

Report to **South Downs National Park Authority**
Date **19 May 2022**
By **Grant Thornton (External Audit)**
Title of Report **Value for Money – Auditor’s Annual Report 2020/21**
Note

The Authority is recommended to:

1. Receive and consider the Value for Money – Auditor’s Annual Report 2020/21

1. Value for Money – Auditor’s Annual Report 2020/21

- 1.1 The Code of Audit Practice issued by the National Audit Office (NAO) requires the authority’s external auditor to provide a separate Value for Money (VfM) assessment from the main audit of the statement of accounts. This is a new requirement for 2020/21 onwards, in which we are required to consider whether the authority has in place proper arrangements to ensure economy, efficiency and effectiveness in the use of its resources. There is no longer a requirement to provide a binary qualified/unqualified VfM conclusion. Instead we report in more detail on the authority’s arrangements, together with any key recommendations on any significant weaknesses in arrangements identified during the audit.
- 1.2 The report sets out the work that we have undertaken to assess the arrangements the Authority have in place to secure economy, efficiency and effectiveness in the use of its resources; with particular focus on risks in respect of financial sustainability, governance arrangements and improving economy, efficiency and effectiveness.
- 1.3 No significant weaknesses in the Authority’s arrangements have been identified. In reporting this outcome, we have made 3 improvement recommendations (these are advisory and not mandated) which are summarised below:

| Recommendation | Management Response |
|---|--|
| <p><u>Financial Sustainability</u></p> <p>Consider expanding the detail of reporting on the capital programme within regular budget reporting while there is a larger and more challenging programme being undertaken.</p> | <p>The Authority’s regular budget monitoring reporting in 2021/22 to Policy & Resources Committee now includes more details of the capital investment programme. The capital programme monitoring reporting will be refined and developed in 2022/23 to reflect the ongoing and substantial programme of capital investment in Seven Sisters Country Park.</p> |

| Recommendation | Management Response |
|--|--|
| <p><u>Governance</u></p> <p>Introduce annual self-assessment effectiveness reviews for the Policy and Resources Committee.</p> | <p>The Authority is considering - at its meeting in May 2022 - the inclusion of a Policy and Resources Committee away day in the meeting cycle (April/May each year) to enable the members of the Committee to meet informally to discuss its work and consider its annual review of effectiveness. This will form a part of the annual review to be presented at a formal meeting of the Committee through the Annual Governance Statement.</p> |
| <p><u>Improving economy, efficiency and effectiveness</u></p> <p>Establish a more detailed Procurement Policy with increased coverage of how officers should carry out contract management in a standardised framework.</p> | <p>The Authority believes that the existing governance arrangements and operational management framework (for example; contract standing orders) provide sufficient reassurance that procurement of services and management of contracts is robust across the Authority.</p> |

- I.4 In addition, we have considered how the Authority had responded to the challenges and risks of COVID-19. Again, no significant weaknesses in the Authority's VfM arrangements for responding to the pandemic were identified.

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Appendices I. Auditor's Annual Report 2020/21



Auditor's Annual Report on South Downs National Park Authority

2020-21

May 2021 – Final Report



Contents



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

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



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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. 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.

Executive summary



Value for money arrangements and key recommendation(s)

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. The auditor is no longer required to give a binary qualified / unqualified VFM conclusion. Instead, auditors 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 specified criteria. 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 have not identified any significant weaknesses but have considered risks in respect of:

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

Overall, we have not identified any significant weaknesses and related key recommendations, including the Authority's response to COVID 19. We have identified a number of governance related improvement recommendations to further improve the Authority's governance arrangements, which management has accepted and will implement.

| Criteria | Risk assessment | Conclusion |
|---|---|--|
| Financial sustainability | No risks of significant weaknesses identified | No significant weaknesses in arrangements identified, but one improvement recommendation made. |
| Governance | No risks of significant weaknesses identified | No significant weaknesses in arrangements identified, but one improvement recommendation made. |
| Improving economy, efficiency and effectiveness | No risks of significant weaknesses identified | No significant weaknesses in arrangements identified, but one improvement recommendation made. |



Financial sustainability

The Authority is operating in an increasingly uncertain financial environment and like all local authorities, will need to continue to plan with little certainty over grant funding in the medium term.

Despite this uncertainty, and the significant challenges posed by Covid-19, the Authority has taken appropriate action to secure and even strengthen its financial position in both the short and medium term.

Our work has not identified any significant weaknesses in arrangements to secure financial stability at the Authority. We have noted one improvement recommendation

Further details can be seen on pages 7-13 of this report.



Governance

We found no evidence of significant weaknesses in the Authority's arrangements for ensuring that it makes informed decisions and properly manages its risks. We noted that to follow suggested good practice, the Policy and Resources Committee could carry out a self-assessment of committee effectiveness. We have noted one improvement recommendation to address this point.

Further details can be seen on pages 14-17 of this report.



Improving economy, efficiency and effectiveness

The Authority has demonstrated a clear understanding of its role in securing economy, efficiency and effectiveness in its use of resources.

Our work has not identified any significant weaknesses in arrangements in relation to delivering economy efficiency and effectiveness. We identified one improvement recommendation in relation to the Authority's procurement arrangements.

Further details can be seen on pages 18-20 of this report.

Statutory and key recommendations



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

Our work has not identified any significant weaknesses in arrangements and therefore we have not made any key recommendations.

Appendix C outlines the Use of auditor’s statutory powers. These powers include the use of written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Authority to discuss and respond publicly to the report.

Our work has not identified any significant and persuasive weaknesses in arrangements and therefore we have not made any statutory recommendations or had to discharge any other wider powers under the Local Audit and Accountability Act 2014, for the 2020/21 audit year.

The range of recommendations that external auditors can make is explained in Appendix B.



Opinion on the financial statements



Audit opinion on the financial statements

We gave an unqualified audit report opinion on the financial statements on 29 October 2021.

Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the Authority's Policy and Resources Committee on 30 September 2021. We concluded that the other information published with the financial statements, including the Narrative report and Annual Governance Statement, were consistent with our knowledge of the Authority and the financial statements we have audited.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the Authority. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

We are unable to complete our work in this area as the Authority is still awaiting the appropriate guidance and tools from the Department to complete its submissions.

Preparation of the accounts

The Authority provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

Issues arising from the accounts:

We identified £309,000 adjustments to the financial statements that resulted in a £309,000 adjustment to the Authority's Comprehensive Income and Expenditure Statement.

A number of other mostly minor post audit disclosure note amendments were also made.

Grant Thornton provides an independent opinion ensuring the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



Commentary on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources

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

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

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

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



Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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



Our commentary on each of these three areas, as well as the impact of Covid-19, is set out on pages 7 to 21. Further detail on how we approached our work is included in Appendix A.



Financial sustainability



We considered how the Authority:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Summary of the Authority's arrangements

The Authority has processes in place which detail the responsibilities of its members and senior management for planning and managing the Authority's finances. These are set out in the Authority's Financial Procedures and Regulations (both most recently reviewed and updated on the 15 October 2020 where proposed changes were reviewed and approved at the NPA meeting).

The Authority has outsourced the operation of its finance and accounting function to Brighton and Hove City Council to operate its financial regulations and procedures. We have not identified any evidence of the Authority not complying with these processes during the 2020-21 year. The outsourced services include maintaining a general ledger system record for all of the National Park financial transactions along with key accounting sub-systems (such as the fixed asset register, payroll system, debtor and creditor ledgers), preparation of the annual accounts and preparation of key financial planning documents including the annual budget and a rolling 5-year Medium Term Financial Strategy (MTFS). We note that the authority has recently re-tendered this service to ensure that it continues to secure value for money, and the service will continue to be provided by Brighton and Hove City Council.

The contract includes a full investment and treasury management and reporting service - we note that members have requested that External and Internal Audit review the arrangements in place from a value for money perspective. See page 11 for our commentary on the investment/treasury management arrangements.

As part of the financial planning process, an annual budget (including revenue and capital) and a rolling 5-year Medium Term Financial Strategy is reported and agreed at the Authority Meeting. This was agreed for 2020/21 at the meeting on the 26 March 2020.

Financial performance was monitored and reported to the Policy and Resources Committee (P&RC) at the end of each quarter, in addition to monthly management reporting through the Operational Management Team (OMT) and Senior Management Team (SMT) reporting.

These reports set out key financial information, such as actual and forecast performance against budget. These reports are sent out in advance of the meetings, which enables questions to be formulated for discussion and scrutiny and challenge to take place.

2020/21 revenue outturn

The Authority set a balanced budget for 2020/21 on 26 March 2020, three days after the national Covid-19 lockdown restrictions were announced. This budget was prepared before the extent of the uncertainty which would be caused by the pandemic was understood or was in any way quantifiable or practically forecastable.

The budget was set for a balanced net departmental budget of £10.622m. The NPA grant allocation for 2020/21 was £10.486m, the same level of funding as the 2019/20 financial year. This represents real reduction in funding when inflation is taken into account. The NPA does not currently consider that funding pressures are such that formally agreed and

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Financial sustainability

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monitored savings targets need to be allocated as part of budget setting, and instead cost pressures are carefully considered and managed proactively to ensure costs do not increase at a rate which are out of sync with overall anticipated funding.

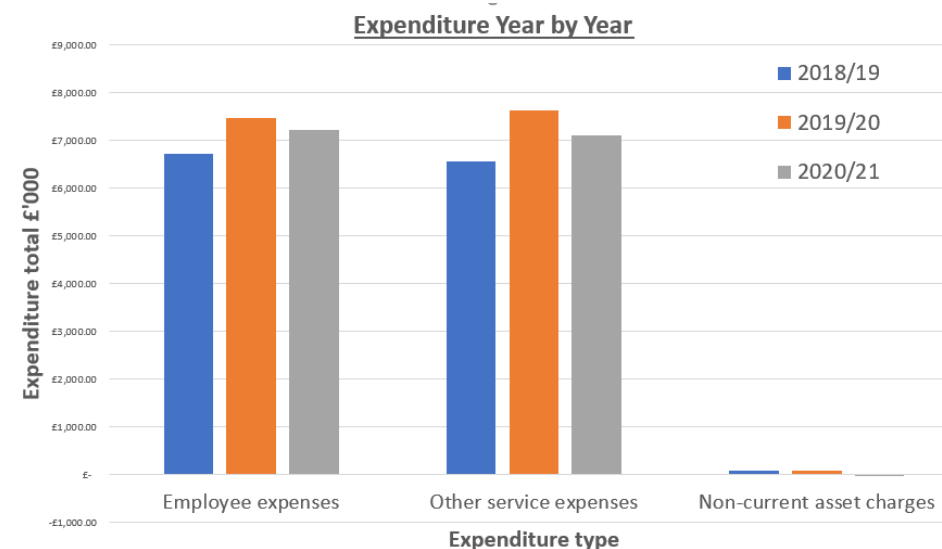
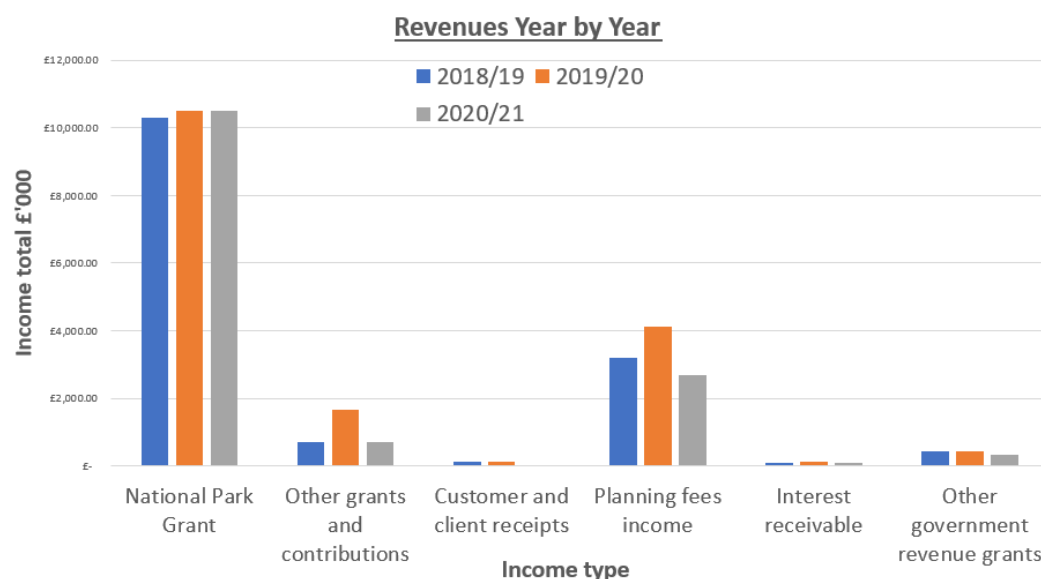
The Authority responded quickly in April and May 2020 to the impact of Covid-19 and undertook a review of the 2020/21 revenue budget to reflect the projected financial impact of the pandemic. As a result of this assessment the overall revenue budget as agreed in March 2020 was not significantly amended at this point, however the NPA agreed at this stage to establish a Recovery Fund of £375k in addition to the net revenue budget to support recovery and ensure that progress on the Partnership Management Plan objectives was not halted by the pandemic effects of partners and businesses within the National Park area. This was funded in part from the outturn underspend from 2019/20 carried over (£169k) and from the Partnership Management Plan reserve (£206k).

The Department for Environment, Food and Rural Affairs (DEFRA), who allocates government funding for the National Park Authority through National Park Grant, did not commit any additional grant funding for 2020/21 as a result of the pandemic. Although in April and May the Authority did anticipate that planning revenues would likely be reduced as a result of the pandemic restrictions on economic/development activities, the impact was too uncertain at

that point as to how much this would be. The Authority also had some comfort that a reduction in this type of revenue would not create a budget gap/deficit as a reduction in planning activities would also result in proportionately lower fees being payable to other planning authorities under Delegated Planning Arrangements. Those authorities also were anticipating a reimbursement from central government of losses of planning income, so the NPA had comfort that there would not be any unexpected year end share of losses to consider between the authorities. In other areas of expenditure there were some anticipated reductions, such as travel expenditure where staff would be working from home.

The graph below shows the Authority's sources of income for the 3 years to 2020/21. This demonstrates the significant decrease in Other Grants and Contributions Income and in Planning Fees income experienced due to the initial impacts of the Covid pandemic. Overall revenues were reduced from £16.9m in 19/20 to £14.3m in 20/21. The Authority was however able to control and reduce overall expenditure (predominantly delegated planning agreement costs along with significant reductions in travel expenses) from £15.2m to £14.3m. This along with a partial recovery in planning revenues towards the end of the year, meant that the Authority was still able to recognise a small surplus on provision of services in the 2020/21 year, and maintain its reserves position. The Authority's response to the financial challenges posed by the pandemic demonstrates good financial planning arrangements are in place to ensure the continuation of services.

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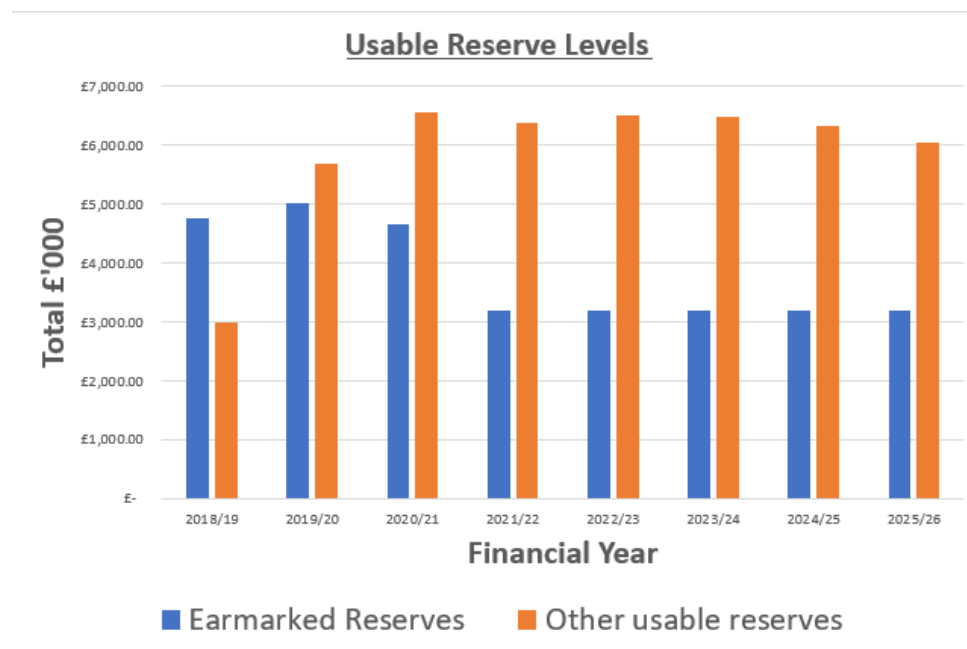


Financial sustainability

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At the end of 2020/21 the Authority had usable reserves of £11.2m (up from £10.6m 2019/20), with a general fund balance within this of £5.7m. The Authority most recently refreshed the MTFS on 25 March 2021. The actual usable reserves for 3 years to 2020/21 are shown on the graph below, and the anticipated reserves including movements forecast in the most recent MTFS are further shown through the 5-year forecast to 2025/26. Noting that the MTFS is clearly based on assumptions and estimates which are subject to significant levels of uncertainty (see further discussion of assumptions/estimates underlying the MTFS below). The current position forecast within the MTFS anticipates that the Authority would maintain usable reserves of at least £9m through to 2025/26. This is considered to be a comparatively healthy reserve level within the context of uncertainty around the ongoing level of the National Park Grant and Other Grant/Contribution revenues and potential fluctuations in Planning revenues.

The MTFS also sets out the Authority's ongoing Review of Reserves, which states how the Authority considers what is an appropriate level of reserves to provide a reasonable safety net for potential risks.



2020/21 Capital Outturn

The Prudential Framework requires the Authority to produce a Capital Strategy which must be presented to and approved by the Authority each year. The purpose of the Capital Strategy is to provide a single place for transparency and accountability of the Authority's non-financial investments and capital investment programme, including any commercial investments or loans to third parties.

The NPA set a capital budget at the NPA meeting on 26 March 2020. This meeting agreed the Capital Strategy 2020/21. At this point key priorities for capital expenditure over the medium term included the investment in the Seven Sisters Country Park, Wealden Heath Area Office, Phase 2 of the National Park Signage Project, and an ongoing vehicle replacement programme. This Strategy included two new capital schemes relating to Seven Sisters Country Park Investment and National Park Signage Phase 2, and one scheme variation relating to National Park Signage Phase 1. The overall budget set was for £1.955m of capital expenditure to be made in the 2020/21 year, including some schemes which at the date of the budget were not fully approved and including £0.98m of expenditure related to the Seven Sisters Country Park after acquisition and transfer was completed.

The Capital budget was revised downwards significantly to £161k through significant agreed variances during the year. Most of the variance observed was slippage on the plan due to Covid-19 disruption to work programmes and the supply chain and also a delay in the approval and transfer of the Seven Sisters National Park to the Authority, which was outside of the control the Authority.

(Recommendation 1)

Financial sustainability

2021/22 Financial Planning and beyond – managing risk to financial resilience

The MTFS reported to the P&RC Committee on the 25 March 2021 reported a balanced budget for 2021/22, and a balanced MTFS through to 2025/26. This forward plan did not specifically require savings plans to achieve the balanced position, and instead contributions from the General Reserve are included in the budget where there is an anticipated gap based on the current estimates/assumptions. Having increased the reserve position in recent years, the level of reserves should be sufficient to allow for these contributions, noting that other favourable variances in income or expenditure in the outturn could of course reduce this reliance on reserves contributions as time passes.

The contributions from reserves included in the MTFS are noted to be relatively small; the largest being in 2025/26 of £286k which is approximately 2.6% of the total departmental budget. This could easily be reduced/increased through other variances, and forecasts over a 5 year period are innately highly uncertain. Overall, we are satisfied that the Authority has demonstrated sufficient consideration of the appropriate level of reserves to hold against risk, and this is reported to Members.

The Authority identifies key risks to its revenue position and how it is managing these risks to financial resilience. New reserves/contingency funds are created where there is such anticipated risk; for example in the 2021/22 budget a Climate Change Action Fund was created to manage the revenue risk of ongoing increased expenditure which the Authority anticipates will be needed to achieve the commitment to becoming a “net zero” organisation by 2030.

Medium term financial strategy

The Authority has established a Budget Framework alongside the Corporate Plan and Partnership Management Plan with the aim of ensuring the budget is clearly aligned with the Authority’s priorities and objectives. The core process is informed by operational budget holders inputting detail of anticipated changes to income/expenditure through local activity and specific price rises. A staffing establishment budget is developed centrally which reflects permanent staffing arrangements but allows some flexibility for temporary staffing.

The budget is consulted on with key senior officers internally and a members budget setting workshop is also held as a standard part of the process to ensure that members fully understand the budget and medium term financial planning process and are therefore able to scrutinise and challenge the budget/MTFS reported to them for approval at the Authority meeting.

The budget and MTFS clearly breaks employee costs, other expenditure and income by service areas, with further commentary describing how the budget aligns to the Authority priorities as established in the Corporate Plan and Partnership Management Plan.

The Authority has applied several key assumptions in developing its financial plans for 2021/22 to 2025/26. These assumptions were subject to question and challenge by the P&RC. The key assumptions made are:

- flat cash national park grant per annum;
- salary inflation of 2.0% per annum; and
- Zero inflation has been applied to all other budgets, with the assumption being made that any inflation in costs will be offset by efficiency savings in other operational areas.

As stated above savings targets are not allocated out to service areas, and no “funding gap” is reflected in the MTFS. Cost savings and efficiencies which are planned and can be recognised while maintaining efficiency and effectiveness of services (and not reducing services) are recognised within the MTFS. Outturn reporting up to month 6 in the financial year shows the Authority was delivering a below budget variance so for the 2021/22 financial year this assumption does not seem unreasonable, and recently reported expectation of steep inflation rises should mainly impact the final quarter and therefore be reasonably easy to absorb. Otherwise the key assumptions made in the March 2021 MTFS appear reasonable based on the wider economic and financial market information available at that point in time. The annual cycle of refreshing the 5 year MTFS should be sufficient to ensure that more unpredictable national economic trends (e.g. non-salary inflation potentially running at 5%+ during 2022) are picked up and factored into the medium term forecast in a reasonably timely way.

As part of the MTFS process, sensitivity analysis and scenario modelling has been undertaken, including income and expenditure assumptions. This is clearly reported within the MTFS against “Risks associated with the proposed decision” which sets out specifically those assumptions/estimate with a high level of uncertainty, as assessment of the impact of a reasonable variation in the assumption outcome and possible mitigations of the risk. This is considered a transparent and clear way of reporting the sensitivity of the MTFS estimates to those variable assumptions. As such, we are satisfied the Authority identifies and manages risks to financial resilience and challenges the assumptions underlying its plans.

We were satisfied that the Authority’s budget and medium term financial planning processes are robust and effective. We also note that Internal Audit carried out a Main Accounting and Budget Management review during 2020/21 and they concluded on a Substantial Assurance rating.

Agenda Item 15 Report NPA21/22-33 Appendix 1

Treasury Management arrangements

The Authority receives a Treasury Management and Investment Strategy each year which reports the treasury/investment management policy and practices, the borrowing strategy, the investment strategy and how these will ensure that cash flow is maintained and capital plans are appropriately funded in line with the forward timeframes for expenditure. This document is received as part of the Medium Term Financial Strategy and has been scrutinised and approved by members for 2020/21 at the meeting on 26 March 2020.

The Treasury Management and Investment Strategy sets out in detail the criteria required to invest in specific instruments, including capital requirements and credit ratings. This is an effective mechanism by which potential risk is reported and agreed by the Authority in advance. The performance of investments is then reported at Authority meetings quarterly including a final outturn on investments report at the year end. These arrangements allow the Authority members to observe and scrutinise how the investments have performed during the year. These reports also compare the performance of the return on investments achieved with the 7-day London Interbank Bid Rate (LIBID) rates as a benchmark. We are satisfied that this is an appropriate benchmark to compare the performance against to assure members that the investments are not underperforming against alternative bank/institution investment rates which could be obtained. We are satisfied that the arrangements for setting of the Investment Strategy and reporting of performance of investments is appropriate for an Authority of this size. We compared the detail and quality of treasury/investment reports to those of other National Park Authorities and our view was that SDNPA is receiving a good quality report on treasury/investment performance which contains a high level of detail comparatively against other Authorities.

In order to gain assurance over the performance of the outsourced investment management we compared the investment returns achieved through the outsourced service with Brighton and Hove City Council against the returns achieved by 3 other National Park Authorities during the 2019/20 and 2020/21 financial years. This benchmarking exercise concluded that SDNPA investment returns had outperformed the comparator group by 0.53% return in 2019/20 and by 0.6% return in 2020/21. The return was 5 times the average of the 3 selected comparators in 2020/21. See the table below for the results of this benchmarking exercise.

As reported to the Authority meetings the investment return has also outperformed the 7-day LIBID benchmark reported on in both financial years.

The Authority's Internal Auditor has also carried out work to provide assurance over the internal controls and processes for treasury management. This was reporting to the Authority meeting on 30 September 2021 and they concluded on a reasonable assurance rating, meaning they were satisfied that most controls are in place and are operating as expected. Internal Audit also observed that the outsourcing arrangement with Brighton and Hove City Council was providing a higher return on investments than those available through high street banks, and their view was that the arrangement was providing better returns than the Authority would be likely to otherwise achieve through an in-house arrangement.

The proportion of the Authority investments held with Brighton and Hove City Council as against other counterparties is a matter for judgement based on investment performance, however this is overseen by the s151 officer, and management of the investments is carried out by officers within the Orbis centre of expertise. Our view was that the current arrangements were appropriate to mitigate against any conflict of interest, however Internal audit have also made a further recommendation for the 2022/23 Investment Strategy to include specific triggers and circumstances which would result in a review by the s151 officer of the proportion of investments held with Brighton and Hove City Council. This will further mitigate any risk of conflict of interests.

We are satisfied that the arrangements in place for treasury management at the Authority are robust, and evidence from Authority reporting and our own benchmarking exercise demonstrates that the arrangements are securing value for money for the Authority.

| Financial year | SDNPA investment return performance | NPA 1 comparator | NPA 2 comparator | NPA 3 comparator | Average of 3 comparators | SDNPA outperformed comparator group by: |
|----------------|-------------------------------------|------------------|------------------|------------------|--------------------------|---|
| 19/20 | 1.11% | 0.15% | 0.72% | 0.87% | 0.58% | 0.53% |
| 20/21 | 0.73% | 0.12% | 0.09% | 0.19% | 0.13% | 0.60% |

Conclusion

Overall from our work carried out, we have found the Authority to be financially well managed and there is a high level of understanding of its budgetary position, budgetary pressures and how the Authority plans to manage those pressures in the medium term future. There is an established process by which the budget and MTFS are reviewed regularly, and issues are reported on a timely basis to those charged with governance.

The Budget Framework and associated procedures are clear and evidence reviewed showed the framework had operated effectively during the 2020/21 year.

We were satisfied that the Treasury Management arrangements outsourced to Brighton and Hove City Council were providing value for money for the Authority.

We have identified one opportunity for improvement, as set out overleaf.

Improvement recommendations



Financial sustainability

| | |
|---------------------------|---|
| 1.1 Recommendation | Consider expanding the detail of reporting on the capital programme within regular budget reporting while there is a larger and more challenging programme being undertaken. |
| Why/impact | We noted that reporting on the capital programme at OMT and P&RC is very brief and high level, and does not give detailed description of progress or reasons for slippage. At month 6, £183k of expenditure was reported against the budget of £2.7m with little discussion of scheduling of the expenditure and whether this was indicative that the overall budgeted expenditure would be likely to show an underspend at the year end. |
| Auditor judgement | Though we understand that a separate Project Board for Seven Sisters does separately oversee and monitor progress on that capital project, and other capital projects are monitored at operational level, the current reporting could mean Members are not fully informed of the status of the capital programme. |
| Summary findings | We noted that reporting on the capital programme at OMT and P&RC is very brief and high level, and does not give detailed description of progress or reasons for slippage. At month 6, £183k of expenditure was reported against the budget of £2.7m with little discussion of scheduling of the expenditure and whether this was indicative that the overall budgeted expenditure would be likely to show an underspend at the year end. |
| Management comment | The Authority's regular budget monitoring reporting in 2021/22 to Policy & Resources Committee now includes more details of the capital investment programme. The capital programme monitoring reporting will be refined and developed in 2022/23 to reflect the ongoing and substantial programme of capital investment in Seven Sisters Country Park. |

The range of recommendations that external auditors can make is explained in Appendix B.



Governance



We considered how the Authority:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

Monitoring and assessing risk

The Authority has in place a Risk Management Policy and Guidance 2019-23 document which was approved in September 2019 at the Policy and Resources Committee. This sets out clearly the Authority's approach to risk management. We reviewed the document and we were satisfied it would be clear and useful to existing employees needing refreshing on the approach, and to new employees who are new to the process. The key high level document showing the Authority's assessment of the key risks to its Corporate Plan is the Corporate Risk Register. This is updated regularly when risks change/risks are escalated and de-escalated from the Register, and at least ahead of each Policy and Resources Committee (P&RC) where it is reported and discussed at each meeting.

The Corporate Risk Register covers the core requirements of a corporate risk register, including setting out clearly an owner for the risk and the nature and potential service impact of the risk. Mitigations being undertaken against each risk are reported, along with a section showing any updates. A graphic against each risk shows in grid format the probability of occurrence and the impact of each risk with symbols showing how the risk has moved. The risk score pre and post mitigations is also shown on this grid. Note that the introduction paper to the register also highlights any significant changes to the register since it was last presented to the P&RC.

Under the Corporate Risk Register there are Directorate Risk Registers; significant risks from these registers can be escalated to the Corporate Risk Register. Further Risk Registers can also be developed for specific services or projects. The Risk Management Policy and Guidance 2019-23 clearly defines a scoring process using impact and probability scores, and how this score sets how a risk should be managed, by which team/individuals and what risk register it should be reported on.

The Authority considers risks as part of its decision making role on corporate policies, including the annual budget setting processes, major policy decisions and major projects. Detailed consideration of the Corporate Risk Register is delegated to the P&RC and we are satisfied that the risk management process was being effectively managed at that level, and the reporting of the Corporate Risk Register provides adequate assurances on the management of risks through reporting of mitigations and movements of these key risks. Senior Management Team (SMT) review and update the Corporate Risk Register monthly, and Operational Management Team (OMT) also review and update Directorate Risk Registers monthly.

The last Internal Audit review of the effectiveness of the Authority's governance arrangements was a Corporate Governance review completed in 2020/21 and a Substantial Assurance level was given but the scope did not include risk management. Risk Management approach and corporate risks are well understood across all levels of management at the Authority.

There is a good quality audit function operating at the Authority which is delivered under contract by Brighton and Hove City Council, and we are satisfied with the standard of work being carried out by Internal Audit. Internal Audit track the status of recommendations made from their work and report this status in each progress report to the PR&C thereby providing assurance to members that any control deficiencies and associated recommendations are being addressed in an effective and timely way.

[\[continued next page\]](#)

Governance

(continued)

Although Internal Audit are alert to fraud and corruption in their work, and would investigate any instances of this, the management of the risk of fraud and corruption is the responsibility of management. We have not been made aware of any instances of fraud, and we are satisfied that management have established an appropriate culture along with controls/systems to deter and detect fraud and corruption should it arise. An Anti-Fraud and Corruption Policy is in place, and this is supported by a Whistleblowing Policy.

Budgetary Setting Process

The budget-setting process is multi-layered and is thorough as discussed above in our consideration of Financial Sustainability. The draft original 2020/21 budget was presented to and approved by the full Authority meeting on 26 March 2020. There is quarterly review of budget to outturn position by the P&RC each quarter along with ongoing monthly reviews by SMT and OMT.

The annual budget and MTFS are considered concurrently with both being built from the “bottom up” based on service level detail provided by operational budget holders. There is a separate, stand alone MTFS, and the longer-term projections and any risks to the medium term position are incorporated into the reports accompanying the budgetary information considered by P&RC quarterly. Monitoring of in year reserves movement also goes through the P&RC quarterly.

This high level of scrutiny together with the Authority’s track record of achieving its planned budget and continuing to balance its budget confirm the strength and validity of the budget setting processes in place.

Budgetary control

There are good systems in place for oversight of the budget. The Finance Team engages at least monthly with budget holders, SMT and OMT, and produces quarterly budget reports to the P&RC.

Through regular monthly engagement with budget-holders the Finance Team are made aware of any risks to the plan and any potential variances in outturn and the reason for these. If any event/driver for variance was so significant it was no longer considered a simple variance on outturn, then a budget variance would be considered. This type of change would be considered at SMT/OMT and then approved in budget monitoring reports at the P&RC meetings.

These go through the Executive Board made up of CEO and directors and is in turn then approved by Policy and Resources Committee after each quarter. There is adequate in year oversight of the budget at a high level, with the SMT and OMT

demonstrating regular review of budgetary update information including the actual outturn and future risks to the budget ahead of the quarterly review by P&RC. This ensures fine tuning of the quarterly budget monitoring reports to clearly include changes to budgets and to provide detailed in-year variances by directorate and service area.

Leadership and committee effectiveness/decision making

Decision making at the Authority is prescribed by the Standing Orders, Scheme of Delegation, Financial Regulations, Contract Standing Orders and other accompanying policies/procedures. Appropriate leadership is in place, and key decision making primarily operates through the full Authority Meetings and the 3 key Committee; the Planning Committee, the Policy and Resources Committee and the Appointment Management & Standards Committee.

The Standing Orders are regularly reviewed and at least annually. They were last reviewed and updated in July 2021 and were also considered in light of the pandemic working practices (See the section below covering Covid-19). Standing Orders and all other key policy/procedure documents are made available to officers at induction. The Annual Governance Statement (read alongside the Local Code of Corporate Governance sets out how the Authority operates, how decisions are made and the policies which are followed to ensure that these are efficient, transparent and accountable to its key stakeholders. Currently, key committees such as P&RC do not conduct annual effectiveness self-assessments (Recommendation 2).

Appropriate leadership is in place. The Authority operates through full Authority meetings as well as through its Policy and Resources Committee, Planning Committee and Appointment Management and Standards Committee. To ensure there is regular engagement and discussion between Members and Officers for the Authority, a monthly meeting is held between SMT and Members. This is a more informal meeting, which acts as a opportunity for Members to ask questions of Officers outside of formal Committee procedures, and is an example of good practice in encouraging Members to fully understand and oversee management activities. Regular Member surveys are carried out to obtain their feedback on the Authority procedures and Committee/decision making processes. The P&RC has also appointed 2 Independent Members to the Committee to ensure robust oversight is carried out, given that the remit of this Committee is both decision making and scrutiny of decisions.

The Authority has an established anti-fraud culture through its Anti-Fraud and Corruption Policy, Whistleblowing Policy, and its Officer Code of Conduct. No disciplinary or capability issues arose during 2020/21. Members’ interests are recorded on an individual basis on the Authority’s website and a central register of gifts and hospitality is maintained.

Governance

Monitoring and ensuring appropriate standards

The annual governance statement is compliant with the CIPFA code. The Authority's Local Code of Corporate Governance states that it has adopted the CIPFA/SOLACE framework Delivering Good Governance in Local Government. The Authority has approved a Local Code of Corporate Governance, and annually publishes the Annual Governance Statement which together constitute transparent reporting to members and other stakeholders of the assessment of the effectiveness of the governance framework and the criteria against which it has been assessed. An appropriate level of care is taken to ensure the Authority's policies and procedures comply with all relevant codes and legislative frameworks.

Seven Sisters National Park

During the 2020/21 year the transfer of the Seven Sisters Country Park to be managed by the Authority was confirmed and a Teckal company (South Downs Commercial Operations Limited) was set up as a fully owned subsidiary of the Authority to undertake some of the commercial activities in the park. We discussed with key officers the work that the Authority had carried out to ensure that the decision to set up the company was well informed and that commercial/legal risks had been properly considered, and we reviewed key decision papers at Authority meetings. We were satisfied the decision making/governance arrangement of the Authority had operated effectively to ensure there was full oversight of this decision.

Conclusion

Overall, we found no evidence of significant weaknesses in the Authority's arrangements for ensuring that it makes informed decisions and properly manages its risks. However, we have identified one opportunity for improvement, as set out overleaf.

Improvement recommendations

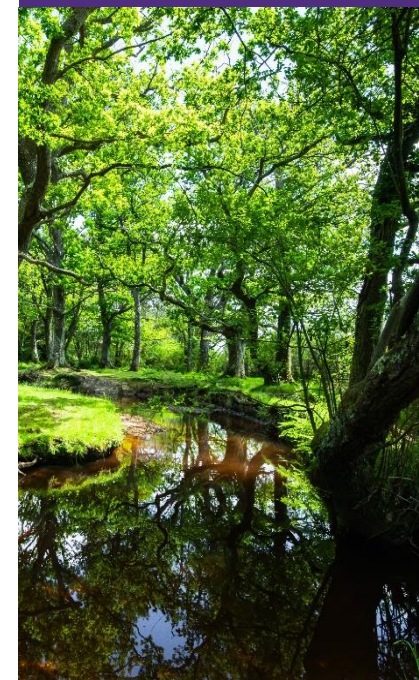


Governance

2 Recommendation Introduce annual self-assessment effectiveness reviews for the Policy and Resources Committee.

| | |
|---------------------------|---|
| Why/impact | To support robust governance arrangements it is best practice for key committees to carry out periodic self-assessed effectiveness reviews. |
| Auditor judgement | This periodic self-assessment would strengthen the authority's governance and identify any areas where oversight could be improved. |
| Summary findings | Key committees such as the Policy and Resources Committee, Planning Committee and Appointment Management and Standards Committee do not carry out periodic self-assessed effectiveness reviews. Further detail is provided on page 15. |
| Management comment | The Authority is considering - at its meeting in May 2022 - the inclusion of a Policy and Resources Committee away day in the meeting cycle (April/May each year) to enable the members of the Committee to meet informally to discuss its work and consider its annual review of effectiveness. This will form a part of the annual review to be presented at a formal meeting of the Committee through the Annual Governance Statement. |

The range of recommendations that external auditors can make is explained in Appendix B.



Improving economy, efficiency and effectiveness



We considered how the Authority:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

Performance review, monitoring and assessment

The Authority has a strong Performance Management Framework. The Partnership Management Plan (PMP) sets out the overarching five-year strategy for the management of the South Downs National Park. This is cited as the most important policy document for the Authority and sets out the vision, 3 strategic themes and 10 outcomes which the Authority aims to achieve. The Plan brings together the aspirations of the many different partners working within and around the park.

35 indicators have been developed to allow measurement and reporting of progress in delivering the 10 outcomes, with these being linked to DEFRA national indicators wherever possible. The Authority reports annually on progress against the PMP.

The Authority's Corporate Plan sits under the PMP and sets out how the Authority will deliver those elements of PMP for which they are responsible. The priorities and objectives which are identified in the Corporate Plan are all related back to the 10 outcomes in the PMP to ensure alignment of the 5 year Corporate Plan with the overall PMP vision. Measures of success with targets are also defined within the Plan. Progress against the Corporate Plan is reported annually in the Annual Review. During the 5 year Corporate Plan the Authority also allows width for additional projects which may not have been part of the initial Plan but which have been approved since.

Progress against the Corporate Plan is also monitored by the SMT and OMT, and on a quarterly basis progress is reported in the Corporate Performance and Project Performance report to the Policy and Resources Committee for oversight by Members.

This report gives information to Members on the RAG rating of the priorities in the Corporate Plan. Those which are amber or red rated are reported in further detail with the priority description, what the aim was within the year, and what the reason is for the priority being rated amber or red. This allows Members to understand and scrutinise the status of those priorities falling behind schedule/not performing. The full detail of all priorities and description of progress is provided as a full Appendix to the report. The cover report provides a helpful, visual/tabular and concise summary of those projects which have issues to report/discuss.

Projects in the Corporate Plan or approved since are also reported here with RAG rating for the current quarter and previous quarter.

Our view from reviewing the Corporate Performance and Project Performance Report was that the performance information produced for scrutiny is good enabling challenge and questioning. A red, amber, green rating is used to clearly show the status of each priority. The commentary on milestones and progress of each priority was of a good quality, and a responsible officer is assigned to each priority to ensure accountability.

The Authority also obtains benchmarking data and compares its performance to other National Parks, and uses this information to assess and improve its own services. Examples of this are:

- Benchmarking of back office costs
- Inputting into the National Park indicator set

[\(continued next page\)](#)

Improving economy, efficiency and effectiveness

(continued)

Demonstrating an openness to external assessment and continuous learning the Authority commissioned an external evaluation of the process of creating the new 2020-2025 Partnership Management Plan (PMP) by Heritage Insider. This was followed by a Member workshop to discuss the findings in the report with the author and consider the implications. While there were no significant issues/weaknesses highlighted, there were areas for improvements via clearer prioritisation and measurement of outcomes/impacts and the Authority subsequently developed a response to the recommendations to take forward. We are satisfied that the Corporate Plan and ongoing partnership work in 2020/21 were being informed directly by the learnings from this report.

Partnership working and working with stakeholders

It is clear that partnership is the foundation to how the Authority operates – from the profile of the overall PMP as the key vision to 2050, to the annual reporting against this plan and the Corporate Plan which includes partnership outcomes and projects. The Authority has issued guidance internally to staff entitled "Partnership in Practice" designed for any staff member who has an interest in partnerships or partnering activity and wants guidance how to structure a partnership and properly define terms and arrangements. The Authority has also formed the South Downs Partnership (SDP) at the end of 2020/21 to work alongside the Authority in delivering the PMP. The SDP has clear terms of reference and outcomes/deliverables which will also be monitored and reported on. There is clear evidence of extensive partnership working, communication and consultation with local authorities and other park stakeholders running through the Authority reporting.

Procurement

The Authority's procurement processes are currently carried out in accordance with the Contract Standing Orders (CSOs). Contracts are procured via national frameworks or via the Intend e-sourcing system. The CSOs set clear thresholds for procurement processes required at different contractual values. No significant issues with procurement value for money

or contract management have been highlighted during our work in this review. Internal Audit carried out a review of Procurement and Contract Management Arrangements which concluded on a Reasonable Assurance rating and was reported to the P&RC on 25 February 2021. The review concluded there were effective arrangements in place for the procurement of contracts and subsequent contract management, but did identify a number of opportunities to improve the control environment. These recommendations have subsequently been implemented and this has included the establishment of a high level Procurement Strategy which was created in September 2021, and this sets out the Authority's vision for procurement aims, the methods that will deliver this vision and how this will achieve best value.

We note there is not currently a Procurement Policy in place, and although we agree that effective contract procurement/management can be undertaken through application of the current CSOs, value for money through contract management/procurement is likely to be an increased value for money risk in the medium term as cost/inflation risks increase. As a lean organisation that plans to continue to spend a significant amount of its budget externally, we would recommend that establishment of a more detailed Procurement Policy with increased coverage of how officers should carry out contract management in a standardised framework would be of benefit **(Recommendation 3)**.

Conclusion

Overall, we **found no evidence of significant weaknesses in the Authority's arrangements for ensuring it manages risks to its oversight in ensuring economy, efficiency and effectiveness in its use of resources.** We have identified one opportunities for improvement, set out on the following page.



Improvement recommendations



Improving economy, efficiency and effectiveness

| | |
|---------------------------|---|
| 3.1 Recommendation | Establish a more detailed Procurement Policy with increased coverage of how officers should carry out contract management in a standardised framework. |
| Why/impact | <p>Current procurement and contract management practices are based on the Contract Standing Orders and while considered sufficient to guide officers through an effective procurement process, the detail on standardised ongoing contract management practice could be improved.</p> <p>Although no significant issues/poor practice in terms of contract management are being cited, the external environment for contract management and particularly increasing costs as against quality of services received is becoming more complex.</p> |
| Auditor judgement | The Authority as a lean organisation that plans to continue to spend a significant amount of its budget externally could benefit from establishment of a more detailed Procurement Policy with increased coverage of how officers should carry out contract management in a standardised framework. |
| Summary findings | <p>Current procurement and contract management practices are based on the Contract Standing Orders and while considered sufficient to guide officers through an effective procurement process, the detail on standardised ongoing contract management practice could be improved.</p> <p>Further detail is provided on page 19.</p> |
| Management comment | The Authority believes that the existing governance arrangements and operational management framework (for example; contract standing orders) provide sufficient reassurance that procurement of services and management of contracts is robust across the Authority. |

The range of recommendations that external auditors can make is explained in Appendix B.



COVID-19 arrangements



Since March 2020 COVID-19 has had a significant impact on the population as a whole and how the Authority's services are delivered.

We have considered how the Authority's arrangements have adapted to respond to the new risks they are facing.

Financial sustainability

The Authority set a balanced budget for 2020/21 on 26 March 2020 before the extent of the uncertainty which would be caused by the Covid-19 pandemic was understood.

Although there were clear impacts from the pandemic on forecast income and expenditure within the budget, the decision was made not to significantly "recast" the budget during the 2020/21 year. This decision was made as an initial view of the key areas of impacts income (predominantly planning revenues) allowed the Finance Team and the Authority to reach a view that there would also be likely areas of expenditure which could be managed/reduced, and that the outturn position could still be manage to a breakeven position.

This was proven to be a sound course of action; due to managed areas of expenditure and a partial recovery in planning revenues towards the end of the year the Authority was still able to recognise a small surplus on provision of services in the 2020/21 year, and maintain the reserves position.

The Authority was also able to take the positive and proactive step of setting up the Covid Recovery Fund to support coronavirus related activity of partner organisations.

Governance

As a result of the lockdown restrictions announced on the 16th March, the Authority moved to ensure that all but a handful of essential staff, were able to work from home. This continued throughout the pandemic, with no significant impact identified on productivity.

The Authority responded quickly to the pandemic in reviewing its governance and decision-making processes to ensure that these could continue to be effective in the context of pandemic home working. Changes to governance and the Standing Orders to allow decision making to take place remotely were reported and agreed at the Authority meeting on the 21 May 2020. Following the introduction of regulations to hold formal meetings via remote attendance, committee meetings moved to video conferencing. Processes for election of the Chair and Deputy Chair at key meetings were amended for remote meetings, and the urgency powers held by the Chief Executive were clarified to ensure these continued to be operable based on availability of different Committee members.

Improving economy, efficiency and effectiveness

At the meeting where governance changes were considered on 21 May 2020 the Authority also discussed ongoing working arrangements and the likely impact on the Authority's wider operations Business operations which could not be delivered working from home were discussed as to how staff would be prioritised as lockdown restrictions were relaxed. Conditions for re-opening offices and how the Authority could continue to support partners were also discussed and agreed.

The Authority had set its Corporate Plan in place for 2020/21 in March 2021. The plan itself did not undergo a formal revision for the pandemic and instead the impacts on priority and project timescales and deliverability were reported through the regular Corporate Performance and Project Performance Reporting. Detailed progress reports on individual projects were also presented at the Authority and Policy and Resource Committee meetings which ensured Members were always full informed of the impact of the pandemic on the Corporate Plan priorities.

Conclusion

Our review has not identified any significant weaknesses in the Authority's VFM arrangements for responding to the Covid-19 pandemic.

Appendices

Appendix A - Responsibilities of the Authority



Role of the Chief Financial Officer (or equivalent):

- Preparation of the statement of accounts
- Assessing the Authority's ability to continue to operate as a going concern

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

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

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

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

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

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



Appendix B - An explanatory note on recommendations

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

| Type of recommendation | Background | Raised within this report | Page reference |
|------------------------|---|---|----------------|
| Statutory | Written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Authority to discuss and respond publicly to the report. | No Statutory recommendations have been raised in 2020/21. | N/A |
| Key | The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Authority. We have defined these recommendations as 'key recommendations'. | No key recommendations have been raised in 2020/21. | N/A |
| Improvement | These recommendations, if implemented should improve the arrangements in place at the Authority, but are not a result of identifying significant weaknesses in the Authority's arrangements. | Three improvement recommendations have been raised. On in financial sustainability, one in governance and one on improving economy, efficiency and effectiveness. | 13, 17 and 20 |

Appendix C - Use of formal auditor's powers

We bring the following matters to your attention:

Statutory recommendations

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

We did not issue any statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014

Public interest report

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

We did not issue a public issue report under Schedule 7 of the Local Audit and Accountability Act 2014.

Application to the Court

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

We did not apply to court under Schedule 28 of the Local Audit and Accountability Act 2014.

Advisory notice

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

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

We did not issue an advisory notice under Section 31 of the Local Audit and Accountability Act 2014.

Judicial review

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

We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

