

# **BRECON BEACONS NATIONAL PARK AUTHORITY**

## **Statement of Accounts**

**for the year ended**

**31<sup>st</sup> March 2015**



**BRECON BEACONS NATIONAL PARK AUTHORITY  
STATEMENT OF ACCOUNTS 2014/15**

<b>Explanatory Foreword</b>	<b>3</b>
<b>Statement Of Responsibilities For The Statement Of Accounts</b>	<b>9</b>
<b>Comprehensive Income And Expenditure Statement</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Movements In Reserves Statement</b>	<b>12</b>
<b>Cash Flow Statement</b>	<b>14</b>
<b>Notes To The Accounts</b>	<b>15</b>
<b>APPENDIX I: Allowances/Salaries Paid To Authority Members 2014/15</b>	<b>54</b>
<b>APPENDIX II: Annual Governance Statement 2014/15</b>	<b>55</b>

## EXPLANATORY FOREWORD

### I. INTRODUCTION

The Authority is required by law to produce an annual Statement of Accounts in accordance with proper accounting practices as laid down by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its 2014/15 'Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice' and approved by the Accounting Standards Board.

This foreword provides a brief explanation of the more significant matters reported in the accounts. Accounting statements are set out on later pages and consist of:-

**A Statement of Accounting Policies** - the basis upon which amounts have been included in the accounts using accepted accounting principles.

#### **The Core Financial Statements**

- **The Comprehensive income and Expenditure Statement** - the income and expenditure during the financial year, accompanied by notes which explain the figures in greater detail as required by the CIPFA code of practice.
- **The Balance Sheet** - the assets and liabilities, cash held and amounts set aside in reserves at the financial year-end. Notes are provided to give further details of specific balances where required by the CIPFA code of practice.
- **The Statement of Movements in Reserves** – shows the total gains and losses to the Authority during the year, including the effect of actuarial gains and losses on the pension fund and valuation gains and losses on fixed assets.
- **The Cash Flow Statement** - expenditure and income for the financial year, excluding all amounts owed or receivable. Further explanation is provided in the notes to the statement.

The authorisation date of the Statement is 30 June 2015. Significant events after the Balance Sheet date and up to 30 September 2015 have been taken into account in preparing the Statement. The Statement is audited by the Wales Audit Office and a copy of the auditor's report is published with the Statement when this becomes available on completion of the audit. The Authority is also required to produce a Governance Statement with its accounts. This has been included in Appendix 2. For further information and explanation of items in this document, please contact the Finance Manager on 01874 620467 or email [elaine.standen@beacons-npa.gov.uk](mailto:elaine.standen@beacons-npa.gov.uk)

### 2. ABOUT BRECON BEACONS NATIONAL PARK AUTHORITY

The Authority covers 520 square miles and is one of three National Parks in Wales. The Authority became an independent Local Authority with effect from 1<sup>st</sup> April 1996 and has two statutory purposes and one duty:

#### **Purposes:**

- To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park.

- To promote opportunities for public enjoyment and understanding of the special qualities of the National Park.

**Duty:**

- To foster the economic and social well-being of communities living within the National Park.

The Authority is the statutory Local Planning Authority for the area and is responsible for preparation of the Local Development Plan and determining planning applications.

### 3. INCOME AND EXPENDITURE

The gross cost to the Authority in relation to the provision of services as reported to members for Management purposes during the year was £6,514,000. The table below sets out the sources of funding and shows that £3,000 was transferred from General Reserves at the year end. In addition £87,000 net was transferred to Earmarked Reserves.

The Welsh Government sets the Authority's level of net revenue expenditure for the year, and pays 75% of this in National Park Grant. The remaining 25% can then be raised by the Authority by issuing a levy on the constituent Unitary Authorities. These are: Powys County Council, Carmarthenshire County Council, Monmouthshire County Council, Rhondda Cynon Taff County Borough Council, Merthyr Tydfil County Borough Council, Blaenau Gwent County Borough Council, and Torfaen County Borough Council.

#### COMPARISON OF ACTUAL AND BUDGETED INCOME AND EXPENDITURE: CURRENT AND PREVIOUS FINANCIAL YEARS

	2013/14	2013/14	2014/15	2014/15
	£000	%	£000	%
National Park Grant	3,388	52	3,131	47
National Park Levy	1,129	17	1,030	16
Grants and Contributions	959	15	1,137	17
Fees, Charges and other Service income	1,013	16	1,297	20
Interest Receivable	7	0	3	0
<b>Gross Revenue Funding</b>	<b>6,496</b>	<b>100</b>	<b>6,598</b>	<b>100</b>

	2013/14	2013/14	2014/15	2014/15
	£000	%	£000	%
Employee Expenses	3,948	59	3,788	58
Other Service Expenses	2,788	41	2,726	42
<b>Total Expenditure</b>	<b>6,736</b>	<b>100</b>	<b>6,514</b>	<b>100</b>
Transfers to/from Earmarked Reserve	(83)		87	
<b>Total Expenditure after net transfers to/from Earmarked Reserves</b>	<b>6,653</b>		<b>6,601</b>	
<b>Net cost/(income) of Services (Contribution to/from General Fund)</b>	<b>(157)</b>		<b>(3)</b>	

Locally generated income and specific grants are allocated to individual services and are offset against the expenditure on those headings to arrive at the total net budgets and costs as reported to those responsible for management of the Authority. The table below shows how the net cost of services is derived from gross income and expenditure (see also Note 25 for a reconciliation of amounts reported to management on a departmental basis to the totals reported on the Comprehensive Income and Expenditure Statement.

The net costs for each service in the Comprehensive Income and Expenditure Statement include depreciation (the cost of wear and tear on buildings, equipment, etc.) and recharges for internal support service costs, such as departmental management, Human Resources and Information Technology.

Adjustments are also made for pension costs in accordance with the *International Accounting Standard 19: Retirement Benefits* (IAS19). These technical adjustments are intended to bring the Authority's accounts into line with UK Generally Accepted Accounting Policies. They indicate the full cost to the Authority in the relevant financial year of meeting all future commitments to its current and former employees under the Local Government Pension Scheme.

These adjustments do not affect the net revenue spend of the Authority paid for by the Welsh Assembly Government and local taxpayers. For a full explanation of the basis for the charges under IAS 19, see Note 36. The adjustments are not included in the budgeted figures as they have no impact on the cost of the Authority's operations for management purposes.

The IAS19 adjustments have a substantial impact on the assets of the Authority as recorded in the Balance Sheet, resulting in overall negative net assets of some £620,000. Excluding the Pension Fund liability, the Authority's net assets would be close to £5,450,000. In the Expenditure and Income Statement, the actuarial assessment of the Authority's assets and liabilities in the Fund has produced a net actuarial loss of £500,000 which increases the accounting deficit for the year by an equivalent amount.

### **Significant developments affecting the financial position of the Authority**

In 2014/15 the Authority received a reduced level of funding from the Welsh Government which it sought to deploy efficiently to meet its statutory purposes and Governmental priorities. The prospect of continuing budget reductions in the medium term and uncertainty regarding the future responsibilities and governance arrangements for National Parks in Wales has necessitated a range of cost-saving measures, including further staffing reductions.

Efforts to generate grant income for key priorities such as access for all to the countryside, promotion of tourism, the provision of socially inclusive employment opportunities and the conservation of biodiversity in vulnerable upland habitats have borne fruit in 2014/15 and work continues on grant funding opportunities for future years. Some £284,000 of additional income has also been generated from sales and charges for services. The proportion of total income received from core government funding fell from 69% to 63% between 2013/14 and 2014/15.

A simplified comparison between the budgeted and actual income and expenditure account by service for 2014/15 is produced below and shows that the Authority planned to withdraw some £213,000 from its General Reserve at the year-end whereas in fact only £3,000 was withdrawn; an under-spend of £210,000, of which approximately a third related to delayed project commitments.

In the table below support services costs and departmental management costs have been fully recharged to services. The service headings are the same as those used by the other UK National Park Authorities and are used to enable comparisons between them.

To enable comparisons between the revised budget and the outturn, year-end recharges for capital charges (depreciation) and actuarially assessed pension scheme costs (in accordance with international accounting standards) have been applied to the budget figures to give an adjusted total. For a comparison with amounts reported to management, please see Note 25 to the Statement of Accounts.

### Summary of principal variances between 2014/15 budget and outturn analysed by Comprehensive Income and Expenditure Statement headings

Net Service Costs	2014/15 Adjusted Budget	2014/15 Out-turn	2014/15 Variance against adjusted Budget
	£000	£000	£000
Conservation of the Natural Environment	245	244	(1)
Conservation of the Cultural Heritage	90	81	(9)
Planning – Development Control	831	755	(76)
Planning Policy & Communities	580	579	(1)
Promoting Understanding	1028	963	(65)
Recreation Management & Transport	241	203	(38)
Rangers, Estates & Volunteers	672	607	(65)
Democratic Representation & Management	668	647	(21)
Non-Distributable Costs (administration expenses relating to the Local Government Pension Scheme)	20	20	0
<b>Net Cost of Services</b>	<b>4,375</b>	<b>4,099</b>	<b>(276)</b>
Remove Pensions Adjustments included in the Statement of Accounts in accordance with international accounting standards	30	30	0
Remove Capital charges included in the Statement of Accounts in accordance with international accounting standards	(130)	(130)	0
<b>Adjusted net cost of Services</b>	<b>4275</b>	<b>3999</b>	<b>(276)</b>
Interest received	(2)	(3)	(1)
Capital Expenditure financed from revenue	66	53	(12)
National Park Grant (Welsh Assembly Government)	(3,131)	(3,131)	0
National Park Levy (Constituent Authorities)	(1,030)	(1,030)	0
Transfers to/(from) earmarked reserves	35	87	52
Other Adjustments		28	28
	<b>(4,062)</b>	<b>(3,996)</b>	<b>66</b>
<b>Deficit (Surplus) for the year transferred to/from the General Reserve</b>	<b>213</b>	<b>3</b>	<b>(210)</b>

### Principal budget variances reported to Members of the Authority

#### Chief Executives Office

The budgeted<sup>3</sup> cost of legal actions contracted out was underspent by some £23,000 due to the timing of work commissioned. The anticipated cost of Member salaries and travel was underspent due both to vacancies and rules governing remuneration of Councillors. Successful applications for Farming Connect

grants to support health and safety training for Wardens and the generation of additional room hire income at HQ have reduced the net cost of training and office accommodation respectively.

### **Countryside and Community**

The Wardens' service under-spent by just over £32,000; rights of way works were delayed as Wardens were redeployed to projects funded by substantial time-limited grants from the Welsh Government for Access and environmental improvements which were confirmed towards the end of the financial year. The planned work of the Access team was similarly affected; staff time was recharged to the WG Nature Fund project, creating unbudgeted income, and some planned work has been postponed into 2015/16.

In Tourism, an appropriation has been made for the exchange rate losses incurred during the Rural Alliances EU partnership project. Some £27,000 has been charged to the project and used to correct the sterling value in the ledger of funds held in a Euro bank account. An earmarked reserve set up for the purpose at the beginning of the project has covered this cost. The final impact of exchange rate losses will not be known until the project is completed and the remaining grant income is translated into sterling (in January 2016 at the earliest).

A partnership project with local tourism businesses has generated income in 2014/15 which is to be set aside to meet project costs in 2015/16. This appears as an underspend of just under £24,000 which has been appropriated to an earmarked reserve for use on the delivery of the project in future years.

Planned expenditure by the Sustainable Communities section on a hydro power feasibility study was delayed into 2014/15 due to technical issues. Sustainable Development Fund grants of some £11,000 were approved but not claimed during the year and have been carried forward into the 2015/16 budget. The Authority remains committed to providing this grant funding to a wide range of community and environmental projects.

In Visitor Services the performance of particular locations was mixed, with better than budgeted performance in the Abergavenny Information Centre, the Waterfalls Car Parks, the Tea Room at the Mountain Centre and Craig y nos Country Park. These were offset by shortfalls in the other Information Centres, the information and retail side of the Mountain Centre, the online shop, Events and stock management costs. Overall, there was an overspend against budget of £22,000, substantially caused by the cost of long-term sickness and higher than budgeted costs of retail goods sold at the Mountain Centre.

Additional fees from schools and colleges for the delivery of education services and more cost effective use of staff time reduced the net cost of Education Services to approximately £16,000 below the estimate.

### **Planning and Development Control**

In Development Control, planning fee income, has exceeded the estimate by £31,000, while income from pre-application advice continues to grow. This contrasts with 2013/14 when planning fees were lower than expected.

There was a £12,000 underspend in direct service costs for Enforcement; however, the costs of an enforcement prosecution (which was ultimately successful in early 2015/16) have generated a significant support service recharge from the Legal Services section which is included in the Development Control line in the Consolidated Income and Expenditure Account but falls in the Legal Services section of the management accounts. Costs of this were in line with the budget established.

### **Earmarked Reserves**

Earmarked reserves have been set up to help the Authority set aside contingency funds to meet future commitments, for example for the Local Development Plan Enquiry, and where the timing of external does not match project expenditure, for example, Tourism and Transport projects. Overall, £52,000 more than anticipated was set aside in earmarked reserves during the year.

#### 4) CAPITAL EXPENDITURE

	2014/15 Budget £000	2014/15 Actual* £000
Capital Expenditure	66	54
Grant-funded project spend classified as capital under accounting rules*		162
Less: Grants & Contributions	(0)	(162)
Less: Revenue Financing	(66)	(54)
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>

The Authority received no specific capital grant in 2014/15 as the Welsh Government withdrew this funding during the financial year and replaced it with additional National Park Grant. Expenditure which meets the accounting definition of capital has been classified as capital and funded by an appropriation from the Revenue Account. Expenditure on access and Rights of Way work funded by £162,000 in specific WG grants has been reclassified as capital in the table above as it meets the relevant accounting criteria.

Capital spend during the year included improvements to upland Rights of Way, play equipment at the Mountain Centre, an All-terrain vehicle for Rights of Way maintenance, a new committee management system and a bridge for the Govilon line cycle trail. Further information on fixed asset expenditure is included in Note 12 in the Statement of Accounts.



## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:-

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority that officer is the Chief Financial Officer (Section 151 Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

### THE CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES

The Chief Financial Officer/S151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

In preparing the Statement of Accounts, the Chief Financial Officer has:-

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Chief Financial Officer has also:

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

The Statement of Accounts gives a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2015. To comply with the Accounts and Audit (Wales) Regulations 2014, the Chief Financial Officer is required to re-certify the Statement immediately before their adoption by the Authority and after the completion of the audit, while the Chairman certifies approval of the audited Statement by the Authority.



E Standen ACMA  
Section 151 Officer  
Brecon Beacons National Park Authority

Date: 30/6/15



E Standen ACMA  
Section 151 Officer  
Brecon Beacons National Park Authority

Date: 25/9/15



E STANDEN  
S151 OFFICER

Date: 20/1/16

Mrs M Doel  
Chairman  
Brecon Beacons National Park Authority



Date: 25/9/15



Date: 5/2/16

MRS M DOEL CHAIRMAN  
BRECON BEACONS NATIONAL PARK AUTHORITY

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority's expenditure is funded from taxation, in accordance with regulations, via the National Park Grant and Levy on Constituent Authorities. This may differ from the accounting calculation of operating expenditure. The adjustments to the accounting calculation to arrive at the taxation-funded position are shown in the Movement in Reserves Statement.

### Comprehensive Income and Expenditure Statement

Expend- iture	2013/14			NOTES	Expend- iture	2014/15	
	Income	Net				Income	Net
£000	£000	£000			£000	£000	£000
228	(22)	206	Conservation of the Natural Environment		287	(42)	245
128	(14)	114	Conservation of the Historic Environment		81	0	81
1,123	(165)	958	Development Control		1,167	(413)	754
762	(39)	723	Planning Policy and Communities		689	(110)	579
2,471	(1,221)	1,250	Promoting Understanding and Enjoyment		2,180	(1,217)	963
550	(253)	297	Recreation and Park Management		421	(218)	203
862	(111)	751	Rangers, Estates and Volunteers		692	(85)	607
689	(4)	685	Democratic Representation and Management		660	(13)	647
20	0	20	Non-Distributed Costs (administration expenses relating to the local government pension scheme)	36	20	0	20
<b>6,833</b>	<b>(1,829)</b>	<b>5,004</b>	<b>COST OF SERVICES</b>		<b>6,197</b>	<b>(2,098)</b>	<b>4,099</b>
		0	Other Operating Expenditure	9			1
		283	Financing and Investment Income and Expenditure	10			244
		(4,601)	Taxation and Non-Specific Grant Income	11			(4,323)
		<b>686</b>	<b>DEFICIT/(SURPLUS) ON PROVISION OF SERVICES</b>				<b>21</b>
	(1,810)		Actuarial (Gains)/Losses on Pension Assets and Liabilities	36	500		
		(1,810)	<b>OTHER COMPREHENSIVE INCOME AND EXPENDITURE</b>				<b>500</b>
		<b>(1,124)</b>	<b>TOTAL COMPREHENSIVE INCOME AND EXPENDITURE</b>				<b>521</b>

## BALANCE SHEET

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category includes those that the Authority is not able to use to provide services. This includes reserves holding unrealised gains and losses, such as the Revaluation Reserve, where amounts would only become available to provide services if the assets were sold, and also record timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

### Balance Sheet

2013/14 (£000)		NOTES	2014/15 (£000)
4,325	PROPERTY, PLANT AND EQUIPMENT	12	4,400
47	INTANGIBLE ASSETS	13	57
0	ASSETS HELD FOR SALE	17	2
<b>4,372</b>	<b>TOTAL LONG-TERM ASSETS</b>		<b>4,459</b>
60	Inventories	14	55
492	Short-term Debtors	15	644
897	Cash and Cash Equivalents	16	975
<b>1,449</b>	<b>CURRENT ASSETS</b>		<b>1,674</b>
534	Short-Term Creditors	18	683
<b>534</b>	<b>CURRENT LIABILITIES</b>		<b>683</b>
5,380	Liability Related to Defined Benefit Pension Schemes	36	6,070
<b>5,380</b>	<b>LONG TERM LIABILITIES</b>		<b>6,070</b>
	<b>Provisions</b>		
(8)	Provision for committed termination costs		0
<b>(101)</b>	<b>NET ASSETS</b>		<b>(620)</b>
991	Usable Reserves	8, 20	1,076
(1,092)	Unusable Reserves	21	(1,696)
<b>(101)</b>	<b>TOTAL RESERVES</b>		<b>(620)</b>

## MOVEMENTS IN RESERVES STATEMENT

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

### Movements in Reserves 2014/15 (£000)

	General Reserve	Compensation and Legal Costs	Conservation Fund	Tourism Partnership Projects	LDP Enquiry costs	National Park Mgt Plan	National Grid Staffing	Collabor8 and Rural Alliances projects	Beacons Bus/Visitor Transport	Other	Total Earmarked Reserve	Capital Receipts Reserve	Total Usable Reserves	Accumulated Absences Acct	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	TOTAL RESERVES
Balance at 31 March 2014	642	3	47	0	0	51	50	92	34	38	315	34	992	(70)	1562	2796	(5,380)	(101)
<b>Movement in reserves during 2014/15</b>																		
Surplus/(deficit) on the provision of services	(21)												(48)					(48)
Other Comprehensive Income and Expenditure															(17)	17	(500)	(500)
<b>Total C IES</b>	(21)												(48)		(17)	17	(500)	(548)
Adjustment between accounting basis and funding basis under regulations (NOTE 7)	105												132		2	85	(190)	29
<b>Net Increase/ (Decrease) before transfers to Earmarked Reserves</b>	84												84		(15)	102	(690)	(519)
Transfers (to)/from Earmarked Reserves (NOTE 8)	(87)	63	(2)	24	30	(2)	(15)	(18)	7	0	87	0	0					
<b>Total Increase/ (Decrease) in 2014/15</b>	(3)	63	(2)	24	30	(2)	(15)	(18)	7	0	87	0	84	0	(15)	102	(690)	(519)
<b>Balance at 31 March 2015 Carried Forward</b>	639	66	46	24	30	48	35	74	41	38	402	34	1,076	(70)	1,546	2,898	(6,070)	(620)

## Movements in Reserves 2013/14 (£000)

	General Reserve	Compensation and Legal Costs	Conservation Fund	LDP Enquiry costs	National Park Mgt Plan	National Grid Staffing	Collaboration and Rural Alliances p projects	Beacons Bus	Other	Total Earmarked Reserve	Capital Receipts Reserve	Total Usable Reserves	Accumulated Absences Acct	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	TOTAL RESERVES
Balance at 31 March 2013	799	31	55	72	30	50	103	26	31	398	34	1231	(70)	1,579	2,841	(6,806)	(1,225)
<b>Movement in reserves during 2013/14</b>																	
Surplus/(deficit) on the provision of services	(686)											(686)					(686)
Other Comprehensive Income and Expenditure														(17)	17	1,810	1,810
Total Comprehensive Income and Expenditure	(686)											(686)	0	(17)	17	1,810	1,810
Adjustment between accounting basis and funding basis under regulations (NOTE 7)	446										0	446			(62)	(384))	0
Net Increase/ (Decrease) before transfers to Earmarked Reserves	(240)										0	(240)	0	(17)	(45)	1,426	1,123
Transfers (to)/from Earmarked Reserves (NOTE 8)	83	(28)	(8)	(72)	21	0	(11)	8	7	(83)							
Total Increase/ (Decrease) in 2013/14	(157)	(28)	(8)	(72)	21	0	(11)	8	7	(83)	0	(240)	0	(17)	(45)	1,426	1,123
Balance at 31 March 2014 Carried Forward	642	3	47	0	51	50	92	34	38	315	34	991	(70)	1562	2796	(5,380)	(101)

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement show how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing or financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority.

### Cash Flow Statement

2013/14 £000		NOTE	2014/15 £000	2014/15 £000	2014/15 £000
686	(Surplus)/Deficit on the provision of services				21
(158)	Depreciation			(128)	
(1)	Amortisation of intangible assets			(2)	
0	Impairments			0	
0	Loss on valuation of asset held for sale			0	
0	Loss on revaluation of Land and Buildings			0	
(6)	Decrease in Stocks		(4)		
(104)	Increase/(Decrease) in Debtors		38		
48	(Increase)/Decrease in Creditors		(148)		
0	(Increase )/Decrease in Creditor re Accrued Employee Benefits		0		
(8)	(Increase)/decrease in Provisions		8		
(69)			(106)		
(900)	Reversal of Current Service Cost, Pension Interest Cost and Expected Return on Pension Assets		(720)		
515	Cash payment to Pension Fund in year		528		
(385)				(192)	
84	Capital Grants taken to Revenue Account			162	
(529)	Total Adjustments to net surplus or deficit on the provision of services for non-cash movements				(266)
157					(245)
15	Adjustments for items included in the net surplus or deficit on the provision of services that are Investing and Financing activities				0
172	<b>Net Cash Flows from Operating Activities</b>	22			<b>(245)</b>
(792)	Investing Activities	23			167
0	Financing Activities	24			0
(620)	<b>Net (increase)/ or decrease in cash and cash equivalents</b>				<b>(78)</b>
(277)	Cash and Cash Equivalents at the beginning of the reporting period				(897)
(897)	<b>3 Cash and Cash Equivalents at the end of the reporting period</b>	16			<b>(975)</b>

## NOTES TO THE ACCOUNTS

### NOTE 1: Accounting Policies:

#### 1.1 GENERAL PRINCIPLES

The purpose of the Statement of Accounting Policies is to explain the calculation bases of the figures in the accounts.

The accounts have been prepared in accordance with:

- The current year's Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and the Service Reporting Code of Practice as it applies to National Parks.
- The guidance notes issued by CIPFA on the application of International Financial Reporting Standards (IFRS's); International Accounting Standards (IAS's); Statements of Recommended Practice (SORP)
- The Local Government Finance Act 1982
- The current year's Service Reporting Code of Practice
- The Accounting principles of relevance, reliability, comparability and comprehensibility.
- The basic accounting concepts of materiality, going concern, matching, consistency, primacy of legislative requirements, prudence and substance over form. The concept of the primacy of legislative requirements is given precedence over other concepts where there is a conflict.

#### • 1.2 ACCRUALS OF INCOME AND EXPENDITURE

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

- Revenue from the sales of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is reduced and a charge is made to the expenditure and income account for the income that might not be collected.

#### 1.3 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

#### **1.4 PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

#### **1.5 CHARGES TO REVENUE FOR NON-CURRENT ASSETS**

Services, and support services are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- Amortisation of intangible fixed assets attributable to the service

The Authority is not required to fund depreciation, revaluations and impairment losses or amortisations from the revenue grant or levies. As the Authority is debt-free it is not required to make an annual contribution from revenue to reduce its overall borrowing requirement as would otherwise be the case.

#### **1.6 EMPLOYEE BENEFITS**

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

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non-Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no



longer withdraw the offer of those benefits or when the authority recognises the costs of a restructuring.

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

**Post-employment benefits** are earned by employees during their working life in return for services to their employer. Employees of the Authority are members of the Local Government Pension Scheme, administered by Powys County Council. The scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees work for the Authority and is accounted for as a defined benefits scheme.

The liabilities of the Powys Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – ie an assessment of the future payments that will be made in relation to retirements benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.

Liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. The assets of the Powys pension fund attributable to the Authority are included in the Balance Sheet at their fair value.

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

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

- Service cost comprising:
  - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
  - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
  - net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Re-measurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Powys Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

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

## **1.7 EVENTS AFTER THE REPORTING PERIOD**

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

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

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

## **1.8 FOREIGN CURRENCY TRANSLATION**

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting material gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## **1.9 GOVERNMENT GRANTS AND CONTRIBUTIONS**

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

assurance that the Authority will comply with the conditions attached to the payments, and the grants or contributions will be received.

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

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

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

#### **1.10 INTANGIBLE ASSETS**

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

Intangible assets are measured initially at cost and carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

#### **1.11 INVENTORIES**

These have been included in the accounts at cost. This is a departure from the requirements of the CIFPA Code of Practice, which require stocks to be shown at the lower of actual cost or net realisable value, whichever is the lower. The difference is not considered to be material.

#### **1.12 LEASES**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the

lessee and the value of the item of property, plant or equipment leased exceeds the de minimis threshold of £10,000 – see item 1.14 below. All other leases are classed as operating leases.

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

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

### **1.13 OVERHEADS AND SUPPORT SERVICES**

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles laid down by CIFPA. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional democratic organisation.
- Non-Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on assets held for sale.

These two cost categories are accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Services.

### **1.14 PROPERTY, PLANT AND EQUIPMENT**

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

#### **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie repairs and maintenance) is charged as an expense when it is incurred. The Authority has set a minimum level of £10,000 for capitalising expenditure, with the exception of land and buildings which are always capitalised. Expenditure below the minimum level is treated as revenue and assets with a net book value of less than £10,000 have been written out of the balance sheet and are no longer included in the total of fixed assets.

#### **Measurement**

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction: depreciated historical cost.
- All other assets: fair value, determined as the amount that would be paid for the asset in its existing use (existing use value).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

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

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

### **Impairment**

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

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (ie freehold land and certain Community Assets) and assets

that are not yet available for use (ie assets under construction). Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer
- infrastructure (rights of way, trails and associated structures – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer

In the absence of specific advice, the estimated asset lives used are as follows:

Vehicles and other equipment	5 years
IT equipment	3 years
Community and Infrastructure assets	20 years
Intangible Assets	3 years

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### **Disposals and Non-current Assets Held for Sale**

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

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. As the Authority is debt free, 100% of any such receipts can be used to finance new capital expenditure

The written-off value of disposals is not a charge against taxation, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

### **Provisions**

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## 1.16 RESERVES

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against taxation for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

## 1.17 VALUE ADDED TAX

The accounts have been prepared on a VAT exclusive basis, to the extent that it is recoverable.

### NOTE 2: Accounting Standards Issued and Not Adopted

Changes have been made to the following Accounting Standards; these have not been incorporated into the 2014/15 CIPFA Accounting Code of Practice but will be required to be adopted from 1 April 2015 by the 2015/16 Code. They will be adopted by the Authority from 1 April 2015 where relevant. It is not anticipated that adoption of these Standards will have a significant effect on the presentation of the Authority's Statement of Accounts for 2015/16.

- IFRS 13 - *Fair Value Measurement and the Measurement of Property Plant and Equipment*

### NOTE 3: Critical Judgements In Applying Accounting Policies

In applying the Authority's Accounting Policies, certain judgements have been made involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is uncertainty about future levels of funding for National Park Authorities in Wales. However, the assumption has been made that the Authority's principal functions will continue and that the Authority will continue to exist as a 'going concern'. The most significant implication of this is that the Authority's future liabilities to the Powys Pension Fund will not crystallise in the short term and are being met by contribution levels set by the Fund's actuary.

### NOTE 4: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimates figures which are based on assumptions made by the Authority about the future or are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March 2014 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect If Actual Results Differ From Assumptions
Pensions liability/Asset <sup>3</sup>	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to corporate bond yields, the discount rate used, projected rates of salary	Changes in assumptions may interact in a number of ways but may have a large impact on the Financial Statement. The accounting standard governing the



	increase, changes to the Local Government Pension Scheme itself, future retirement ages, mortality rates and expected returns on pension fund assets. AON Hewitt provides the Authority with actuarial advice on the assumptions to be applied and their effect – see Note 36.	accounting basis for Pension Scheme costs is known to cause volatility in estimates of assets and liabilities between years and hence large swings in both the CIES total and net assets. The Powys Pension Fund holds a significant proportion of growth asset which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures. The actual cost of pension benefits accrued by current Authority employees will not be known for many years.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be carried out on individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. Valuations ascribed to Property by the Authority's valuers are affected by market values which are substantially dependent on economic factors outside the Authority's control.	<p>A reduction in useful life or identification of impairment increases the charge on the Cost of Services and reduces the value of assets in the Balance Sheet. See Note 12 for details of depreciation and impairment in the year.</p> <p>Changes in the market value of assets may result in the Authority's land and buildings being under- or over-valued.</p>

**NOTE 5: Material Items of Income and Expenditure not disclosed on the face of the Comprehensive Income and Expenditure Statement**

There were no material items of income or expenditure not disclosed (nor in 2013/14).

**NOTE 6: Events After The Balance Sheet Date**

The Statement of Accounts was authorised for issue by Chief Financial Officer on 28 June 2015. Events taking place after this date are not reflected in the Statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2015, the figures in the Statements and notes have been adjusted in all material respects to reflect the impact of this information.

**NOTE 7: Adjustments between accounting basis and funding basis under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. Below is a description of the General Reserve, against which the adjustments are made.

### **General Reserve**

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

### **Earmarked Reserves**

These reserves are amounts set aside by the Authority out of its revenue resources to meet future costs whose timing and extent are uncertain. They are held until required or until such time as the Authority decides that the anticipated costs will not arise, when they can be transferred, via the appropriations account, into the General Reserve. The purposes of the principal earmarked reserves are described below.

#### **National Grid Staffing Reserve**

This reserve was set up to receive funding for additional posts in relation to a one-off payment from Transco to help mitigate the impact of the construction of a gas pipeline across the National Park. The grant was intended to cover payroll and other associated costs for a number of years for a Warden and an Ecologist. The reserve continues to be used to support the employment of an additional Ecologist. Amounts are transferred into the revenue account as required.

#### **Conservation Fund Reserve**

Fees received by the Authority from organisations using Authority land for filming, net of any related costs, are set aside for use on environmental improvement projects and other expenditure to benefit the National Park.

#### **Local Development Plan Enquiry Reserve**

The Authority is legally required to publish a Local Development Plan periodically. This involves extensive consultation, a public enquiry held by an external Planning Inspector, and publication costs at intervals of 3-5 years. Funds were set aside each year to help fund these recurring costs. The Plan was adopted in 2014.

#### **Compensation and Legal Costs Reserve**

This fund has been maintained by the Authority to help meet the cost of legal actions arising from the planning function. Contributions to the fund depend on resources available in the revenue budget.

#### **National Park Management Plan and State of the Park Report Reserve**

The Authority is legally required to publish a National Park Management Plan periodically. This involves extensive consultation with stakeholders, the collection of environmental and other data and publication costs at intervals of 5 years. Funds were set aside each year to help fund these recurring costs. A new Plan is due to be produced in 2015.

#### **Collabor8 and Rural Alliances Projects Reserve**

Collabor8 and its successor Rural Alliances are 3-year EU-funded multi-partner international projects. Claim periods run across the financial year end. A substantial proportion of the expenditure and income of these projects are in Euros and matching funding has been received from a number of bodies, principally in the earlier years of the projects. Final claims were made for the Collabor8 project in 2013/14 but the Rural Alliances project continues until June 2015.

There are significant delays in receipt of EU and Welsh Government grant in payment of claims and the projects have some exposure to exchange rate losses and currency translation costs which will continue until the final claim has been paid. Match funding or National Park Authority contributions to the projects which are not required in a particular financial year have been reserved at the year end. The Reserve will provide for potential costs which may not be apparent until the final grant cash payment, likely to be up to a year after the end of the project in June 2015, has been received and translated into Sterling.

#### **Visitor Transport Reserve**

The reserve will be used to help support the cost of a Visitor transport project to promote sustainable travel in the National Park. Partner funding received in year 1 of the project and not required to balance expenditure in 2014/15 has been reserved to fund the ongoing work programme.

#### **Tourism Partnership Projects Reserve**

This reserve has been established to allow project surpluses in one financial year arising from partner contributions to be carried forward and applied to partnership actions in subsequent years.

**Adjustments between accounting basis and funding basis under Regulations in the year**

<b>2013/14</b>			<b>2014/15</b>	
<b>General Reserve</b>	<b>Movements in Unusable Reserves</b>		<b>General Reserve</b>	<b>Movements in Unusable Reserves</b>
<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>
		<b>Adjustments primarily involving the Capital Adjustment Account</b>		
0	0	Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement	0	0
(158)	158	Charges for depreciation and impairment of non-current assets	(129)	129
0	0	Revaluation losses on Property, Plant and Equipment	0	0
(1)	1	Amortisation of intangible assets	(2)	2
84	(84)	Capital grants and contributions applied	162	(162)
		<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>		
13	(13)	Capital expenditure charged against the General Fund	54	(54)
0	0	Revaluation gain on asset held for sale	0	0
		<b>Adjustments primarily involving the Capital Receipts Reserve</b>		
0	0	Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0
		<b>Adjustments primarily involving the Pensions Reserve</b>		
(900)	900	Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see NOTE 36)	(720)	720
516	(516)	Employers' pension contributions and direct payments to pensioners payable in the year	530	(530)
		<b>Adjustments Primarily involving the Accumulated Absences Account</b>		
0	0	Amount by which officer remuneration charged to the Comprehensive income and Expenditure Statement on an accruals basis is different from that chargeable in the year in accordance with statutory requirements	0	0
<b>(446)</b>	<b>446</b>	<b>TOTAL ADJUSTMENTS</b>	<b>(105)</b>	<b>105</b>

## NOTE 8: Transfers between Earmarked Reserves and the General Fund

	Balance at 31 March 2013	Transfers out	Transfers in	Balance at 31 March 2014	Transfers out	Transfers in	Balance at 31 March 2015
	£000	£000	£000	£000	£000	£000	£000
National Grid Staffing	50			50	(15)		35
Conservation Fund	55	(14)	7	48	(2)		46
Local Development Plan Enquiry	72	(72)		0	0	30	30
Compensation and Legal Costs	31	(31)	3	3	0	63	66
National Park Management Plan and State of the Park Report	30		20	50	(4)	2	48
Collabor8 and Rural Alliances Projects	103	(24)	13	92	(20)	2	74
Sustainable Transport/Beacons Bus	26		8	34	0	7	41
Tourism Partnership (Destination Management)	0			0	0	24	24
Other Earmarked Reserves	31	(4)	10	38	(3)	3	38
<b>Total</b>	<b>398</b>	<b>(145)</b>	<b>62</b>	<b>315</b>	<b>(44)</b>	<b>131</b>	<b>402</b>

## NOTE 9: Other Operating Expenditure

2013/14 £000		2014/15 £000
(0)	(Gains)/losses on the disposal of non-current assets	(1)
(0)	<b>Total</b>	<b>(1)</b>

## NOTE 10: Financing and Investment Income and Expenditure

2013/14 £000		2014/15 £000
290	Interest on Pension Scheme net defined benefit liability	220
(7)	Interest receivable and similar income	(3)
	Exchange rate losses recognised in the Consolidated Income and Expenditure Account*	27
<b>283</b>	<b>Total</b>	<b>244</b>

\* These arise from the operation of a Euro bank account through which payments and receipts are processed for a multi-partner EU-funded project (BBNPA is the lead partner). Exchange rate losses have been incurred on translation of the euro value of the account balance into sterling as at 31/3/15.

The sterling ledger balance of the account is made up of individual transactions each translated at the market rate on the day of the transaction. The cumulative sterling value of the transactions diverges over time from the sterling value of the balance and this has been corrected at the year end.

**NOTE 11: Taxation and Non-Specific Grant Income**

2013/14 £000	2013/14 £000		2014/15 £000	2014/15 £000
		<b>Levies on Constituent Local Authorities</b>		
664		Powys County Council	606	
166		Carmarthenshire County Council	151	
126		Monmouthshire County Council	115	
58		Rhondda Cynon Taff County Borough Council	53	
45		Merthyr Tydfil County Borough Council	41	
35		Blaenau Gwent County Borough Council	32	
35		Torfaen County Borough Council	32	
	1,129			1,030
	3,388	Non-Specific Grant Income – National Park Grant		3,131
	84	Capital Grants and Contributions		162
	<b>4,601</b>	<b>Total</b>		<b>4,323</b>

## NOTE 12: Property, plant and equipment

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Total Property, Plant and Equipment
<b>Movements in 2014/15</b>					
<b>Cost or Valuation:</b>	£000	£000	£000	£000	£000
At 1 April 2014	3,826	999	1,128	292	6,245
Additions		55	148		203
Valuation increases/(decreases) recognised in the Revaln Reserve	2				2
Valuation increases/(decreases) recognised in the CIES					
De-recognition/disposals					
Assets reclassified (to)/from held for sale	(2)				(2)
Other movements in cost or valuation					
At 31 March 2015	3,826	1,054	1,276	292	6,448
<b>Accumulated depreciation and Impairment</b>					
At 1 April 2014	46	964	656	253	1,919
Depreciation written out to the revaluation reserve	17				17
Depreciation written out to the surplus/deficit on the provision of services	29	6	56	8	99
<b>Total depreciation charge for the year</b>	46	6	56	8	116
Impairment losses/(reversals) recognised in the revaluation reserve					0
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services					0
De-recognition – disposals					0
De-recognition – other		13			13
Other movements in depreciation and impairment					0
At 31 March 2015	92	983	712	261	2,048
<b>Net Book Value</b>					
At 31 March 2014	3,780	35	471	39	4,325
At 31 March 2015	3,734	71	564	31	4,400

**Comparative movements in  
2013/14**

<b>Cost or Valuation:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2013	3,826	986	1,084	292	6,188
Additions		13	44		57
Valuation increases/(decreases) recognised in the Revaln Reserve					0
Valuation increases/(decreases) recognised in the CIES					0
De-recognition/disposals					0
Assets reclassified (to)/from held for sale					0
Other movements in cost or valuation					0
<b>At 31 March 2014</b>	<b>3826</b>	<b>999</b>	<b>1,128</b>	<b>292</b>	<b>6,245</b>
<b>Accumulated depreciation and Impairment</b>					
At 1 April 2013	0	924	592	245	1,761
Depreciation written out to the revaluation reserve	17				17
Depreciation written out to the surplus/deficit on the provision of services	28	40	64	8	140
<b>Total depreciation charge for the year</b>	<b>46</b>	<b>40</b>	<b>64</b>	<b>8</b>	<b>158</b>
Impairment losses/(reversals) recognised in the revaluation reserve					
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services					
De-recognition – disposals					
De-recognition – other					
Other movements in depreciation and impairment					
<b>At 31 March 2014</b>	<b>46</b>	<b>964</b>	<b>656</b>	<b>253</b>	<b>1,919</b>
<b>Net Book Value</b>					
At 31 March 2013	3,826	62	491	47	4,426
At 31 March 2014	3,780	35	471	39	4,325



**Depreciation:** All assets except land are depreciated, in line with the Authority's Statement of Accounting Policies.

**Capital Commitments:** As at 31 March 2015 the Authority had the following capital commitments.

	Land and Buildings	Vehicles, Furniture, Plant and Equipment	Infra-structure Assets	Community Assets	TOTAL
	£000	£000	£000	£000	£000
Capital commitments at 31/3/15	0	0	0	0	0
Capital commitments at 31/3/14	0	20	0	0	20

**Effects of Changes in Estimates:** There were no material effects of changes in accounting estimates for Property, Plant and Equipment. (There were none in 2013/14).

**Revaluations:** The Authority carries out a revaluation at least every 5 years to ensure that all Property, Plant and Equipment required to be measured at fair value is accurately valued. The Authority's land and buildings were last valued as at 31<sup>st</sup> March 2013 by qualified external valuers in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Land and Building valuations were reviewed in March 2015 to ascertain whether general market factors were likely to have had a material impact on the values of the Authority's property – no significant effects were identified. Other Property, Plant and Equipment is valued at historic cost.

## 2014/15

Gross Value as at last valuation	Land and Buildings	Vehicles, Furniture, Plant and Equipment	Infra-structure Assets	Community Assets	TOTAL
	£000	£000	£000	£000	£000
Carried at Historic Cost	0	1,054	1,277	292	2,623
Valued at fair value as at 31 March 2015	3,825	0	0	0	3,825
<b>TOTAL</b>	<b>3,825</b>	<b>1,054</b>	<b>1,277</b>	<b>282</b>	<b>6,448</b>

## NOTE 13: Intangible Assets

	2013/14 £000	2014/15 £000
<b>Balance at start of year</b>		
Gross Carrying amounts	12	52
Accumulated amortisation	(4)	(5)
Net carrying amount at start of year	8	47
Additions – Purchases	40	13
Amortisation for the period	(1)	(2)
<b>Net carrying amount at end of year</b>	<b>47</b>	<b>57</b>

## NOTE 14: Inventories

	<b>Consumable Stores £000</b>
<b>2013/14</b>	
<b>Balance at start of year</b>	<b>66</b>
Purchases	184
Recognised as an expense in the year	(190)
Written off balances	0
Reversals of write-offs	0
<b>Balance at end of year</b>	<b>60</b>
<b>2014/15</b>	
<b>Balance at start of year</b>	<b>60</b>
Purchases	169
Recognised as an expense in the year	(174)
Written off balances	0
Reversals of write-offs	0
<b>Balance at end of year</b>	<b>55</b>

#### **NOTE 15: Debtors**

	<b>31 March 2014 £000</b>	<b>31 March 2015 £000</b>
Central Government Bodies	326	453
Other Local Authorities	75	20
Public Corporations and Trading Funds	0	0
Bodies external to general government	91	171
<b>Total</b>	<b>492</b>	<b>644</b>

#### **NOTE 16: Cash and Cash Equivalents**

The Authority maintains a Euro bank account to facilitate receipts and payments for an EU-funded multi-partner project (for which it is the lead partner). The account balance at 31 March 2015 expressed in sterling has been revalued to reflect the current sterling:euro exchange rate in accordance with the CIPFA Code of Practice.

	<b>31 March 2014 £000</b>	<b>31 March 2015 £000</b>
Cash held by the Authority	3	2
Bank Current Accounts	894	1,000
Revaluation of Euro Bank Account balance in Sterling at year-end exchange rate (Exchange rate loss)		(27)
<b>Total</b>	<b>897</b>	<b>975</b>

#### **NOTE 17: Assets Held For Sale**

An asset held for sale has been valued in existing use value as a piece of woodland adjacent to a cycle trail (£1,500). However it is being marketed with planning permission for two dwellings and its valuation at expected market price less costs to sell is considerably higher at £230,000. Under the CIPFA Code, assets held for sale are valued in the Statement of Accounts at the lower of existing use value and market value less costs to sell.

	31 March 2014 £000	31 March 2015 £000
<b>Balance Outstanding at start of year</b>	0	0
Property newly classified as held for sale	0	2
Revaluation losses	0	0
Revaluation gains	0	0
Impairment losses	0	0
Property de-classified as held for sale	0	0
Assets sold	0	0
Other movements	0	0
<b>Balance outstanding at year-end</b>	<u>0</u>	<u>2</u>

#### Note 18: Creditors

	31 March 2014 £000	31 March 2015 £000
Central Government Bodies	76	152
Other Local Authorities	89	152
NHS bodies	0	0
Public Corporations and Trading Funds	0	0
Other Entities and Individuals	369	379
<b>Total</b>	<u>534</u>	<u>683</u>

#### NOTE 19: Provisions

	Provision for Termination Costs £000
<b>Balance at 1/4/14</b>	8
Additional provisions made in 2014/15	0
Provision written out in 2014/15	0
Amounts used in 2014/15	8
<b>Balance at 31/3/15</b>	<u>0</u>

## NOTE 20: Usable Reserves

See Note 8 and the Movement in Reserves Statement

## NOTE 21: Unusable Reserves

	31 March 2014 £000	31 March 2015 £000
Revaluation Reserve	1,562	1,546
Capital Adjustment Account	2,796	2,898
Accumulated Absences Account	(70)	(70)
Pensions Reserve	(5,380)	(6,070)
<b>Total</b>	<b>(1,092)</b>	<b>(1,696)</b>

### 21.1 Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost
- used in the provision of service and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since it was established on 1 April 2007.

Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2013/14 £000		2014/15 £000	2014/15 £000
1,579	Balance at 1 April		1,562
0	Upward revaluation of assets	1	
0	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	0	
1,579	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		1
(17)	Difference between fair value depreciation and historical cost depreciation	(17)	
0	Accumulated gains on assets sold or scrapped	0	
(17)	Amount written off to the Capital Adjustment Account		(17)
1,562	Balance at 31 March		1,546

### 21.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

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

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2013/14 £000		2014/15 £000	2014/15 £000
2,841	<b>Balance at 1 April</b>		2,796
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement.	(128)	
(158)	• Charges for depreciation and impairment of non-current assets	0	
0	• Revaluation losses on Property, Plant and Equipment	0	
(1)	• Amortisation of intangible assets	(3)	
0	• Revenue Expenditure funded from capital under statute	0	
0	• Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	
<u>(159)</u>			<u>(131)</u>
17	Adjusting amounts written out of the Revaluation Reserve		17
<u>(142)</u>	Net amount written out of the cost of non-current assets consumed in the year.		<u>(114)</u>
	Capital financing applied in the year		
84	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	162	
13	• Capital expenditure charged against the General Fund	54	
<u>97</u>			<u>216</u>
<u>2,796</u>	<b>Balance at 31 March</b>		<u>2,898</u>

### 21.3 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and in the resources the Authority has set

aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2013/14 £000		2014/15 £000
(6,806)	Balance at 1 April	(5,380)
1,810	Actuarial gains/( losses) on pensions assets and liabilities	(500)
(900)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(720)
516	Employer's pension contributions and direct payments to pensioners payable in the year	530
0	Adjustment for Pension fund strain accrued but not paid	0
<b>(5,380)</b>	<b>Balance at 31 March</b>	<b>(6,070)</b>

## 21.4 The Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account. No material change in the accrued amount has been identified in 2014/15.

2013/14 £000		2014/15 £000
(70)	Balance at 1 April	(70)
0	Net change in Accrual; amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0
<b>(70)</b>	<b>Balance at 31 March</b>	<b>(70)</b>

## NOTE 22: Cash Flow Statement: Operating Activities

2013/14 £000		2014/15 £000	2014/15 £000
<b>Cash Inflows from Operating Activities</b>			
3,964	Government grants	3,959	
1,129	Levies on Constituent Authorities	1,030	
896	Cash received for goods and services	843	
2	Interest received	3	
420	Other operating cash receipts	465	
<b>6,411</b>			<b>6,300</b>
<b>Cash Outflows on Operating Activities</b>			
(3,893)	Cash paid to and on behalf of employees	(3,751)	
0	Interest Paid	0	
(2,690)	Other operating cash payments	(2,304)	
<b>(6,583)</b>			<b>(6,055)</b>
<b>(172)</b>	<b>Net Cash flow on Operating Activities</b>		<b>245</b>

## NOTE 23: Cash Flow Statement - Investing Activities

2013/14 £000		2014/15 £000
107	Purchase of property, plant and equipment and intangible assets	206
(800)	Purchase of short- and long-term investments	0
0	Other payments for investing activities	0
0	Proceeds from the sale of property, plant and equipment and intangible assets	0
(15)	Proceeds from short-term investments	0
(84)	Other receipts from investing activities (Capital Grants)	(39)
<u>(792)</u>	<b>Net cash flows from investing activities</b>	<u>167</u>

#### NOTE 24: Cash Flow Statement - Financing Activities

2013/14 £000		2014/15 £000
0	Cash receipts of short- and long-term borrowing	0
0	Other receipts from financing activities	0
0	Repayments of short- and long-term borrowing	0
0	Other payments for financing activities	0
<u>0</u>	<b>Net cash flows from financing activities</b>	<u>0</u>

#### NOTE 25: Amounts Reported For Resource Allocation Decisions

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

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

#### 25.1 Income and expenditure recorded in budget monitoring reports

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

<b>Directorate Income and Expenditure 2014/15</b>	<b>Planning £000</b>	<b>Countryside and Community £000</b>	<b>Chief Executive's Office £000</b>	<b>Other* £000</b>	<b>Total £000</b>
Fees, charges and other service income	(413)	(790)	(94)	(44)	(1,341)
Interest and Investment income	0	0	0	(3)	(3)
Grants and Contributions	0	(1,100)	(37)	0	(1,137)
Income from Non-Specific Grants and Levies	0	0	0	(4,161)	(4,161)
<b>Total Income</b>	<b>(413)</b>	<b>(1,890)</b>	<b>(131)</b>	<b>(4,208)</b>	<b>(6,642)</b>
Employee expenses	896	1,969	923	0	3,788
Other service expenses	315	1,626	703	213	2,857
Depreciation, Amortisation and Impairment	0	0	0	0	0
Interest Payments	0	0	0	0	0
<b>Total Expenditure</b>	<b>1,211</b>	<b>3,595</b>	<b>1,626</b>	<b>213</b>	<b>6,645</b>
<b>Net Expenditure</b>	<b>798</b>	<b>1,705</b>	<b>1,495</b>	<b>(3,995)</b>	<b>3</b>

<b>Directorate Income and Expenditure 2013/14</b>	<b>Planning £000</b>	<b>Countryside and Community £000</b>	<b>Chief Executive's Office £000</b>	<b>Other* £000</b>	<b>Total £000</b>
Fees, charges and other service income	(166)	(783)	(58)	(152)	(1,159)
Interest and Investment income	0	0	0	(7)	(7)
Grants and Contributions	(32)	(924)	(3)	0	(959)
Income from Non-Specific Grants and Levies	0	0	0	(4,517)	(4,517)
<b>Total Income</b>	<b>(198)</b>	<b>(1,707)</b>	<b>(61)</b>	<b>(4,676)</b>	<b>(6,642)</b>
Employee expenses	931	2,014	1,004	0	3,949
Other service expenses	290	1,792	693	75	2,850
Depreciation, Amortisation and Impairment	0	0	0	0	0
Interest Payments	0	0	0	0	0
<b>Total Expenditure</b>	<b>1,221</b>	<b>3,806</b>	<b>1,697</b>	<b>75</b>	<b>6,799</b>
<b>Net Expenditure</b>	<b>1,023</b>	<b>2,099</b>	<b>1,636</b>	<b>(4,601)</b>	<b>157</b>

\* Other includes National Park Grant and Levies, Transfers to and from Earmarked reserves, and Interest Income.



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

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

	2013/14 £000	2014/15 £000
Net expenditure in the Directorate Analysis	157	3
Net expenditure of services and support services not included in the Analysis	0	0
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	253	101
Amounts included in the Analysis not included in Net cost of Services in the Comprehensive Income and Expenditure Statement	4,595	3,995
<b>Cost of Services in the Comprehensive Income and Expenditure Statement</b>	<b>5,005</b>	<b>4,099</b>

## 25.3 Reconciliation to Subjective Analysis

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

	Directorate Analysis	Total not reported to Management	Allocation of Recharges	Amounts not included in CIES	Total
2014/15	£000	£000	£000	£000	£000
Fees, Charges and other service income	(1,341)	0	65	153	(1,123)
Interest and investment income	(3)	0	0	3	0
Grants and Contributions	(1,137)	162	0	0	(975)
Income from Non-Specific Grants and Levies	(4,161)	0	0	4,161	0
<b>Total Income</b>	<b>(6,642)</b>	<b>162</b>	<b>65</b>	<b>4,317</b>	<b>(2,098)</b>
Employee expenses	3,788	(30)	(614)	0	3,144
Other service expenses	2,857	(162)	549	(322)	2,922
Depreciation, amortisation and impairment	0	131	0	0	131
Interest Payments	0	0	0	0	0
<b>Total Expenditure</b>	<b>6,645</b>	<b>(61)</b>	<b>(65)</b>	<b>(322)</b>	<b>6,197</b>
<b>Net Cost of Services</b>	<b>3</b>	<b>101</b>	<b>0</b>	<b>(3,995)</b>	<b>4,099</b>

	Directorate Analysis	Total not reported to Management	Allocation of Recharges	Amounts not included in CIES	Total
2013/14	£000	£000	£000	£000	£000
Fees, Charges and other service income	(1,158)	0	48	240	(870)
Interest and investment income	(7)	0		7	0
Grants and Contributions	(959)	0		0	(959)
Income from Non-Specific Grants and Levies	(4,517)	0		4,517	0
<b>Total Income</b>	<b>(6,641)</b>	<b>0</b>	<b>48</b>	<b>4,764</b>	<b>(1,829)</b>
Employee expenses	3,948	94	(675)	0	3,367
Other service expenses	2,850	0	627	(170)	3,307
Depreciation, amortisation and impairment	0	159		0	159
Interest Payments	0	0		0	0
<b>Total Expenditure</b>	<b>6,798</b>	<b>253</b>	<b>(48)</b>	<b>(170)</b>	<b>6,833</b>
<b>Net Cost of Services</b>	<b>157</b>	<b>253</b>	<b>0</b>	<b>4,594</b>	<b>5,004</b>

#### NOTE 26: Agency Services

The Authority did not provide agency services in 2014/15 nor in 2013/14.

#### NOTE 27: Members' Allowances

The Authority paid the following amounts to members of the Authority during the year. Further details are published in an appendix to the Statement of Accounts.

	2013/14 £000	2014/15 £000
Allowances	95	93
Expenses	21	15
<b>Total</b>	<b>116</b>	<b>108</b>

#### NOTE 28: Officers' Remuneration and termination benefits

The remuneration paid to the Authority's senior employees who received remuneration (in total or pro-rata) of more than £60,000 per for the year is as follows:

	Salary	Expenses	Employer's Pension Contribution	Total
	£000	£000	£000	£000
<b>Chief Executive</b>				
2014/15	75	0	15	90
2013/14	75	0	14	89

There were no other senior employees receiving remuneration of more than £60,000 per annum (none in 2013/14).

The annual salary of the Chief Executive Officer as a multiple of the median salary (£24,472) of an Authority employee is 3 (3 in 2013/14 of the median salary of £23,945).

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. To maintain the confidentiality of individual employees, the bands have been amalgamated.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
£	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14 £000	2014/15 £000
0-20,000 and 20,001-100,000	5	4	1	0	6	4	66	36

#### NOTE 29: External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections provided by the Authority's external auditors.

	2013/14 £000	2014/15 £000
<b>Fees payable to external auditors for:</b>		
Financial Audit Fee	34	34
Performance Audit fee (statutory inspections)	18	17
Less WPI Grant	(5)	(7)
Redistribution of Wales Audit Office reserves on change of status	(5)	0
Certification of grant claims and returns	0	0
<b>Total</b>	<b>42</b>	<b>44</b>

#### NOTE 30: Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2014/15

	2013/14 £000	2014/15 £000
<b>Credited to Taxation and Non-Specific Grant Income</b>		
National Park Grant	3,388	3,131
National Park Capital Grant	84	162
Levies – Powys County Council	664	606
Carmarthenshire County Council	166	151
Monmouthshire County Council	126	115
Rhondda Cynon Taff County Borough Council	58	53
Merthyr Tydfil County Borough Council	45	41
Blaenau Gwent County Borough Council	35	32
Torfaen County Borough Council	35	32
<b>Total</b>	<b>4,601</b>	<b>4,323</b>
<b>Credited to Services</b>		
EU Grant – Collabor8 sustainable tourism project and Rural Alliances Projects	260	234
WG Access and Nature Fund Grants	0	250
WG Targeted Match Funding Grant	146	140
WG Capital Grant applied to projects accounted for as Revenue items	59	0
Planning Improvement Grant	20	0
EU project partner contributions	67	78
Visit Wales and Tourism Partnership Grants	49	11
Other Government Grants	91	121
Other Local Authority Grants and Contributions	220	150
Heritage Lottery Fund Grant	0	104
Other Grants	45	43
Donations	2	6
<b>Total credited to services</b>	<b>959</b>	<b>1,137</b>
<b>Total Grants, Contributions and Donations</b>	<b>5,560</b>	<b>5,460</b>

### NOTE 31: Related Parties

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

#### 31.1 Central Government

The Welsh Assembly Government has effective control over the general operations of the Authority – it provides the majority of its funding in the form of grants and by determining the total Levy which the Authority may make on its Constituent Local Authorities. It also sets objectives for the Authority by means of the Memorandum of Understanding and the annual Strategic Grant Letter. The Authority's operations and management are also controlled by a statutory framework encompassing a range of legislation which includes a definition of its statutory purposes and duty. Government grant receipts in the years to 31 March 2015 and 2014 are included in Note 30.

#### 31.2 Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2014/15 and in 2013/14 is shown in Note 27. These are further

itemised in Appendix I. Where members are personally affected by decisions made by the Authority they are required to declare an interest and refrain from taking part in those decisions and discussions relating to them. Details of members' interests are recorded in the Register of Members' Interests, open to public inspection at the Authority's offices during working hours.

### 31.3 Other Public Bodies

The Constituent Local Authorities, within whose boundaries the Authority's own boundary runs, contribute to the finances of the Authority by means of a statutory levy, determined by the Welsh Assembly Government. Each of these authorities provides a number of councillors to serve as members of the National Park Authority, broadly in proportion to the size of the levy they contribute and their area within the National Park. The authority represented by each member is shown in Appendix I of the Statement of Accounts. Grants for specific purposes are also received from local authorities.

### 31.4 Senior Management

The Chief Executive and Directors of the Authority are in a position to influence the Authority's policies and allocation of its resources. Payments to senior officers with a remuneration of greater than £60,000 per annum are identified in Note 28.

### 31.5 Entities Controlled or Significantly Influenced by the Authority

The Authority gives grants for specific purposes to organisations under the Sustainable Development Fund, Historic Building Grant Schemes and Community Grant Schemes but it is not considered that the Authority has control, joint control or significant influence over the entities assisted.

The Authority gives an annual subscription to the Welsh Association of National Park Authorities, which exists to promote the interests of the 3 Welsh National Parks. This was £21,000 in 2014/15 and in 2013/14.

### NOTE 32: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. If capital expenditure were to be financed in future years by charges to revenue as assets were used by the Authority, the expenditure would require a calculation of the Capital Financing Requirement. As the Authority is currently debt-free, this calculation is not required.

	2013/14 £000	2014/15 £000
Opening capital financing requirement	0	0
Capital investment		
Property, Plant and Equipment	57	203
Intangible Assets	40	13
	<hr/> 97	<hr/> 216
Less: Sources of finance		
Government grants and other contributions	(84)	(162)
Direct revenue contributions	(13)	(54)
Closing Capital Financing Requirement	<hr/> 0	<hr/> 0

### NOTE 33: Leases

#### 33.1 The Authority as Lessee

Finance Leases: the Authority currently has no material leases which are classified as finance leases under the terms of the CIPFA Code of Practice.

Operating Leases: The Authority's headquarters, some office equipment and its vehicle fleet have been acquired under operating leases. The future minimum lease payments due under non-cancellable leases in future years are:

<b>Total Commitments Under Operating Leases</b>	<b>31 March 2014 £000</b>	<b>31 March 2015 £000</b>	
<b>Not Later than one year</b>			
Buildings	8	24	
Office Equipment	8	0	
Vehicles	7	18	
<b>Total</b>		23	42
<b>Later than one year and not later than 5 years</b>			
Buildings	0	0	
Office Equipment	12	22	
Vehicles	84	27	
<b>Total</b>		96	49
<b>Later than 5 years</b>			
Buildings	0	0	
Office Equipment	0	0	
Vehicles	0	0	
<b>Total</b>		0	0
<b>Total Commitments</b>		<b>119</b>	<b>91</b>

### 33.2 The Authority as Lessor

Finance Leases: the Authority does not lease out property under terms which would be classified as finance leases under the terms of the CIPFA Code of Practice. (There were none in 2013/14.)

Operating Leases: the Authority leases out part of its premises at the Craig y nos Country Park and a bungalow at the National Park Visitor Centre.

The future minimum lease payments receivable under non-cancellable leases in future years are:

<b>Total Receivables Under Operating Leases</b>	<b>31 March 2014 £000</b>	<b>31 March 2015 £000</b>
<b>Not Later than one year</b>		
Buildings	2	2
<b>Later than one year and not later than 5 years</b>		
Buildings	20	10
<b>Later than 5 years</b>		
Buildings	0	0
<b>Total Receivables</b>	<b>22</b>	<b>12</b>

### NOTE 34: Impairment Losses

The CIPFA Code of Practice requires the Authority to disclose any impairment losses or reversals charged to the Surplus or Deficit on the Provision of services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Notes 12 and 13, reconciling the movement in the year in the Property, Plant and Equipment and Intangible Asset balances.

There were no impairments identified during 2014/15 (none in 2013/14). Land and Buildings were revalued and their asset lives assessed in February 2013. Valuations were reviewed in the light of general market conditions in March 2015.

#### **NOTE 35: Termination Benefits**

The Authority terminated the contracts of 3 employees in 2014/15, incurring liabilities of £37,585. In 2013/14 it terminated the contracts of 6 employees, incurring liabilities of £65,809. See also note 28.

#### **NOTE 36: Defined Benefit Pension Schemes**

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that must be disclosed at the time when employees earn their future entitlement. In accordance with International Financial Reporting Standards, disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

#### **FUNDED SCHEMES**

The disclosures below relate to the funded liabilities within the Powys County Council Pension Fund ("the Fund") which is part of the Local Government Pension Scheme (the "LGPS"). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a career average revalued earnings scheme. Details of the benefits to be paid for the period covered by this disclosure are set out in the 'LGPS Regulations 2013' and the 'LGPS (Transitional Provisions, Savings and Amendment ) Regulations 2014'.

The funded nature of the LGPS requires Brecon Beacons National Park Authority and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in 'LGPS Regulations 2013' and the Fund's 'Funding Strategy Statement'. The last actuarial valuation was at 31 March 2013 and the contributions to be paid until 31 March 2017 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. An actuarial valuation of the Fund will be carried out at 31 March 2016 and as part of that valuation a new Rates and Adjustment Certificate will be produced for the three year period from 1 April 2017. The Fund Administering Authority, Powys County Council is responsible for the governance of the Fund.

In order to calculate the level of contributions required to meet its share of the Fund's liabilities and to obtain the disclosures and calculations required to complete the annual Statement of Accounts, the Authority uses the services of a qualified actuary; AON Hewitt Limited. The Authority recognises gains and losses immediately in full through entries in 'Other Comprehensive Income and Expenditure. International Financial Reporting Standards require disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes

Contributions for the period ending 31 March 2016: The Authority's regular contributions to the Fund for the accounting period to 31<sup>st</sup> March 2016 are estimated to be £0.51m. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period. The duration of funded liabilities is 21.1 years.

#### **UNFUNDED PENSION ARRANGEMENTS**

Unfunded arrangements arise from termination benefits paid on a discretionary basis upon early retirement in respect of member of the LGPS. Brecon Beacons National Park Authority recognises gains and losses in full, immediately through Other Comprehensive Income and Expenditure.

In accordance with International Financial Reporting Standards, disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required. Contributions for the accounting period ended 31 March 2016: In this period, the Authority expects to pay £0.05m directly to beneficiaries.

## **PENSION FUND ASSETS**

The assets allocated to the Employer in the fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures split by quoted and unquoted investments.

The Administering Authority may invest in a small proportion of the Fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.

## **RISKS ASSOCIATED WITH THE FUND IN RELATION TO ACCOUNTING**

### **Asset volatility**

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform, this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which are expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

### **Changes in bond yield**

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

### **Inflation risk**

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

### **Life Expectancy**

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increase in life expectancy will result in an increase in the liabilities.

### **Exiting employers**

An employer who leaves the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment, the liability may in certain circumstances fall on the other employers in the Fund. Further, the assets at exit in respect of 'orphan' liabilities may in retrospect not be sufficient to meet the liabilities. This risk may also fall on other employers in the Fund. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.



**Principal Financial assumptions for funded and unfunded arrangements (% per annum)**

	31 March 2013	31 March 2014	31 March 2015
Discount rate	4.5	4.3	3.3
Pension increases	2.8	2.4	1.9
Pension accounts revaluation rate	n/a	n/a	1.9
Salary increases	4.7	3.9	3.4

**Mortality assumptions for funded and unfunded arrangements**

Post-retirement mortality (retirement in normal health)	31 March 2014	31 March 2015
<b>Males</b>		
Future lifetime from age 65 (currently aged 65)	22.9	23.0
Future lifetime from age 65 (currently aged 45)	25.1	25.2
<b>Females</b>		
Future lifetime from age 65 (currently aged 65)	25.4	25.5
Future lifetime from age 65 (currently aged 45)	27.7	27.8

**Asset split for funded and unfunded arrangements**

	Asset split at 31/3/2014	Asset split at 31/3/2015 %		
	Total	Quoted	Unquoted	Total
Equities	52.3	49.3	3.7	53.0
Property	6.1	7.4	0.0	7.4
Government Bonds	16.1	16.3	0.0	16.3
Corporate Bonds	13.0	8.6	0.0	8.6
Cash	2.5	5.2	0.0	5.2
Other	10.0	9.5	0.0	9.5
<b>Total</b>	<b>100.0</b>	<b>96.3</b>	<b>3.7</b>	<b>100.0</b>

## Reconciliation of funded status to Balance Sheet

	Value as at 31 <sup>st</sup> March 2014 £m	Value as at 31 <sup>st</sup> March 2015 £m
Fair value of assets	13.88	16.19
Present value of funded defined benefit obligation	19.19	22.21
Pension asset/(liability) recognised on the Balance Sheet as per Actuary	(5.31)	(6.02)
Accrued payment into the Fund for pension fund strain not included in actuary calculation of fair value of assets for the year.	0.00	0.02
<b>Pension asset/(liability) recognised on the Balance Sheet (funded liability)*</b>	<b>(5.31)</b>	<b>(6.00)</b>

\* Difference from actual liability shown on the balance sheet is caused by the difference between actual employer's contributions for the year and the value estimated by the actuary for the purposes of this note. See also unfunded liability later in this note.

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows:

Active Members	39%
Deferred Pensioners	31%
Pensioners	30%

## Charges to the Surplus or Deficit on the Provision of Services

	Period ending 31 <sup>st</sup> March 2014 £m	Period ending 31 <sup>st</sup> March 2015 £m
<b>Operating Cost</b>		
Current service cost(1)	0.61	0.50
Past service costs	0.00	0.00
Settlement cost	0.00	0.00
<b>Financing Cost</b>		
Interest on net defined benefit liability	0.29	0.22
<b>Pension expense recognised in profit and loss</b>	<b>0.90</b>	<b>0.72</b>
<b>Remeasurement in Other Comprehensive Income and Expenditure</b>		
Return on plan assets (in excess of)/below that recognised in net interest.	0.22	(1.52)
Actuarial (gains)/losses due to changes in financial assumptions.	(1.20)	2.15
Actuarial (gains)/losses due to changes in demographic assumptions.	(0.07)	0.00
Actuarial (gains)/losses due to changes in liability experience	(0.76)	(0.13)
<b>Total Amount Recognised in Other Comprehensive Income and Expenditure</b>	<b>(1.81)</b>	<b>0.50</b>
<b>Total Amount Recognised</b>	<b>(0.91)</b>	<b>1.22</b>

(1) The current service cost includes an allowance for the administration expenses of £0.02m

### **Changes to the present value of defined benefit obligation during the accounting period**

	Period ending 31 <sup>st</sup> March 2014 £m	Period ending 31 <sup>st</sup> March 2015 £m
Opening defined benefit obligation	19.93	19.19
Current service cost	0.61	0.50
Interest expense on defined benefit obligation	0.89	0.82
Contributions by participants	0.18	0.17
Actuarial (gains)/losses on liabilities – financial assumptions.	(1.20)	2.15
Actuarial (gains)/losses on liabilities – demographic assumptions	(0.07)	0.00
Actuarial (gains)/losses on liabilities – experience	(0.76)	(0.13)
Net benefits paid out#	(0.39)	(0.49)
Past service costs including curtailments	0.00	0.00
Net increase in liabilities from disposals/acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing defined benefit obligation	19.19	22.21

### **Changes to the fair value of assets during the accounting period**

	Period ending 31 <sup>st</sup> March 2014 £m	Period ending 31 <sup>st</sup> March 2015 £m
Opening fair value of assets	13.20	13.88
Interest Income on assets	0.60	0.60
Re-measurement gains/(losses) on assets	(0.22)	1.52
Contributions by the employer	0.51	0.51
Contributions by participants	0.18	0.17
Net benefits paid out #	(0.39)	(0.49)
Past service cost (inc curtailments)	0.00	0.00
Net increase in assets from disposals and acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing fair value of assets	13.88	16.19

### **Actual return on assets**

	Period ending 31 <sup>st</sup> March 2014 £m	Period ending 31 <sup>st</sup> March 2015 £m
Interest Income on assets	0.60	0.60
Re-measurement gains/(losses) on assets	(0.22)	1.52
Actual return on assets	0.38	2.12

### **Reconciliation of unfunded scheme to balance sheet**

	Value as at 31 <sup>st</sup> March 2014 (£m)	Value as at 31 <sup>st</sup> March 2015 (£m)
Present value of defined benefit obligation	0.07	0.07
<b>Asset/(Liability) recognised on the balance sheet</b>	<b>(0.07)</b>	<b>(0.07)</b>

#### **Charges to the surplus or deficit on the provision of services for unfunded schemes**

	Period ending 31 <sup>st</sup> March 2014 £m	Period ending 31 <sup>st</sup> March 2015 £m
<b>Total Amount Recognised</b>	<b>0.00</b>	<b>0.00</b>

#### **Changes to the present value of unfunded liabilities during the accounting period**

	Period ending 31 <sup>st</sup> March 2014 £m	Period ending 31 <sup>st</sup> March 2015 £m
Opening unfunded defined benefit obligation	0.07	0.07
Closing unfunded defined benefit obligation	0.07	0.07

#### **Estimated pension expense in future periods**

	Period ending 31 <sup>st</sup> March 2016
Current service cost	0.61
Interest on net defined benefit liability/(asset)	0.19
<b>Total estimated pension expense</b>	<b>0.8</b>

Allowance for administration expenses included in Current Service Cost: £0.02m

Estimated pensionable payroll over the period ending 31 March 2016: £2.66m

#### **NOTE 37: CONTINGENT LIABILITIES**

No contingent liabilities have been identified for in 2014/15. In 2013/14, the potential costs of a court case in May 2015 relating to Llanwenarth House were identified as a contingent liability but not quantified.

#### **NOTE 38: CONTINGENT ASSETS**

No contingent assets were identified for 2014/15, nor in 2013/14

#### **NOTE 39: NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

The Authority has no financial instruments of its own but its activities expose it to three principal financial risks:

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

The Authority, being debt-free and placing its surplus funds, in accordance with its Treasury Management Strategy, in instantly accessible accounts or on short-term deposit, with a bank which has a very high credit rating has minimised its exposure to the risk of failure by another party to repay funds deposited.

The risk of losses from the failure of customers to pay the Authority is minimised through the Authority's debt management procedures. The majority by value of the Authority's debtors are other public bodies which are considered to have good credit ratings. (See Note 15: Debtor Balances).

As the Authority has funds in immediately accessible bank accounts and in short-term deposits, it has limited exposure to liquidity risk. Interest rates are regularly reviewed and consideration given to placing funds on deposit should interest rates become more favourable.

The Authority is not exposed to market risk except in relation to its share of the Powys Pension Fund. See Note 36 for further details.

# APPENDIX 1: ALLOWANCES/SALARIES PAID TO AUTHORITY MEMBERS 2014/15

Authority Member	Basic salary	Senior salary	Total Salary	Expenses
	£	£	£	£
<b>Powys County Council Members:</b>				
Cllr Evan T Morgan	3,549.96	2,370.00	5,919.96	402.31
Cllr Michael Jones	3,549.96		3,549.96	914.40
Cllr Paul Ashton	3,549.96		3,549.96	0.00
Cllr Mrs Rosemarie Harris	1,040.18		1,040.18	0.00
Cllr Chris Davies	3,549.96		3,549.96	351.00
Cllr Jeff Holmes	3,587.49		3,587.49	277.20
Cllr Geraint Hopkins	3,549.96	4,586.25	8,136.21	584.00
Cllr David Meredith	3,549.96		3,549.96	0.00
<b>Monmouthshire County Council Members:</b>				
Cllr Martin Hickman	3,587.49		3,587.49	254.25
Cllr Ann Webb	3,587.49		3,587.49	1,040.40
<b>Carmarthenshire County Council Members:</b>				
Cllr Glynog Davies	3,549.96		3,549.96	683.02
Cllr Andrew James	3,587.49		3,587.49	591.30
<b>Merthyr Tydfil County Borough Council Members:</b>				
Cllr Ray Thomas	3,587.49		3,587.49	398.40
<b>Torfaen County Borough Council Members:</b>				
Cllr Alun Furzer	3,587.49		3,587.49	304.20
<b>Blaenau Gwent County Borough Council Members:</b>				
Cllr M Bartlett	3,549.96		3,549.96	534.60
<b>Rhondda Cynon Taff County Borough Council Member:</b>				
Cllr Mrs Jane Ward	3,549.96		3,549.96	101.25
<b>Welsh Assembly Government Nominees:</b>				
Mrs Carys Howell	887.49		887.49	126.57
Professor Alan Lovell	3,549.96	2,370.00	5,919.96	366.94
Ms Melanie Doel	3,549.96	1,777.50	5,327.46	1,552.94
Mrs Margaret Underwood	3,549.96		3,549.96	661.00
Mr Martin Buckle	3,587.49		3,587.49	1,384.95
Mrs Julie James	3,549.96	1,331.25	4,881.21	1,536.75
Mr Edward John Evans	3,587.49		3,587.49	1,012.80
Mr Ian Rowat	3,549.96		3,549.96	1,880.63
<b>TOTAL</b>	<b>80,327.03</b>	<b>12,435.00</b>	<b>92,762.03</b>	<b>14,958.91</b>

**APPENDIX II: ANNUAL GOVERNANCE STATEMENT 2014/15**

**BRECON BEACONS NATIONAL PARK AUTHORITY****Annual Governance Statement 2014-15****1. Introduction**

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates external auditors and other review agencies and inspectorates.

The Brecon Beacons National Park Authority ("the Authority") is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. It is a Welsh improvement authority under section 1 of the Local Government (Wales) Measure 2009 and as such has a general duty under section 2 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In 2010/11 the Authority approved a Code of Corporate Governance, which is consistent with the principles of the CIPFA/ SOLACE Framework 'Delivering Good Governance in Local Government'. The Code of Governance sets out how we aim to provide public services and our accountability to our stakeholders and the wider community. It outlines the systems and processes, cultures and values by which decisions are made and functions undertaken to deliver the purposes and duty of the National Park Authority.

The CIPFA guidance recommends that the review of effectiveness of the system of internal control that local authorities are required to undertake in accordance with the Accounting and Audit Regulations should be reported in an Annual Governance Statement. In Wales the inclusion of the Annual Governance Statement in the Statement of Accounts is voluntary. In 2009/10 CIPFA also published an "Application Note to Delivering Good Governance in Local Government: A Framework". This note has been developed to advise on the application of the "Statement of the Role of the Chief Financial Officer on Local Government" under the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government". The Authority has decided to adopt the CIPFA framework and Annual Governance Statement approach for 2014/15.

A review of effectiveness uses the work of the Authority, its members, committees and senior managers, as well as the work of internal and external auditors, to examine its structures and processes in order to demonstrate both compliance and improvement.

**2. The Purpose of the Governance Framework**

The governance framework comprises the committees, systems and processes, cultures and values, by which the Authority operates, and the way in which it is accountable to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Internal controls are a significant part of that framework and are designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The Authority's risk process is designed to identify and prioritise the risks to the achievement of its objectives, and to evaluate the likelihood of those risks occurring and the potential impact, through regular review of mitigating actions. The notion of robust organisational resilience is seen as the primary indicator of the Authority's ability to respond positively should damaging events occur.



### 3. What is the Framework?

The Governance Framework comprises the six CIPFA principles of good governance:

- **Principle 1:** Focusing on the Authority's purpose, on outcomes for the community including citizens and service users and creating and implementing a vision for the local area
- **Principle 2:** Members and Officers working together to achieve a common purpose, with clearly defined functions and roles
- **Principle 3:** Promoting Values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- **Principle 4:** Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- **Principle 5:** Developing the capacity and capability of members and officers to be effective
- **Principle 6:** Engaging with local people and other stakeholders to ensure robust public accountability

### 4. Action against Audit Recommendations 2013-14

In the Annual Governance Statement for 2013-14 the following governance and audit issues were identified and actions identified. The following sets out progress made to address these issues:

Governance /Audit issues identified	How we addressed these issues
<b>Identified by WAO Annual Improvement Report issued May 2014</b>	
R1 Take steps to mitigate the risks that can result from losing planning appeals in the context of reduced budgets	All appeal decisions when received are circulated around the team and discussions are held within the office to understand how decisions are being made, especially in light of the new LDP policies. The team regularly has new cases meetings where issues are discussed to generate consistency.
R2 Develop an action plan for implementing the proposals for improvement set out in the Wales Audit Office's <i>Review of Asset Management</i>	The Director of Countryside and Land Management is planning a multi-year project to address the recommendations to commence in 15-16. The priority for 14-15 has been work to conclude three existing projects in relation specific assets. The Authority will learn from positive examples in Pembrokeshire Coast and Snowdonia National Park Authorities . The Authority has been participating in the Powys Property Liaison Group and also attended a WAO Shared Learning Seminar on Asset Management
<b>Identified by Internal Audit Reports</b>	
Internal Auditors carried out 9 audits, 1 of which gained 'Full Assurance' and 8 'Substantial Assurance'. No high priority recommendations were made, but 17 medium priority and 7 low priority recommendations were highlighted.  Of the two follow up audits, 9 out of 13 recommendations have been implemented, 2 will not be re-raised and 2 have been partially implemented. The principal management actions raised are highlighted right.	Report of progress against internal audit reports presented to the Corporate Management Team and Audit and Scrutiny Committee  HR now receive an exceptions report on a monthly basis which highlights variances in salary payments over two consecutive months.  Work continues on enhancing asset records for property, plant and equipment other than land and buildings A working group is developing GIS based data for assets. Owners are identified for all action points

	<p>arising from the National Park Management Plan – this is being progressed by the NPMP working group and CMT.</p> <p>Improved documentation of review dates for Authority policy and procedure documents – all documents carry review dates and four documents currently undergoing review – to be approved by the Authority on 22 May 2015.</p> <p>Risk Management Strategy has been produced and will be presented to the Authority shortly for approval.</p> <p>Due to lack of resources, planning condition monitoring has not proactively been undertaken in 2014/15. However, it is anticipated that this will re-commence in 2015/16 by reason of the work undertaken within the Enforcement Team to reduce backlog.</p> <p>Officers were advised of the discrepancies found during the previous audit and as such, Officers are now encouraged to ask Senior Officers or review other similar cases when fees are unclear to ensure consistency.</p> <p>There were no Historic Building Grants for 2014/15 due to the budget being used to fund long term sickness cover.</p> <p>Some improvements in health and safety procedures and equipment relating to fire risks and manual handling have been identified and implemented.</p>
<b>Issues identified in the Authority's self-evaluation</b>	
<b>Issue</b>	<b>Proposed Action</b>
Actions from internal audit reports not being monitored and signed off when completed	Finance Manager and Democratic Services Manager liaise on actions to be completed before the internal audit follow up exercise. CMT receives a report on outstanding actions. This needs to be tightened up in 2015/16 as regular reports were not considered by CMT
Performance Indicator sheets need to be completed for all PIs to ensure outcome focused and measurable	CEO and Director of Countryside have confirmed that they monitor regularly and ensure compliance through the PMR process
Officer capacity (CMT in particular)	We aimed to implement and review the committee management system (Modern.gov) to improve efficiency and increase capacity across the organisation, as well as increased accessibility for the public. Anecdotal evidence that the public welcome the increased access to agendas going back to 2006. Project has had some technical challenges but is already creating some capacity in Democratic Services

	and Reception allowing resources to be directed to other services when necessary. The issue of CMT capacity continues
Risk	Systems will continue to be tested and changes implemented as needed
New working groups	The Governance and Member Development Working Group is working effectively and has done useful work on developing policy and practice, eg. Members Travel Policy which was considered twice by the working group before members were ready to recommend it to the Authority, and the emerging work on social media/live chat in meetings. The Income Generation Working Group is reviewing how it can best serve Audit and Scrutiny Committee by scrutinizing budget /income and is due to consider an Income/Centres Strategy. Will continue to be monitored and reviewed to ensure that they are working effectively

## 5. Review of Effectiveness

**Principle 1: Focusing on the Authority's purpose, on outcomes for the community including citizens and service users and creating and implementing a vision for the local area**

What's in Place	How do we know it's working?	How have we evaluated and improved?
<p><b>National Park Management Plan</b></p> <p>5 year plan 2010-2015</p>	<p>A working group of officers and members monitors progress of the actions in the current NPMP.</p> <p>All corporate goals and objectives now emanate from the NPMP so the Improvement Plan part 2 reports on achievements against measures of success that relate back to the NPMP actions via Improvement Objectives and the role of teams in progressing these is monitored through the PMR process.</p> <p>State of the Park Report published in early 2015 This is monitored by the same working group of officers and members as the National Park</p>	<p>The working group have had an important role to play in monitoring progress of Management Plan actions and also the preparation of both the State of the Park Report and the draft National Park Management Plan.</p> <p>The revised National Park Management Plan is currently out for public consultation. Part 1 of the consultation and engagement plan has been prepared and part 2 will be published when the public consultation process is complete.</p> <p>Members recognised that actions might need to span financial years and approved continuation of NPMP</p>

	<p>Management Plan.</p>	<p>themes as corporate goals for the life of the Plan, but with more clearly defined outcomes and measures as seen in the latest Improvement Plan part 1.</p> <p>Gaps in the suite of indicators for the State of the Park report have been identified, captured in a "wish list" and linked to the Research Prospectus.</p> <p>The review of the MP showed that the vast majority of orphan actions had been, or were being progressed. There were a limited number of orphan actions that were not being progressed and have either been removed from the plan or retained.</p> <p>There is an opportunity for the NPMP to reach different audiences with links to the Wellbeing of Future Generations Bill. The State of the Park Report is more closely related to the Strategic Environmental Assessment of the Management Plan than the previous SOPR. We are constantly evolving this.</p> <p>The Authority has undertaken significant upland management and access improvement work in 14-15 and is developing its relationships with key stakeholders in the Black Mountains. Work to establish a more formal Partnership with local graziers is underway but it is too soon to evaluate this at the moment. The Authority has demonstrated that it is able to act swiftly when resources become available and substantial allocations made by Welsh Government in relation to the Nature Fund and Access improvements towards the end of 14-15 demonstrate our ability to respond quickly</p> <p>Our relationships with Graziers Associations on Mynydd Du has been strengthened by the work we have done together under Glastir where the Authority has been contracted by four Associations to deliver improvement works, and we are developing similar programmes with three other Associations.</p>
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		<p>Arising out of engagement with the Local Development Plan officers are working with two communities to help them develop Village Plans – creating vision for their community.</p> <p>We have reviewed the grant criteria for the Sustainable Development Fund to align more closely with the goals of the Wellbeing of Future Generations Bill</p>
<p><b>Local Development Plan</b></p> <p>LDP Adopted December 2013</p>	<p>To effectively assess the ability of the LDP to implement its policies, the plan will be subject to review every four years. This provides the opportunity to review the progress in implementing the policies and make modifications where appropriate.</p> <p>The National Park is required by the Welsh Government to produce an Annual Monitoring Report (AMR) to be submitted to the Welsh Government by 31<sup>st</sup> October each year following the adoption of the LDP. This will be produced on the basis of the Monitoring Framework set out in Chapter 11 of the LDP. In addition the conversion of redundant rural buildings is to be monitored</p> <p>The monitoring exercise will assist the National Park to:-</p> <ul style="list-style-type: none"> <li>• Identify where certain policies are not being successful in delivering their intended objective</li> <li>• Identify gaps in the evidence base, perhaps through a change in the economy, which need to be addressed and reflected in the LDP;</li> <li>• Identify areas of success which could be used as an example for change throughout the LDP;</li> <li>• State the intended actions that the NPA will take in rectifying any issues to ensure the successful implementation of the policy or any revision that needs to take place.</li> </ul>	<p>The National Park has constructed a set of targets and indicators which act as a benchmark against which performance can be measured. Targets may relate to the achievement of certain levels of development and may be set annually or at an interim point within the plan period.</p> <p>The target for the whole of the plan is to achieve the implementation of the LDP Strategy.</p> <p>An Annual Monitoring Report will be produced and submitted to the Welsh Government by 31<sup>st</sup> October 2015. Work is progressing on indicators, likely to be considered by the Authority in September 2015.</p> <p>A range of Supplementary Planning Guidance (SPGs) have been produced to aid policy implementation and have been approved by the Authority. Evaluation work has been done on barns and the policy is working well.</p>
<p><b>Business Improvement Plan</b></p> <p>BIP 1 and BIP2 prepared</p>	<p>Both are audited by WAO. The Authority received a Certificate of Compliance (received by the Audit and Scrutiny Committee on 23 January)</p>	<p>Late receipt of WAO reports restricts our assessment of governance and potential for improvement.</p>

in line with Local Government Measure.	2015) but is still awaiting the Annual Improvement Plan, without which we cannot provide full assurance of compliance	
<b>Corporate Business Cycle</b>  Key decision and review dates identified to ensure compliance with governance and regulatory requirements	Officers enter all committee items onto Modern.gov from which an Agenda Builder is published on the intranet	The move to Modern.gov has identified that while we do not need such a detailed Corporate Business Cycle document, there is a need for a checklist to ensure that all regulatory deadlines are built into the decision making process and Agenda Builder. This will be done in 2015.

**Principle 2: Members and Officers working together to achieve a common purpose, with clearly defined functions and roles**

What's in Place	How do we know it's working?	How have we evaluated and improved?
<b>Role descriptions for all members and specific roles</b>	Members carry out their roles appropriately; Senior Salary holders provide leadership. IRPW recognized the key role of senior members of NPAs and recommended increased remuneration. Personal Development Interviews for all members identify any issues with role, development and effectiveness	These have not been reviewed in 2014-15 but work is now started to review the role of members and member champions in the context of the Wellbeing of Future Generations Bill. Role descriptions are used in the PDI process.
<b>Scheme of Delegation in place</b>	Effective and compliant decision making without challenge. No delays through inadequate delegation arrangements.	Changes made to Scheme of Delegation in 2014 to reflect changes in staffing structure and increase delegation to planning officers to improve workflow. Members challenged the level of delegation on one aspect and proposed and agreed amendments.  Currently reviewed a number of regulatory documents due for review in 2014 and the Authority will consider proposed amendments on 22 May 2015. The Governance and Member Development Working Group and the Standards Committee were consulted during this review.
<b>Decision and Action Tracking</b>  All decisions and actions logged and updated by officers	All incomplete actions monitored by CMT and Audit and Scrutiny Committee	Improved system for Directors to monitor actions for their section. Effectiveness of process now being improved following feedback from CMT
<b>Financial and procedural advice in place</b>	Section 151 Officer attends all Authority and Audit and Scrutiny	The Service Level Agreement with Carmarthenshire CC legal

<p>Monitoring Officer and Section 151 Officer employed</p>	<p>Committee meetings to give appropriate advice. Monitoring Officer in place to give legal and procedural advice at all committee meetings. Members are able to seek advice as required.</p> <p>The Annual Audit Letter for 2013/14 confirmed that the Authority 'complied with its responsibilities relating to financial reporting and use of resources' in 2013/14 and 'has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources'.</p>	<p>services is reviewed on a quarterly basis with a detailed review every 6 months. Reviews have shown the SLA is working well. Combination of S151 Officer and Finance Manager roles working well, effecting savings and increasing efficiency. The combination of roles is well established in a number of other National Park Authorities. A deputising arrangement exists with Pembrokeshire Coast NPA.</p> <p>We identified the need for a Deputy Monitoring Officer to ensure continuity of advice in cases of the MO's absence and the Authority appointed a former MO to the role (NPA 6 February 2015)</p>
<p><b>Working together</b></p> <p>Members and officers work effectively through working groups and using individual skills to add value and progress objectives.</p>	<p>Member initiated recommendations made to NPA. Member Officer Protocol in place which has not been invoked to date.</p>	<p>The new working groups have enabled members to focus effort where their interest and skills lie and have proved effective for member officer working relationships and outcomes.</p>
<p><b>Scrutiny</b></p> <p>Process of two scrutiny reviews each year linked to improvement objectives, report and recommendations approved by NPA.</p>	<p>Public endorsement of process in improving transparency and commitment to service improvements. Action plans for each scrutiny review are developed by officers to deliver the recommendations, approved by CMT and progress regularly monitored by Audit and Scrutiny Committee</p>	<p>Full evaluation of process carried out in 2014 and recommendation approved by NPA on 26 September 2014. Included amending process to allow one of the two scrutiny reviews each year to focus on the potential for the selected service area and inform future work programmes. Member capacity has been an issue but we have had support from the public who sit on the scrutiny panels.</p> <p>We are discussing the option to carry out a three Park joint scrutiny, possibly on visitor centres, but member capacity in all three Parks remains a challenge in this respect.</p> <p>We are working now to consider how our scrutiny might help with the reporting requirements of the Wellbeing of Future Generations Bill.</p>

**Principle 3: Promoting Values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

What's in Place	How do we know it's working?	How have we evaluated and improved?
<p><b>Strong leadership and culture</b></p> <p>Members carry out roles appropriately and provide strategic direction. Supported by member induction and development framework through which the culture is communicated and endorsed, and a member mentoring scheme is in place</p>	<p>Chairmen are elected for successive terms on the strength of their performance and through making a case for re-election at the AGM. No challenges have been made to Authority decisions. The webcasting has provided evidence of effective leadership.</p> <p>The Member Development Programme reflects training needs identified through their Personal Development Interviews.</p>	<p>The Authority has built on strong leadership and a positive culture through the new Chairman elected in June 2014.</p> <p>The informal mentoring arrangements have worked effectively to encourage personal development in the member role and support succession planning for senior roles. PDIs have shown that members recognise additional skills needed for leadership roles and some have requested further training on managing meetings and chairing skills.</p> <p>The Authority now requires the three Chairs to give annual reports before the AGM each year. These will be given at the NPA on 22 May 2015.</p>
<p><b>Regulatory Advice</b></p> <p>All appropriate protocols in place and published on website eg. Standing Orders, Code of Conduct, Member Officer Protocol, Planning Protocol.</p>	<p>No member on member complaints. Regulatory documents are reviewed in line with review dates by the Governance and Member Development Working Group (and Standards Committee for ethical protocols) but interim changes considered if needed.</p> <p>No complaints to the Ombudsman upheld. One matter settled by informal resolution and no finding of maladministration was made.</p>	<p>The Standards Committee has not needed to convene to consider any breaches of the Code of Conduct or Member Officer Protocol but has met on several occasions to implement the Members Dispensation Policy which has allowed some members to speak on issues where they have a prejudicial interest.</p> <p>Review of several regulatory documents currently in progress (to NPA on 22 May 2015)</p>
<p><b>Good Governance</b></p> <p>Standing Orders, Terms of Reference &amp; Scheme of Delegation in place</p>	<p>Standing Orders subject to regular review, which are followed in all meetings led by strong chairs.</p> <p>The webcast viewing statistics continue to rise with over 40,000 viewings to date bringing the cost down to 76p per view</p> <p>The internal audit on Corporate</p>	<p>The continued webcasting of all meetings has enabled the public to view the Authority's governance in action. Members and Officers have continued to provide extensive guidance to other local authorities embarking on webcasting in 2014. The good governance is evident through the webcasts.</p>



	<p>Governance carried out in 2014 awarded Full Assurance for the second year running</p> <p>The internal audit on Data Protection, Freedom of Information and Environmental Information Regulations gave a substantial assurance.</p>	<p>Two trials using live discussion methods carried out but limited interest to date.</p> <p>Modern.gov has facilitated access to all agendas back to 2006 through the website (Modern.gov) and town and community councils as well as stakeholders receive emailed links to all agendas. Through Modern.gov we have set up a process of review and sign off by Directors and CEO for decision reports.</p> <p>Freedom of Information training delivered for all staff and incidents monitored. Process has been put in place to deal with vexatious requests in response to a specific issue in 2014.</p>
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**Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.**

What's in Place	How do we know it's working?	How have we evaluated and improved?
<p><b>Informed and transparent decision making</b></p> <p>Effective, clear decision making, with decisions and actions monitored by CMT and Audit and Scrutiny Committee</p>	<p>Reports for decision contain all information needed for member decisions, including a checklist of financial, legal, and sustainability implications, and an equality impact assessment, but members challenge if necessary.</p> <p>All decisions (apart from those exempt under the Local Government Act 1972) taken in public and webcast live.</p> <p>All decisions and actions logged and monitored by CMT and Audit and Scrutiny Committee and officers held to account for any incomplete actions.</p> <p>Copy documents are readily available for auditors and grant claims.</p>	<p>Corporate implications for decision reports were reviewed and improved as part of Modern.gov installation. New electronic review and sign off process built into the workflow to ensure scrutiny by senior managers with sign off and release mechanism by the Directors and CEO thus increasing accountability</p> <p>Modern.gov now facilitates online access by the public to all committee agendas and papers back to 2006</p> <p>Webcasting figures continue to rise with over 40,000 viewings to date and with very positive anecdotal feedback. Chairs continue to explain meeting procedure for the benefit of the public eg. why members are leaving the room having made declarations of interest.</p>

<p>Well-defined budget-setting and virement processes within the framework provided by Financial Regulations and the Scheme of Delegation, recorded both internally on the financial ledger (available to all budget holders), in summary in CMT minutes and externally through Authority agendas/minutes.</p> <p>A fully transparent electronic purchase order system is in place which records clear workflows for each purchasing decision. Authorisation limits and access are set for each individual.</p> <p>All creditor and debtor invoices, plus purchase order documents are stored in electronic form and can be accessed by all system users, facilitating the audit process</p>	<p>Budget variance overall for the Authority in 2013/14 was 2.6% of net expenditure.</p> <p>The authority's expenditure and income management systems are audited by both WAO and internal audit. Outstanding commitments are reported to CMT and Audit and Scrutiny committee. Real-time information is available to Budget Managers and the Finance Team.</p> <p>Creditor payments are monitored by a national PI. In 2014/15 over 95% of undisputed invoices were paid within 30 days. Only one debtor invoice was written off.</p>	<p>Budget management is reviewed by WAO as part of the annual financial systems audit. No issues have been raised in relation to budget management. Additional refinements to the profiling of budgets have been implemented for 2015/16. Trading reports for Visitor Services are presented in summary to Audit and Scrutiny and in detail to the Income Generation Working Group.</p> <p>Invoices with post-dated purchase orders are no longer processed by Finance.</p>
<p><b>Scrutiny</b></p> <p>Scrutiny reviews of two improvement objectives carried out each year with significant input from the public who sit on the panels to provide objectivity and challenge.</p> <p>Audit and Scrutiny Committee receives detailed progress reports on improvement objectives which are not the subject of scrutiny reviews</p>	<p>Action plans are compiled in response to the recommendations from the reviews and these are monitored by the Audit and Scrutiny Committee to ensure that proposed improvements have been implemented.</p>	<p>A full review of the scrutiny process was carried out in 2014 and amendments made to the process for topic selection. This will allow one review a year to be carried out on a topic from the wider work of the Authority and not restricted to improvement objectives and will focus on potential for improvement and options for alternative methods of delivery where appropriate. Officers are considering the role of scrutiny in the reporting requirements under the Welbeing of Future Generations Bill.</p> <p>Resourcing the reviews has been a challenge in terms of NPA members' capacity but the public input has been valued.</p>
<p><b>Risk</b></p> <p>A central risk register is held</p>	<p>Mitigating actions and regular review by CMT ensure that risk is managed to an acceptable level</p>	<p>Risk Register reviewed and improved with additional information on mitigating</p>

<p>on Ffynnon and CMT make recommendations to Audit and Scrutiny Committee based on likelihood, impact and mitigating action</p> <p>Members and officer receive training in Data Protection Act compliance and members review examples of planning decisions through a Further Improvement Plan site visit.</p>	<p>Staff have been trained in, and the Authority encourages, individual dynamic risk assessments</p> <p>The Authority's brokers liaised with us over liability and a public liability review was carried out this year</p>	<p>actions and a longer term overview.</p> <p>Final draft of Risk Strategy awaiting approval</p> <p>Improvements made to disaster recovery and systems recovery in relation to the wider area network and server hosting</p>
<p><b>Internal Audit</b></p> <p>Internal audit annual programme agreed by Audit and Scrutiny Committee based on the themes and risk analysis prepared for the 2012-2015 three year audit plan</p>	<p>Reports and action plans monitored by Audit and Scrutiny Committee.</p> <p>Deloitte Annual Report for 2014/15 gave the following assurance: <i>Based on the work we have undertaken during the year we are able to conclude that the Brecon Beacons National Park Authority (the Authority) has a basically sound system of internal control, which should provide substantial assurance regarding the achievement of the Authority's objectives.</i></p> <p>They summarised that audits were carried out as follows:</p> <ul style="list-style-type: none"> <li>• Financial Systems (purchasing and payment, procurement and general ledger) – all Substantial Assurance</li> <li>• Corporate Governance: Full</li> <li>• Risk: Substantial</li> <li>• Equality Policy and Equality Impact Assessments: Substantial</li> <li>• Data Protection, FoI and Environmental Information: Substantial</li> <li>• HR and Staff Performance Management: Substantial</li> <li>• There were no high priority actions, 9 medium and 7 low, with 2 action points identified.</li> <li>• Their follow up audit identified that out of the 8 financial recommendations, 3 were implemented, 1 not re-raised, 1 partially implemented and 3 re-raised.</li> <li>• In the corporate governance and risk audit, 2 were partially implemented and 1 re-raised</li> </ul>	<p>As a consequence of self evaluation it was proposed that CMT receive updates on internal audit action plans to ensure that the Authority complies with all recommendations. This report was considered by CMT in April.</p> <p>Following a procurement process the Authority has appointed new, more cost effective internal auditors for 2015-18 who will work with the Authority to produce the audit programme for 2015-16.</p>

<b>Wales Audit Office</b>		
Nationally determined areas of risk, are the focus of specific national studies which provide comparative information across Wales	The Authority has recently responded to the WAO's Local Government Studies Programme objecting to the short level of notice to make a considered decision and asking for a more reasonable timetable, particularly as the Authority is still waiting for the Improvement Study report on its Planning Services carried out last year. The Authority did not consider the choice of study areas relevant to NPAs and was another example of how the Local Government Measure does not reflect adequately the NPAs. If a study is to go ahead this should ideally be a joint three Park on a relevant subject such as the effective operation of Visitor Centres.	<p>Recommendations made by WAO specifically to the Authority are implemented as noted in section 4 above.</p> <p>Officers are working with the Welsh Government and WAO and have offered to pilot integrating reporting in relation to the Wellbeing of Future Generation Bill to avoid duplicate reporting.</p> <p>Useful three Park member workshop with WAO to review WAO fees – positive outcomes.</p>
Risk areas identified by WAO, such as the impact on financial systems and controls of staffing reductions and major restructuring in many Welsh Authorities are the focus of increased audit scrutiny in the annual systems and financial accounts audits.	WAO reporting and follow-up in the Annual ISA260 Report.	There is an opportunity here for the Wales Audit Office to highlight examples of good practice across Wales

#### Principle 5: Developing the capacity and capability of members and officers to be effective

What's in Place	How do we know it's working?	How have we evaluated and improved?
<b>Member Induction and Development Framework</b>  Four year programme of objective based modules	Monitoring completion of each module and stage in the framework. Members carry out roles effectively without challenge	No changes to the framework in 2014 but the framework and roles will be reviewed in 2015 to reflect any outcomes from the Review of Designated Landscapes and the need to deliver against the Wellbeing of Future Generations Bill.
<b>Personal Development Interviews</b>  All members have an annual PDI with one of the Chairmen or the Member Development Champion	Through the PDI process all members are encouraged to review their roles, responsibilities and skills and identify future training needs which informs the Member Development Programme. The Chairs have advised that the members feel supported in their roles	All members have had a PDI this year and will be issued with Personal Support Plans. The Chairs have met members' needs in holding these at other venues to suit diaries and make effective use of members' time. The PDIs have fed into a training needs analysis which in turn informs the Development Programme so that it is based on member need as well as corporate requirements.
<b>Member Development</b>	The Governance and Member	The Champion roles will shortly

<b>Working Group / Member Champion</b>	Development Working Group makes recommendations to the Authority on relevant issues. Member Champion presents and supports these at Authority meetings and represents the Authority at WLGA Member Support Network. Members are engaged with and supportive of what is in place.	be reviewed to ensure that they are still valid in a changing world and against the Wellbeing of Future Generations Bill.
<b>WLGA Advanced Charter</b>  The Authority gained the Advanced Charter in 2011 and is due to be reassessed in Autumn 2014.	All elements of the Charter criteria are still in place and working effectively. There is strong evidence through the PDI process to suggest that members feel supported in their role on the Authority and are complimentary about the processes in place	A submission for revalidation was submitted in September 2014 and the award presented to the Authority at its meeting on 12 December 2014, where the WLGA officer referred to the Authority as exemplar in its member support. The webcast provides evidence of this.
<b>Review of working groups</b>  The Authority has a range of member/officer working groups	It is a little early to review the restructured working groups but members have focused on their new roles and the working groups have been effective vehicles for developing policies and positions and making recommendations to the Authority	The Audit and Scrutiny Committee has taken over the role of the Complaints and Customer Feedback Panel and this is working well.  The Income Generation and Visitor Centres Working Group are working with the Chairman of Audit and Scrutiny Committee to provide additional scrutiny of trading figures which we hope will be useful in improving performance and identifying opportunities for income generation
<b>External Representation</b>  Members represent the Authority on a range of outside bodies	The Authority is represented on a number of outside bodies and members report back either through a regular item on Authority agendas or a written report in the Modern.gov library on the website.	A review of external representation was carried out in 2014 prior to the AGM and recommendations agreed to reduce the number of these based on inactive or no longer relevant organisations.  Increasing emphasis on targeting member and officer resource to key events and meetings eg. Social inclusion, Wellbeing of Future Generations Bill events (the Authority volunteered to be an early adopter in order to influence the reporting regime and lay the foundations for future working) rather than being represented for historical reasons.  As part of its equalities work the Authority is working closely

		<p>with the Dementia Society to become a Dementia Friendly organisation</p> <p>With the demise of the Regional Tourism Partnerships the Authority deferred a decision on appointing a tourism champion or working group pending Wales wide decisions on future tourism structures. Member are now keen to revisit this and the Governance and Member Development Working Group will be making recommendations to the Authority</p>
<b>Officer Development</b>  Line Managers are developed through structured accredited training programmes	<p>The multi-skilling approach as officers broaden their skills and responsibilities has enabled services to be delivered with fewer resources</p> <p>No accredited training is planned, but have retained a training budget of £20,000</p> <p>Continue to support the learning offered through the Society of National Park Staff with exchanges, day visits and weekend conferences</p>	<p>We are continuing to encourage a multi-skilling approach will help the Authority to withstand further financial challenges and maintain service delivery. Capacity within CMT remains an issue.</p> <p>As vacancies arise managers consider all options and we are currently covering a maternity leave in Education through multi tasking and additional hours by deploying an officer from Democratic and Office Services which has reduced costs and provided personal development opportunities. This arrangement is working well and is a model for the future. However, the risks to service delivery caused by sickness or other absence has been acknowledged by CMT.</p>
	<p>Officers have learning opportunity by being involved in a scrutiny review of work in other directorates. They have also developed their presentation skills through webcast meetings</p>	<p>Capacity has limited non-essential officers' involvement in scrutiny reviews but those involved have welcomed the opportunity to work with members and the public to review and improve services</p>
<b>Changes to Scheme of Delegation</b>	<p>Officers review processes and suggest changes to the Delegation Scheme to improve workflow where there are delays or issues</p>	<p>Changes made to the Delegation Scheme as outlined above.</p>
<b>Committee Management System</b>	<p>The Modern.gov system was procured and implemented in June 2014 and has revolutionized the agenda process and the way governance information is presented and stored internally and for the public and stakeholders.</p>	<p>It is too early to review the new Modern.gov system but to date it has:</p> <ul style="list-style-type: none"> <li>Released some capacity in Democratic Services to 'plug gaps' elsewhere</li> </ul>

		<ul style="list-style-type: none"> <li>• Built in accountability through the sign off and release mechanism through automated workflow</li> <li>• Increased access to information for the public as well as members and officers</li> <li>• Provided a 'one stop shop' for all governance information</li> <li>• Is addressing duplication of information and records internally and on the website</li> </ul>

**Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability**

What's in Place	How do we know it's working?	How have we evaluated and improved?
<p><b>Consultation Process</b></p> <p>Carried out this year for SPGs, Local List, Pilot scheme for Village/Town Plans scrutiny surveys, Beacons Bus Social Inclusion &amp; Child Poverty Strategy and Action Plan, Town &amp; Community Council Charter Action Plan</p>	<p>External verification eg., feedback from the public that they have been given the opportunity to contribute their views, through consultation, public speaking scheme.</p> <p>Involvement with the pilot scheme for Village/Town Plan</p>	<p>Feedback from communities resulting from the LDP consultation process will be used to inform the development of the next Community Involvement Strategy for the next Delivery Agreement.</p> <p>Pilot scheme for Village/Town Plan underway in Hay. Result of which will develop a framework to be used by other communities.</p> <p>The Crickhowell Local List will be progressed as part of the Village Plan process for the town, although this is unlikely to be until 2015/16.</p> <p>Survey of planning customers showed that 69% rated the Planning Service as satisfactory or better (against a target of 80%). Whilst it is accepted that this is a fall in customer satisfaction from 2013/14 levels, this can be as a result of factors such as a low response rate and the customers' response to a negative determination rather than the overall customer service provided. .</p>

		Data from the 2013 Residents Survey (householder) has already been used in feeding back to other consultations and with our engagement with local communities and to inform work on Visitor Management and more widely across the Authority.
<b>Equality Impact Assessment</b>  A screening process is carried out for all decision reports	A screening process is carried out for all decision reports	A full EIA was completed for Beacons Bus last year (the first full one carried out as a result of the screening process for all decision reports). Public consultation informed the report to the NPA to enable a decision to be taken. The process will be used should future full EIAs be required.
<b>Scrutiny Process</b>  Public vote on which improvement objectives to scrutinize, and the public are also invited to sit on Scrutiny Panels	Positive anecdotal feedback from public (including town and community council cluster meetings) that the Authority is more open, transparent and willing to engage and to invite criticism where appropriate. Members of the public have continued to contribute to scrutiny reviews either as panel members, participated in the public vote or submitted evidence, and we have requests to be a part of future scrutiny reviews.	A full evaluation of the scrutiny process was produced in 2014 and changes made to the process to allow a more flexible topic choice for the second review each year, as it was felt that the Authority's decision to retain improvement objectives for more than one year limited the scope of scrutiny to assess performance across the organisation. Officers are currently considering how scrutiny could support new reporting requirements for the Wellbeing of Future Generations Bill
<b>Partnership Working</b>		
<b>Conservation and Community</b>		
Nature Fund project developed for the Brecon Beacons Nature Action Zone in partnership with Black Mountains Graziers Association, NRW, Glanusk Estate, National Trust and ADAS. Project delivery undertaken using local contractors; major output will be an integrated land management partnership.  5 Glastir Common Land Scheme, advanced projects on Mynydd Du. Twice-yearly	Nature Fund project is monitored closely by WG, requiring monthly progress reports. Very wide and positive media coverage so far. Glastir contracts are legally binding, BBNPA undertakes works under an SLA with graziers. Very positive feedback from WG on the "exemplary" Glastir advanced schemes on Mynydd Du. Meithrin Mynydd meetings are minuted, chaired by Member. Mynydd Illtyd Commoners meetings generate feedback for relevant officers to respond to.	Reviews of projects inform future projects (eg. the proposed LAND Interreg project)  Based on successful research partnership model with Cardiff University, working towards an agreement with Trinity St David's University.  Glastir – graziers divided into groups to allow more funding opportunities



<p>Meithrin Mynydd Partnership meetings with Mynydd Du Graziers. Twice-yearly meetings with Mynydd Illtyd Commoners Association.</p> <p>Waterfall Country Management Plan</p> <p>Area-based volunteer teams (Black Mountains, East and Central Beacons, Waterfall Country), undertaking works on Authority land and private upland estates.</p> <p>Research Partnership with Cardiff University; supporting undergraduates and post-graduates here and at other universities.</p> <p>Partnerships with Dŵr Cymru Welsh Water (DCWW).</p> <p>Social Inclusion: Mosaic Partnership(CNP, YHA, 3 NPAs) , Skills in Action Partnership(BBNPA, PCNPA Torfaen Council, HLF funded)</p>	<p>SLA with NRW for Waterfall Country is formally agreed and reviewed each year. Area volunteer teams are provided with regular work plans and rosters; physical works on the ground provide evidence of success.</p> <p>Research Partnership board meets at least twice per year, meetings minuted. Research workshops and seminars are scheduled; at least three post-graduate research theses under way, several undergraduate projects here and from other Wales universities.</p> <p>Reservoir Passport Scheme is monitored with an annual report to DCWW; Authority is a board member for DCWW's catchment management project; negotiations underway for new/renewed mgmt. agreements for DCWW's land.</p> <p><b>Social Inclusion &amp; Child Poverty Action Plan: 6 monthly reviews</b></p>	<p>For Nature Fund, monthly reports provide evaluation of progress; horizon-scanning underway for follow up projects, expectant that WG will be supportive through RDP. The Authority has also started to make use of Yammer to share to work it is doing with other Nature Fund projects throughout Wales.</p> <p>Recent Glastir heather burning training event very successful, enabled WG and NRW to improve their understanding and working practices; improvements to Glastir scheme guidance likely to follow.</p> <p>Waterfall Country Management Plan due for review during autumn 2015.</p> <p>Further research seminars and lectures planned; additional strategic research partnerships with other universities planned. The intention for the DCWW agreements is to increase the financial support offered by DCWW in return for management of its estate. All such management would be undertaken through agreed heads of terms.</p> <p>Area-based volunteers now benefit from the establishment of a part-time Volunteers Development Officer; negotiations underway with one of the beneficiary landowners to increase funding support to the Authority and its volunteers.</p> <p>Members development day included presentations from community groups and individuals so that members could hear feedback on the Authority's role in projects</p> <p>Social Inclusion &amp; Child Poverty action Plan: 2 year plan with end of plan review and stakeholder</p>
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	<p><b>Mosaic Partnership:</b> Annual Partner action plan (PAP) for BBNPA +Partnership project plan with annual review, and external evaluation for Lottery funders. Community Champions have made presentation to the NPA in support of the partnership.</p> <p><b>Skills in Action (SIA) project</b> Delivery phase starts summer 2014. Regular review meetings with HLF funder</p>	<p>consultation every 2 years to update Plan. 2014/15 Plan delivered. Mosaic project concluded with BME Champions becoming NP Volunteers. The Authority is now about to deliver a 6 month mentoring project for the Welsh Government which will see 3 Mosaic representatives and 1 Nepalese volunteer being mentored by NPA members with the aim of encouraging them to participate more in local government.</p> <p><b>Skills in Action (SIA) project</b> Skills in Action HLF funded traineeship scheme £1M over 3 years 92% HLF funded (BBNPA lead partner with PCNPA and Torfaen Council. 1<sup>st</sup> cohort of trainees started Sept 2014</p>
<b>Tourism</b>		
<b>Interreg Projects</b>		
Rural Alliances projects co-funded by EU/WG and working with 10-12 partners across the EU including local businesses and people on local tourism development. Each worth c€1 million over 3 years	Report on 6 monthly basis against major indicator set. Feedback from Secretariat ensures projects stays on track. Work programme and outputs managed by Transnational Steering Group chaired by the NPA.	Project newsletters are circulated to members every 6 months. The positive outcomes from Rural Alliances gave members the confidence to approve proposals to apply for further Interreg funding for the LAND (integrating the needs of local communities and farmers) project which will run for 4 years if successful. Relevant members invited to the Rural Alliances Conferences.
<b>Monitoring Interreg Programmes (finance and governance)</b>		
Rural Alliance project worth €1 million over 3 years	<p>Management and scrutiny of importance to risk management. Closely managed by officers to oversee spend profiling and currency fluctuation issues – proven to be effective. All claims independently audited. Reports to Audit and Scrutiny Committee.</p> <p>European Union Third Level Audit may be undertaken at any time over the next 5 years</p>	<p>Experience of participating in the Collabor8 and Rural Alliances projects provided us with the skills and confidence to put ourselves forward as Lead partner for LAND.</p> <p>Similarly experience gained in developing the administrative systems and processes for Collabor8 has informed the administration of Rural Alliances both as Lead and Project Partner and will help us to improve future practice in the LAND</p>

<p>Brecon Beacons Sustainable Destination Partnership</p> <p>Cross organizational/ thematic working by 35 organisations to increase sustainability of tourism in economic, environmental and community terms (public, private and voluntary sectors). Established by the National Park Authority now with Independent Chair.</p>	<p>In 2014 substantial changes to the structure of this group were agreed and implemented. Sub committees covering day to day working of the partnership report to the new Board which in turn reports to the Forum</p>	<p>project.</p> <p>This Partnership structure continues to be an example of good practice in engaging with key stakeholders around a theme which may be appropriate to be applied elsewhere. The new system is bedding in and will be reviewed during the year.</p>
<p>Memorandum of Understanding established with Brecon Beacons Tourism Association (BBT) for running of partnership website</p>	<p>BBT and officers are working together on updating content and working with IT supplier to solve "backroom issues" to ensure that the website delivers information for visitors and promotes businesses in the National Park.</p>	<p>The website is regularly reviewed at the Marketing Co-ordination Group (a sub committee of the Sustainable Development Partnership) and joint agreement is reached on content development and delivery of website and social media</p>
<p>Effective partnership working in place with the private sector through training events such as the Brecon Beacons Ambassador Scheme</p>	<p>Over 160 Ambassadors trained with 130 remaining in the scheme (losses due to retirement or business closing). High levels of satisfaction recorded. Regular feedback received from Ambassadors</p>	<p>Engagement with Ambassadors and consideration of key areas of work for the Tourism Team has resulted in the original Ambassadors Scheme being extended into a suite of new areas (Geopark Ambassadors and Dark Skies Ambassadors) and a Schools Ambassadors programme has been launched</p>
<p><b>Communicating with local communities</b></p> <p>A wide range of liaison groups has been established eg. Town and Community Council Clusters</p>	<p>Clusters have had positive effect on public engagement in terms of information exchange, promoting understanding, progressing projects, seeking views on policy. Rural Alliances has encouraged significantly more cooperative working both within local communities and between them and ourselves.</p> <p>Currently over 10,000 Facebook followers and three Twitter feeds.</p> <p>Supporting local businesses by inviting telecommunications, developers and utilities to Planning Committee meetings to make presentations widely available via webcasting meetings</p>	<p>Consultation on cluster meetings showed that existing clusters are working well but that new ones are not needed. Senior officers' attendance at T&amp;CC meetings has been very effective in addressing concerns</p> <p>Consultation exercise with former Eastern and Western Area Advisory Fora following decreasing attendance resulted in a Joint Forum. Following further decreases as people engage in other ways, the Authority has now accepted a recommendation from the Forum to discontinue it. All members have been advised of alternative methods of engagement and contact details.</p>

2014/15:

<p>Autumn/winter liaison with Town and Community Council clusters</p> <p>Circulation of Community newsletter 2X p.a to Councils and long list of community organisations</p> <p>Village/Town Plan development work with Hay Town Council and Crickhowell Town Council</p> <p>73% of Town and Community Councils were visited by the Chief Executive and Director of Planning (or representative) during the first round of visits in 2013/14. Some declined the offer and some did not respond to the offer.</p>	<p>Attendance by Councils</p> <p>Positive feedback, including at Community Council Cluster meetings</p> <p>Councillor time to participate and drive forward Town Plans including household survey in Hay</p> <p>We are on the second round now, and all Community Councils have been asked if they would like to receive a visit or re-visit - 11 have responded so far out of 52. There has been a positive response to visits even when controversial matters have been debated.</p>	<p>Currently exploring how social media can further engage the public.</p> <p>The proposed LAND project would allow the relationships developed through Rural Alliances to be developed further.</p> <p>Meeting with One Voice Wales (CCs representative body) to discuss future liaison</p> <p>Newsletter is a response to the result of feedback from consultation with communities (Community Councils, Scrutiny Review and Residents Survey)</p> <p>Village Plan process is evolving during pilot phase-the writing of the Village Plan toolkit is informed by the work with Hay and Crickhowell</p> <p>Chairman of PAROW met with university students interested in our planning system. The Authority is to receive a copy of this report</p>
<p><b>Value for Money</b></p> <p>The Authority actively seeks partnerships with other organizations to provide value for money in procuring services – eg. SLA with Cardiff Council for payroll, with the Welsh Parks for insurance services and with Carmarthenshire CC for legal services.</p>	<p>Regular reviews of income streams (the need for managers to this has been reiterated by CMT). Also regular review of charges and comparisons with providers of similar services to ensure a fair but commercial rate.</p> <p>Room hire scheme now embedded and bring in an income (£4000 in 2013/14 plus £1200 for webcasting and c£7000 in 2014/15. This income part funds the committee management system</p>	<p>Review of the legal SLA carried out and NPA agreement on 9 May 2014 to continue this for a further three years following the successful trial period. This model is likely to be used to address similar issues in future.</p> <p>Appointment of a Deputy Monitoring Officer on a needs only basis to ensure appropriate cover in the absence of the Monitoring Officer</p>

## 6. Significant Governance Issues

The Wales Audit Office Annual Improvement Report for 2014/15 is still awaited and the Authority has approved the current draft of the Annual Governance Statement (National Park Authority 22 May 2015). In order to comply with the Wales Audit Office deadline of 30 June for submission of this document with the Annual Accounts, the Annual Improvement Report has not been taken into consideration.

Governance /Audit issues identified	Action to be taken
Identified by WAO Annual Improvement Report	

The Certificate of Compliance, received in January 2015 identified the lack of an invitation for the public to feed back on the Business Improvement Plan	This will be rectified in 2015/16
<b>Identified by Internal Audit Reports</b>	
<p>The Authority's internal auditors, Deloitte, carried out 8 audits, one of which had full assurance and 7 substantial assurance.</p> <p>There were no high priority recommendations, 9 medium, and 7 low priority recommendations.</p> <p>In the Deloitte follow up report:</p> <ul style="list-style-type: none"> <li>Financial Systems: 3 recommendations completed, 1 not re-raised, 1 partially completed and 3 re-raised.</li> <li>Corporate Governance and Risk: 2 partially completed and 1 re-raised</li> </ul>	CMT will review all recommendations in 2015 to ensure these have been completed and will report to Audit and Scrutiny Committee via the Action Tracking System
<b>Issues identified in the Authority's self-evaluation</b>	
<b>Issue</b>	<b>Proposed Action</b>
There is a need for a checklist of all key decisions to be made and documents to be produced to ensure timely approval by the Authority	A checklist to be prepared and circulated to all staff responsible for producing compliance documents
There needs to be more regular monitoring of actions from internal audit reports to ensure these are completed before audit follow up reports are prepared	Finance Manager and Democratic Services Manager to liaise on building these into the Modern.gov action tracking system to allow monitoring by the Corporate Management Team and Audit and Scrutiny Committee

## 7. Opinion


We propose over the coming year to take steps to address the matters referred to in Part 6 above to further enhance our governance arrangements. We are satisfied that these steps will address the need for any improvements identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.



Mrs Melanie Doel  
Chairman, BBNPA

Date:

25/9/2015




Ms Elaine Standen  
Section 151 Officer

Date

25/9/15



**Report of the Appointed Auditor to the Brecon Beacons National Park Authority**

I have audited the accounting statements and related notes of Brecon Beacons National Park Authority for the year ended 31 March 2015 under the Public Audit (Wales) Act 2004.

Brecon Beacons National Park Authority's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet and the Cash Flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 based on International Financial Reporting Standards (IFRSs).

**Respective responsibilities of the responsible financial officer and the independent auditor**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 9, the responsible financial officer is responsible for the preparation of the statement of accounts which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the accounting statements**

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to Brecon Beacons National Park Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

**Opinion on the accounting statements of Brecon Beacons National Park Authority**

As I stated in my report dated 30 September 2015, in my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Brecon Beacons National Park Authority as at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

**Opinion on other matters**

In my opinion, the information contained in the Explanatory Foreword for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

**Matters on which I report by exception**

I have nothing to report in respect of the Governance Statement on which I report to you if, in my opinion, it does not reflect compliance with 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE in June 2007, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

**Certificate of completion of audit**

My report dated 30 September 2015 contained an audit opinion on the 2014-2015 accounts and explained that the audit could not be formally concluded until I had concluded my work in relation to an objection to the accounts made under section 31 of the Public Audit (Wales) Act 2004. This work has now been completed and I have issued my conclusion to the local elector.

I certify that I have completed the audit of the accounts in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.



For and on behalf of Huw Vaughan Thomas  
Auditor General for Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

Date: 24<sup>th</sup> February 2016

