



MOORS FOR THE FUTURE

PEAK DISTRICT NATIONAL PARK AUTHORITY

INTERNAL AUDIT REPORT

Status: Final
 Date Issued: 15 January 2025
 Responsible Officer: Finance Manager

	Critical	Significant	Moderate	Opportunity
Findings	0	0	0	0
Overall audit opinion	Substantial assurance			

INTRODUCTION

The Moors for the Future Partnership (MFFP) was formed in 2003, with the aim of protecting and restoring degraded peat and bogland across the Peak District and South Pennine Moors. The partnership has used more than £50 million to conserve and repair the land in these areas. The partnership is led by the Peak District National Park Authority (PDNPA) as the accountable body and is supported by partners including the Environment Agency, National Trust, and United Utilities.

The partnership has three overarching objectives:

- ▲ To raise awareness of why the moors are valuable and to encourage responsible use and care of the landscape.
- ▲ To protect and conserve important recreational and natural moorland resources.
- ▲ To develop expertise on how to protect and manage the moors sustainably.

The partnership is run by the Moors for the Future Team within the PDNPA. The Programme Management Team oversee the running of the partnership and monitor ongoing projects at a high-level. Four Project Managers sit underneath this team and work to deliver multiple ongoing projects at any one time. Each project has its own requirements, and the Project Managers work to deliver those in line with the partner organisation's expectations. Income and expenditure relating to each project should be monitored and procedures should be in place to report the financial position back to the PDNPA on a regular basis.

OBJECTIVES AND SCOPE

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- ▲ Robust governance is in place within the Moors for the Future Team, including clear responsibilities and reporting procedures.
- ▲ Strong financial control is in place over project income and expenditure.
- ▲ Projects meet all relevant stages of the project life cycle and any terms set out in the agreements.

The audit reviewed processes within the Moors for the Future team only, including some crossover with authority procedures where appropriate.

KEY FINDINGS

Roles and responsibilities within the Moors for the Future Partnership (MFFP) team are clearly defined. The Programme Management Team (PMT) consists of the Partnership Manager, and four Programme Managers. The PMT oversee projects at a high-level and are involved in tasks such as bidding for, and gaining the relevant approvals for, projects. Project Managers work underneath the PMT to deliver the projects. Volunteers and casual staff work across the programme as required. The PMT meet with each Project Manager monthly to discuss their projects and raise any issues. Weekly status reports are also received from Project Managers. The reports highlight progress made, key issues and risks, escalations, and RAG ratings (finance, schedule, resources, deliverables, risks and issues). A *Project Management Toolkit* and accompanying *User Guide* is in place to assist project managers to complete projects in line with expectations. However, most are governed by the terms and conditions set out by each individual funder / partner organisation and the Project Managers will work with them to agree an approach. Therefore, the toolkit is used more as a reference guide to display best practice.

Gaps in the previous process to monitor and report project progress and finances to the authority were identified in a previous internal audit¹, and by the Finance Manager when they came into post. Due to this, and a number of key staffing changes, action has been taken in the past year to help strengthen the level of oversight the authority has over the team's performance and finances. These include monthly update meetings between the Finance Team and the MFFP team to discuss any variances in a timely manner. A new Audit, Budget and Project Risk (ABPR) Monitoring Group has also been set up to bridge the gap relating to corporate oversight of projects in delivery. The first meeting was held in November 2024. Several projects were presented to the ABPR group by the MFFP team and finances were reported, including a Q2 budget briefing and financial forecast. Projects over £150,000 (in line with the authority's Financial Regulations) will also be discussed and considered by the group and will be presented to the Programme and Resources Committee (P&R) for approval, as required.

A budget review process is completed by the Accountant throughout the year, including a mid-year review, Q3 update and year-end reconciliation. The Programme Office Manager compiles these figures for the MFFP team. Within the team, Project Managers are now more responsible for tracking their project income and expenditure since the implementation of the authority's new finance system, 'iplicit' in November 2023. Previously, project finances were primarily tracked by the PMT using spreadsheets. They are now tracked within the system and reports can be run to ensure live figures are used for any update meetings or budget reviews.

¹ Project Management – final report issued January 2024.

As part of this work we reviewed one of the most recently completed projects² to assess whether each stage of the project life cycle was met. Each key stage was found to have been met appropriately, including initial approval, risk register, progress monitoring and final report. The P&R Committee received and reviewed a report at the start of the process which was approved in October 2021. Legal and Finance approvals were also received in December 2021. A funding agreement was in place which set out the governance and monitoring arrangements. Two change control notices were submitted throughout the project's life cycle (August 2022 and February 2023) and approved.

The claims made throughout the project were reviewed to assess whether payments had been made in line with the agreed schedule. The schedule and payments did not match for all claims, however the Programme Office Manager explained that often, actual project costs can vary depending on a myriad of factors and variables. There were also a number of complexities in this case, including a change of project manager. Overall, the amount claimed matched to the budget and claim amounts on the final report and evidence was provided to show that figures had been tracked throughout. There were a couple of very minor variances noted (one difference between the claim form and the amount which was paid, and another between the final invoice and total amount claimed). These differences could not be explained, however again, difficulties were experienced due to the number of staffing changes which have occurred since the project was delivered.

OVERALL CONCLUSIONS

Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

² Moor for Climate – Discovery Grant 1 (Natural England, December 2021 – August 2023).

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

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