authority, following its approval at the 9 April 2024 Final Accounts Committee meeting.</p> <p>As in the prior year, we have requested a specific representation in respect of the Authority's accounting treatment of £18k of monies held in an Authority bank account which is not included in the Authority's accounts.</p>
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority's banks. This permission was granted and the requests were sent. These requests were returned with positive confirmations and no issues were noted.
Accounting practices	We have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/significant difficulties	All information and explanations requested from management was provided.

2. Financial Statements: other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none">• the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities• for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none">• the nature of the Authority and the environment in which it operates• the Authority's financial reporting framework• the Authority's system of internal control for identifying events or conditions relevant to going concern• management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none">• a material uncertainty related to going concern has not been identified• management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We issued an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA audit instructions.</p> <p>This work is not required as the Authority does not exceed the “minor bodies” threshold.</p>
Certification of the closure of the audit	<p>We have certified the closure of the 2022/23 audit of Exmoor National Park Authority in the audit report.</p>



3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2022/23

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

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



Financial Sustainability

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



Governance

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

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

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



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which was presented at the 6 February 2024 meeting of the Exmoor National Park Authority.

As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We did not identify any risks of significant weakness. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Authority's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Authority's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix E.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. No other audit or non-audit services are provided to the Authority.

4. Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority that may reasonably be thought to bear on our integrity, independence and objectivity
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided to the Authority.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority's board, senior management or staff.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Authority's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments

A. Communication of audit matters to those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified one recommendation for the Authority as a result of issues identified during the course of our audit. We have agreed our recommendation with management and we will report on progress on these recommendations during the course of the 2023/24 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	During the course of our testing, we identified that several of the Authority's properties were leased out to third parties. However, there were no supporting disclosures for these lease arrangements as required by the Code of Practice.	<p>Management should review the draft financial statements annually to ensure that all appropriate disclosures have been made, being mindful of the need to include all material disclosures and the possibility that previously immaterial items may have now become material.</p> <p>Management response</p> <p>Management have agreed to the inclusion of leasing disclosures in the 2022/23 Statement of Accounts on the grounds of materiality. As part of our year-end processes, we will undertake annual reviews of our operations against the CIPFA Code to ensure that material items are properly disclosed.</p>

Key

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Follow up of prior year recommendations

We identified the following issues in the audit of Exmoor National Park Authority's 2021/22 financial statements, which resulted in 4 recommendations being reported in our 2021/22 Audit Findings report. We are pleased to report that management have implemented all of our recommendations.

Assessment	Issue and risk reported previously	Update
✓	<p>1. Driver Farm component accounting requirement:</p> <p>Driver Farm is held in the asset register at £2m value as a land asset, and therefore not depreciated. Given the nature of the asset, it is likely that there is a material element which should be classified as a building, and as such, should be componentized, allocated a useful economic life, and depreciated.</p> <p>The likely amount of any depreciation is estimated by management to be approximately £10k-£15k, which is immaterial but above our audit triviality.</p>	<p>The asset has now been componentised between its land and building elements within the Fixed Asset Register. We are therefore satisfied that this recommendation has been implemented.</p>
✓	<p>2. 'De minimis' items included on the Fixed Asset Register (FAR):</p> <p>Our review of the FAR and asset valuations in year identified a number of assets which are included in the FAR but not accounted for on the basis that their value is below £5,000 and therefore falls below the Authority's de minimis value for recognition of capital expenditure.</p> <p>These assets nevertheless are being treated as capital assets, and therefore should be recognised at their carrying value even if this falls below £5,000. and depreciated where this is appropriate. The total nominal value of the assets as valued at 31 March 2022 is £14k, which is immaterial.</p>	<p>All assets have now been appropriately accounted for within the Fixed Asset Register and Statement of Accounts.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations (cont.)

Assessment	Issue and risk	Recommendations
✓	<p>3. Identification of Heritage Assets:</p> <p>Two assets identified as per the issue above, would be more appropriately classified as heritage assets under the CIPFA Code of Practice. As detailed at Appendix C, management has agreed to reclassify these and update the heritage assets note in year to make disclosure of these assets in line with the Code. The assets are currently held at nil value, as their total value on their current valuation basis is £4k. However, this valuation is based on a commercially-focused Existing Use Value basis. We believe that due to their nature as heritage assets, an insurance valuation would be a more appropriate basis for determining their value.</p>	<p>Heritage assets have been re-evaluated in year and one asset has been valued at its insurance re-instatement value of £39k.</p>
✓	<p>4. Completeness of expenditure</p> <p>In the prior year we identified an invoice for £3,400 which had related to 2020-21 but had not been accrued for, and raised a recommendation in relation to this point as per Appendix B.</p> <p>In 2021-22 we have again identified two invoices totalling £5,977 which have not been accrued for. As in the prior year, this is not material. We tested a further sample with no issues arising.</p>	<p>No issues with completeness of expenditure have been identified in the 2022-23 audit.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

D. Audit Adjustments

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

There were no adjustments affecting the primary statements and the reported net expenditure for the year ending 31 March 2023.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
Note 16 Officers' Remuneration did not include comparators and stated these were "not applicable" as they were below £50,000. This was not the case as disclosure of these figures was made in the 2021/22 accounts.	The note should be updated to correctly reflect the 2021/22 balances.	✓
Note 28 Provisions included a provision for a debtor relating to the sale of a property in possession to satisfy a court order. As a bad debt provision, this should net off debtors in Note 25 rather than standing alone.	The disclosure should be updated so that the bad debt provision nets off the debtors' balance in Note 25.	✓
Note 23 Heritage Assets includes £39k of additions in year. This is the change in value of an asset previously with a nil value and not a new asset and should therefore be disclosed as a valuation update.	The disclosure in Note 23 should be updated to reflect that this is a valuation gain and not an addition.	✓
Note 18 External Audit Costs does not match the audit fees per our Audit Plan.	The disclosure should be updated to match the Audit Plan.	✓
The Authority has material lease income from operating leases. No leases disclosure has been included in the accounts.	The accounts should be updated to include a disclosure of balances relating to operating leases.	✓
Other minor disclosure errors were identified during the course of the audit.	These errors should be corrected in the final set of statements.	✓

D. Audit Adjustments (continued)

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2022/23 audit which have not been made within the final set of financial statements. The Final Accounts Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
Due to an estimation difference reported to us by the pension fund auditor, there is a possible understatement of pension fund assets (and corresponding overstatement of the pension fund liability). This equates to a £12k difference in Exmoor's liability. There is a nil impact on the General Fund as the movement would be subsequently reversed to the pensions reserve.	(12)	12	(12)	0	The possible difference is immaterial.
Overall impact	(12)	12	(12)	0	

Impact of prior year unadjusted misstatements

There were no unadjusted misstatements in the prior year.

E. Fees and non-audit services

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

Audit fees	2021/22 Actual Fee (£)	2022/23 Proposed Fee (£)	2022/23 Final Fee (£)
Authority scale fee set by PSAA	9,004	13,692	13,692
Audit Fee Variations (as detailed in our Audit Plan)	9,450	6,225	6,225
Total audit fees (excluding VAT)	18,454	19,917	19,917

The fees reconcile to the updated Note 25 in the final statements.

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

Area of change	Impact of changes
Risk assessment	The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of: <ul style="list-style-type: none"> the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures the identification and extent of work effort needed for indirect and direct controls in the system of internal control the controls for which design and implementation needs to be assess and how that impacts sampling the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.
Professional scepticism	The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> increased emphasis on the exercise of professional judgement and professional scepticism an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence increased guidance on management and auditor bias additional focus on the authenticity of information used as audit evidence a focus on response to inquiries that appear implausible
Definition of engagement team	The definition of engagement team when applied in a audit, will include both the auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the auditor. <ul style="list-style-type: none"> Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> clarification of the requirements relating to understanding fraud risk factors additional communications with management or those charged with governance
Documentation	The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.



Mr Ben Barrett
Head of Finance and Operations
Exmoor National Park Authority
Exmoor House
Dulverton
Somerset
TA22 9HL

Grant Thornton UK LLP
2 Glass Wharf
Temple Quay
Bristol
BS2 0EL
T +44 (0)117 305 7600

9 April 2024

Dear Ben,

Exmoor National Park Authority: Auditor's report and closure of the audit for 2022/23

We are pleased to be able to advise you that we have completed our audit of the Authority's financial statements for the year ending 31 March 2023 and our work on your arrangements for securing economy, efficiency and effectiveness in your use of resources, together with all other work we are required to complete under the Code of Audit Practice.

We have issued an unqualified opinion on the financial statements and have not reported any significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources as required by the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and supporting guidance.

A copy of our auditor's report is attached, which includes our certificate of completion of the audit for the year ended 31 March 2023. Please include this auditor's report in your statement of accounts before publishing it on your website. Please ensure that you do not reproduce the signature of the auditor in any electronic format for any other purpose.

Please note that Regulation 16(1) of the Accounts and Audit Regulations 2015 requires the Authority to publish (which must include publication on its website) a statement:

- that the audit has been concluded
- that the statement of accounts has been published
- of the rights of inspection conferred in local government electors by section 25 of the Local Audit and Accountability Act 2014 and the address at which, and the hours during which, those rights may be exercised.

This statement should be published as soon as reasonably practicable.

Please accept our thanks to everybody at the Authority for your help and support during this year's audit. We have set out below further details regarding the finalisation and publication of the Authority's statement of accounts, which includes the audited financial statements.

Auditor's reports on the financial statements

We have noted your wish to publish and distribute the statement of accounts, which includes the financial statements, in electronic format. Please note that:

- the examination of the controls over the electronic publication of audited financial statements is beyond the scope of the audit of the financial statements and the auditor cannot be held responsible for changes made to audited information after the initial publication of the financial statements and auditor's report;
- where you wish to publish or distribute the financial statements electronically (separately or within the statement of accounts), you are responsible for ensuring that the publication accurately presents the financial statements and auditor's report on those financial statements. This responsibility also applies to the presentation of any financial information published in respect of prior periods; and
- the auditor's report on the financial statements should not be reproduced or referred to electronically without our written consent.

Please ensure that:

- you publish the financial statements and the auditor's report on those statements together in the statement of accounts;
- you only publish the financial statements accompanied by the "other information" provided to us before we issued our audit report and specifically referred to in our audit report; and
- you do not publish the financial statements accompanied by any other information not provided to us prior to issuing our auditor's report.

Please feel free to contact me if you would like clarification on any point.

Yours sincerely

Barrie Morris

Barrie Morris
Key Audit Partner

For Grant Thornton UK LLP

EXMOOR NATIONAL PARK AUTHORITY

7 May 2024

INTERNAL AUDIT ARRANGEMENTS

Report of the Chief Finance Officer

Purpose of Report: To present to Members an interim report on the internal audit work carried out during 2023/24

RECOMMENDATION: The Authority is recommended to receive the Internal Audit Findings Report on Key Financial Systems at Annex 1.

Authority Priority: Develop and maintain effective and efficient services.

Legal and Equality Implications: Local Government Act 2003, Parts 1-3 (Capital Finance, Financial Administration and Grants), Sections 1-39 Accounts and Audit (England) Regulations 2011, Part 2 (Financial Management and Internal Control)

CIPFA Code of Practice on Local Authority Accounts in the United Kingdom 2013 (the CODE).

The equality and human rights implications of this report have been assessed as having no impact on any particular individual or body.

Financial and Risk Implications: Provision has been made in the 2023/24 and 2024/25 budgets to cover the costs of audit. Internal Audit forms a major part of the governance and risk management arrangements of the Authority.

Climate Change Response: This report does not have an adverse impact on our ability to respond to Climate Change.

1. INTERNAL AUDIT

- 1.1 The Local Government Act 1972 and our Financial Regulations require the Chief Finance Officer (Section 151 Officer) to arrange for the provision of an adequate and effective system of internal audit.
- 1.2 This service has been provided through a Service Level Agreement with Devon County Council and delivered by the Devon Audit Partnership (DAP) which is a shared service arrangement between Devon County Council, Torbay Council, Torridge and Plymouth City Council. The Partnership also provides the internal audit service to Dartmoor National Park Authority.
- 1.3 Attached is the Report on the Key Financial Systems which is provided by way of an interim report for the 2023/24 financial year.

- 1.4 Members will note from the audit report that there are no significant issues to be brought to the attention of the Authority concerning the Key Financial Systems. In Annex 1 on the summary page (1), there is a list of the eight core areas concerning our Key Financial Systems and the Internal Auditor has given a 'substantial' level of assurance for seven of these.
- 1.5 The area which is provided a level of reasonable assurance is in respect of our purchasing arrangements relating to long-standing system deficiencies. There are four recommendations around manual procurement processes, use of petty cash and purchasing arrangements, leavers pro-forma checklist and review of bank mandates. Management has provided responses to all four recommendations and action is underway to implement mitigation or resolution for these areas.
- 1.6 Devon Audit Partnership are planning to complete their 2023/24 Internal Audit work during early June and provide their annual report to Members alongside the Internal Audit Plan for 2024/25 at the July Authority Committee meeting. This will be communicated following completion of planned ICT, Cyber-security testing and Information Governance compliance.

Ben Barrett
Chief Finance Officer
April 2024

Internal Audit Report

Exmoor National Park Authority – ENPA KFS 23-24

February 2024

Audit Opinion

Substantial Assurance – A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the areas audited.

Risks or Areas Covered - key concerns or unmitigated risks	Level of Assurance
1. Income due to the organisation may not be suitably controlled (Invoice raising, income collection and banking).	Substantial Assurance
2. Purchasing arrangements and payments to creditors may not be secure or effective resulting in incorrect and / or unauthorised payments.	Reasonable Assurance
3. The Main Accounting System may not comply with accounting standards and may not accurately report the financial standing of the organisation.	Substantial Assurance
4. Spend against the organisations budget may not be suitably controlled and reported, resulting in the risk of overspend.	Substantial Assurance
5. Bank reconciliation procedures may not be effective, and errors or discrepancies may not be promptly identified and addressed.	Substantial Assurance
6. Non-compliance with Treasury Management statutory requirements, regulations and best practice.	Substantial Assurance
7. Financial loss and undetected error or fraud.	Substantial Assurance
8. The Payroll (Salaries and Wages) may not be suitably controlled resulting in incorrect and / or unauthorised payments being made.	Substantial Assurance
9. Internal audit recommendations agreed from the previous year's audit report have not been implemented.	Substantial Assurance

Introduction

Section 151 of the Local Government Act 1972 requires that every Local Authority in England and Wales should "...make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". The Head of Finance and Operations, as the responsible financial officer, has this statutory responsibility and must establish an appropriate control environment and effective internal controls for all financial activity and systems of the Exmoor National Park Authority (ENPA).

An effective internal audit service reports on, and gives an objective opinion to management, on the effectiveness of the control environment and internal controls in managing the risks, including the financial risks, facing the Authority. This audit was undertaken as part of the annual plan agreed with the Head of Finance and Operations. The review of the financial systems in operation throughout the Authority was undertaken in January 2024.

Our opinions given in this report are based on the discussions and evaluation of the systems and controls reviewed and the results of testing a restricted sample of transactions. Our overall opinion and the level of assurance given in respect of each of the areas reviewed is detailed above.

Executive Summary

Exmoor National Park Authority's Finance Department consists of knowledgeable and competent staff managed by the Head of Finance and Operations who, alongside the Finance Officer, have an extensive understanding of the Authority's financial administration. They are closely involved with everyday operations and continue to set high standards.

No findings and recommendations have been carried forward from last year as a new Anti-Money Laundering Policy has been put in place in July 2023. We note that the public website has been updated since our last visit with a significant number of previously available links are no longer working. This means that some policies of the authority are no longer visible to the public, and links from the internal VFM list no longer work. We have made some minor observations to help improve administration within the finance team but were otherwise satisfied with how it operates.

This audit review has confirmed that there are effective controls in place within the systems reviewed which mitigate key financial risks. This is much to the credit of the staff that work within the Finance Department at the Authority. It is pleasing to confirm that all areas reviewed have been awarded a 'substantial' level of assurance. We observed that significant work has gone into planning for the future where difficult decisions around funding and services have been/will be required to be made.

The detailed findings and our observations regarding these issues and less important matters are described in Appendix A. Our observations have been categorised to aid prioritisation. Definitions of the priority categories and the assurance opinion ratings are also given in the Appendices to this report.

Management are required to agree an action plan, ideally within three weeks of receiving the draft internal audit report.

Written responses should be returned to Matt Whale (matthew.whale@devon.gov.uk). Alternatively, a meeting to discuss the report and agree the action plan should be arranged with the named auditors.

Value Added

None

Issues for the Annual Governance Statement

The evidence obtained in internal audit reviews can identify issues in respect of risk management, systems and controls that may be relevant to the Annual Governance Statement.

None

Acknowledgements

We would like to express our thanks and appreciation to all those who provided support and assistance during the course of this audit.

**Matthew Whale
Internal Auditor**

Detailed Audit Observations and Action Plan

1. Risk Area: Income due to the organisation may not be suitably controlled (Invoice raising, income collection and banking).	Level of Assurance
	Substantial Assurance

Opinion Statement:
 Income is an area of focus for the authority after more than a decade of austerity, and reduction in National Park Grants. Processes and procedures are robust and the finance team maintain good control of the main debtor book with no debts written off in the last financial year. We note that there are a couple of significant off-book debts still being pursued, one of which has an agreed rental payment plan in place and the other is continuing through legal channels and is reliant on a property sale. These will require careful management, and this appears to be all in hand. Invoices appear to be raised promptly and with correct VAT provision.

A limited number of cheques are accepted by the authority; however, we note that there are examples of them being accepted through the retail shop. This is not an ideal practice as the cheque guarantee scheme was retired in 2011, meaning cheques accepted for payment against retail sales could be returned unpaid resulting in a loss to the authority. We would discourage the use of cheques generally due to the additional administration time required to process them.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer	
1.1	Occasional cheques are accepted through the shop which we consider is not good practice as if returned unpaid there is a limited chance of recovery.	Low	Procedures will be amended, and centre staff informed that cheques are no longer to be accepted.	
			Action Officer: HoE&O	Target Date: April 2024
1.2	Card transaction receipts are being kept for several years in storage. We consider it would be appropriate to enquire if this is necessary given the limited window of 60-90 days a cardholder has to dispute a transaction.	Low	Currently stored for 6+ years in line with HMRC requirements. External auditors' opinion will be sought.	
			Action Officer: HoE&O	Target Date: April 2024

2. Risk Area: Purchasing arrangements and payments to creditors may not be secure or effective resulting in incorrect and / or unauthorised payments.	Level of Assurance
	Reasonable Assurance

Opinion Statement:
 Controls in this area continue to be strong, and our sampling of direct debits, BACS payments and purchasing card expenditure had all been processed correctly, with emails and other evidence supporting each transaction, in line with expectations. We have commented on the 'manual' nature of the current system, with paperwork being well-organised, but could be made more efficient as and when a new accounting system is introduced. Petty cash amounts are small and good listing records with receipts are maintained, however this process might be better replaced with a cashless alternative in the future to save time counting cash.

We consider that the pro-forma checklist used for staff 'leavers' should incorporate the removal of any bank privileges along with the return of any payment cards. This is likely happening in practical terms, however the inclusion on the pro-forma should formalise the process. Adjacent to this change we consider that a regular review of bank signatories is good practice, particularly given the increased use of card processing merchant providers and digital transactions.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer	
2.1	The current system is quite manual, tallying up orders, authorisations, invoices, delivery notes etc. As a new accounting system is being considered, this would be a process that could be made more efficient.	Opportunity	We are reviewing options for a replacement Finance System, and it is anticipated that a new system will incorporate a Purchase Ordering module.	
			Action Officer: HoE&O	Target Date: January 2025
2.2	There is rarely a need for petty cash, and a suitable replacement may be a pre-paid purchasing card or similar cashless solution.	Low	We are in the process of implementing the Equals prepaid card system, currently we are awaiting return of compliance details for one of our members. Once this has been completed a number of cards will be issued and reliance on petty cash reduced.	
			Action Officer: HoE&O	Target Date: April 2024
2.3	The leavers pro-forma checklist should incorporate the return of any payment cards, and/or bank access revocation of privileges.	Medium	Leavers pro-forma checklist to be updated to include tick-box for credit card, equals card and banking privileges.	
			Action Officer: HoE&O, HR Officer, ICT Manager	Target Date: April 2024
2.4	Bank mandates and merchant provider agreements are not routinely checked for valid signatories and users.	Medium	Agree to implement a system to review bank mandates and similar agreements periodically.	
			Action Officer: HoE&O	Target Date: April 2024

3. Risk Area: The Main Accounting System may not comply with accounting standards and may not accurately report the financial standing of the organisation.	Level of Assurance
	Substantial Assurance

Opinion Statement:
Somerset Council (SC) operate the MAS. Administration and access is controlled by them, with Finance officers at ENPA having restricted access rights, appropriate to their roles. Permissions are consistent with roles undertaken, and amendments can only be made to those permissions if authorised by the Head of Enterprise and Operations (HoE&O, formerly referred to as the CFO).

Whilst there are no feeder systems to consider with the MAS, it is noted that both debtor and creditor systems are checked regularly, and reconciliations done to confirm they are in balance.

The Authority is looking to move away from the SAP system in the next 18 months.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
No observations and recommendations recorded			

4. Risk Area: Spend against the organisations budget may not be suitably controlled and reported, resulting in the risk of overspend.	Level of Assurance
	Substantial Assurance

Opinion Statement:
The 2023/24 annual budget was formally approved by committee in March 2023. Authority meeting papers were not available online for this meeting however an email address was provided to contact for archived papers. The meeting was available on YouTube, enabling confirmation of the approval.

Budget monitoring reports are provided monthly to budget holders, senior management meet weekly/bi-weekly, and members get regular updates. Progress against budgets is closely monitored and variances over £1k are automatically flagged by the report before being sent to budget holders. Financial reserve levels are included in committee reporting, most recently in November 2023, including revisions (which is standard practice at half-year). These changes were then notified to SC for upload to the MAS and confirmed by email to the HoE&O.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
No observations and recommendations recorded			

5. Risk Area: Bank reconciliation procedures may not be effective, and errors or discrepancies may not be promptly identified and addressed.	Level of Assurance
	Substantial Assurance

Opinion Statement:
 Bank reconciliation procedures are well established, and finance officers maintain detailed records to support the regular and timely completion of bank reconciliations. Access to bank information is carefully controlled, with limited users having authority to view online banking and make transfers between ENPA accounts.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
No observations and recommendations recorded			

6. Risk Area: Non-compliance with Treasury Management statutory requirements, regulations and best practice.	Level of Assurance
	Substantial Assurance

Opinion Statement:
 Treasury Management strategy, policies and procedures are straight forward, current, and in line with statutory requirements, having been approved by committee since the last audit. Interest rate increases in the last few years have been timely for the Authority in terms of increasing returns from Treasury Management functions given the pressure on funding and focus on income. The Head of Enterprise and Operations continues to be responsible for this area and uses the Somerset Council investment 'sweep' facility, via a new Service Level Agreement, benefiting the authority through higher rates by amalgamation of cash deposits with SC.
 We note that SC have reported to the authority on the relative 'security' of counterparties with whom it invests, and we remain comfortable with their cash-based deposit arrangements being more prudent than the 'target' credit risk indicator.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
No observations and recommendations recorded			

7. Risk Area: Financial loss and undetected error or fraud.	Level of Assurance
	Substantial Assurance

Opinion Statement:
 CIPFA guidelines are followed, and the authority remains protected in its investment strategy by the use of Somerset Council (being the only counterparty in Treasury Management) and protection afforded by their Service Level Agreement. The Head of Enterprise and Operations monitors cash flow and adjusts the authority investment monthly according to the forecast requirements, with no longer than one month commitment. Reporting of performance is regular to committee and senior management.

Policies and procedures are in place to monitor and check for variances in budgets, cash flow and bank reconciliations, minimising the potential for error or fraud.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
No observations and recommendations recorded			

8. Risk Area: The Payroll (Salaries and Wages) may not be suitably controlled resulting in incorrect and / or unauthorised payments being made.	Level of Assurance
	Substantial Assurance

Opinion Statement:
 There has been no change in provider of payroll services since the last audit with Somerset Council hosting this via their SAP system. The authority HR staff have limited access to the SAP system, enabling them to monitor and confirm payments are made. Processes are robust and queries raised directly between HR and SC demonstrated a good relationship, desire to resolve issues and level of expertise from both parties.

Records are well-maintained for payroll, expenses, sickness/absence and leavers and we consider salary costs are being effectively processed throughout the year. We have highlighted an opportunity for the leavers pro-forma to be amended elsewhere in this audit.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
No observations and recommendations recorded			

9. Risk Area: Internal audit recommendations agreed from the previous year's audit report have not been implemented.	Level of Assurance
	Substantial Assurance

Opinion Statement: Last years recommendations have been actioned. The only Medium recommendation was the implementation of a new Anti-Money Laundering Policy, which has been introduced.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
-----	------------------------------	-------------------	---

No observations and recommendations recorded			
--	--	--	--

Scope and Objectives

Ordering and Payments:

To ensure that purchasing is carried out in compliance with the Authority's financial regulations, Instructions for Procurement and also European procurement regulations (EU Procurement Directive) so that the Authority obtains the best value for money.

Income and Cash Collection:

To confirm that income due to the organisation is suitably controlled (invoice raising, income collection and banking).

Payroll and Travel Expenditure:

To confirm that Payroll and Travel Expenditure is suitably controlled resulting in correct and / or authorised payments being made

Main Accounting System:

To ensure that the Main Accounting System is operated in accordance with the organisation's Financial Regulations so that the Authority's financial position is accurately reported.

Bank reconciliation:

To ensure that bank reconciliation procedures are carried out efficiently and effectively to safeguard the Authority's financial balances.

Investments:

To review and ensure that regulatory requirements, performance targets and best practice expectations are met. To ensure controls are in place to prevent financial loss as a result of error or fraud

Inherent Limitations

The opinions and recommendations contained within this report are based on our examination of restricted samples of transactions / records and our discussions with officers responsible for the processes reviewed.

Confidentiality under the National Protective Marking Scheme

This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies. This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Marking Definitions

Official	The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.
Official: Sensitive	A limited subset of OFFICIAL information could have more damaging consequences if it were lost, stolen or published in the media. This subset of information should still be managed within the 'OFFICIAL' classification tier but may attract additional measures to reinforce the 'need to know'. In such cases where there is a clear and justifiable requirement to reinforce the 'need to know', assets should be conspicuously marked: 'OFFICIAL-SENSITIVE'. All documents marked OFFICIAL: SENSITIVE must be handled appropriately and with extra care, to ensure the information is not accessed by unauthorised people.

Definitions of Audit Assurance Opinion Levels

Definition of Observation Priority

Assurance	Definition		
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.		High
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.		Medium
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.		Low
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.		Opportunity
			<p>A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.</p> <p>Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important observations made to improve internal control arrangements and manage identified risks.</p> <p>Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.</p> <p>An observation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These observations do not feed into the assurance control environment.</p>

Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, South Hams & West Devon, Torridge, North Devon councils and Devon & Somerset Fire and Rescue Service. We aim to be recognised as a high-quality internal audit service in the public sector. We collaborate with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In conducting our work, we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk