

Report to	<b>Standards and Audit Committee</b>
Date	<b>5 March 2013</b>
By	<b>Chief Executive Officer</b>
Title of Report	<b>Internal Audit Report on the Set-up of the South Downs National Park Authority</b>
Purpose of Report	<b>To consider the Internal Audit report and agree any improvement actions and next steps</b>

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**Recommendation: The Committee is recommended to:**

- 1) note the content of the report; and**
  - 2) confirm the arrangements for the further distribution and communication of the report including the process for the review and actioning of the recommendations contained within.**
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**1. Introduction**

- 1.1 At the September 2012 meeting of the Standards and Audit Committee a terms of reference was approved for an Internal Audit Review of the Set-up of the South Downs National Park Authority (SDNPA). The purpose of the review was to assist in the delivery of continuous improvement, to embed any good practice and identify and address any areas for improvement.

**2. Background**

- 2.1 The approved Terms of Reference for the review included the following aims:
- Present a short note to the Department for Environment, Food and Rural Affairs (Defra) of any lessons to be learnt from the set-up of the SDNPA to assist them in the establishment of any similar bodies.
  - Advise the SDNPA on any lessons to be learnt arising from the set-up, including the HQ accommodation strategy;
  - Make recommendations to the SDNPA in relation to any changes that may be necessary to the SDNPA's framework of governance and accountability.
- 2.2 It was agreed that the review would be carried out by Internal Audit but guided by a steering group of Members, with oversight by the Director of Corporate Services.

**3. Scope of the review**

- 3.1 The approved scope of the review was:-
- A description of the context within which the set-up took place. This should include the context in which the set-up took place, the resources available to the set-up team, the operating model and the high expectations of the National Park, taking into consideration Defra expectations and requirements;
  - An examination of the publicly announced timetable leading to full operation on 1 April 2011;
  - An examination of the basis of the transfer of the South Downs Joint Committee on 1 April 2011;
  - An assessment of the first year of operation from 1 April 2011 to 31 March 2012 including consideration of the balance of temporary versus contract staff in providing services;
  - An examination of the Authority's HQ accommodation strategy and associated decision-making and implementation.

3.2 During the review interviews were carried out with 10 members and 8 officers, and reference to made to a wide range of documentation. The review was also informed by other work carried by Internal Audit at the SDNPA over the last 3 years.

#### **4. Overview of Findings and Recommendations**

4.1 The report contains a total of 11 recommendations for improvement either for the SDNPA or for consideration by Defra in relation to the set-up of any future similar bodies.

4.2 Details of the findings and recommendations are within the reported attached as **Appendix I**. The main issues arising may be summarised as follows:-

- Budget uncertainty during the SDNPA's shadow year impacted on the timing of some key decisions. In addition the absence of the documentation of some expectations from Defra may have reduced some member's confidence in the early stages of the set-up process. (2 recommendations)
- The Guiding Principles have given the SDNPA focus whilst a Management Plan is compiled but its is important that there is ongoing refinement of operational priorities. (1 recommendation)
- There is scope to improve the SDNPA's overall communication arrangements. (1 recommendation)
- In some areas of organisational development there should have been greater use of formal project planning techniques. There have been acknowledged problems in the development of IT and Procurement systems and processes. (2 recommendations)
- The workforce strategy adopted received positive feedback but with hindsight could have been refined. (1 recommendation)
- Some of the decision making processes around the purchase of Capron House should have been better documented. (2 recommendations)
- There remain risks with the Capron House project and actions are required to ensure that the project costs do not escalate and that the building meets the original expectations of members and other stakeholders. (2 recommendations)

#### **5. Next Steps**

5.1 Recommendation 2 of this report is to "Confirm the arrangements for the further distribution and communication of the report including the process for the review and actioning of the recommendations contained within".

5.2 A decision is required on the further distribution of this report. In addition the wide ranging nature of the recommendations means that responsibly for reviewing and actioning the recommendations needs to be made clear.

5.3 Corporate mechanisms are already in place for the tracking of audit recommendations and these could be used to track actions once they have been agreed.

### **TREVOR BEATTIE** **Chief Executive**

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Appendices Appendix I Report. Review of the Set-Up of the South Downs National Park Authority

SDNPA Consultees SMT, Director of Corporate Services, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor, Performance and Business Planning Manager

Background Documents Internal Audit Report