

Draft Annual Governance Statement

1. Scope of responsibility

- 1.1 The North York Moors National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

2. The purpose of the Governance Framework

- 2.1 The governance framework comprises the values, systems and processes for the direction and control of the Authority and its activities through which it engages with the community and key stakeholders and is held accountable for the use of public money. 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 in pursuit of National Park purposes.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve objectives but can provide a reasonable assurance of effectiveness. The system of internal control is based on a process designed to identify and prioritise the risks to the achievement of the Authority's objectives, to evaluate the likelihood of those risks occurring and the impact should they occur, and to manage them efficiently and economically.
- 2.3 The governance framework has been in place for the year ended 31 March 2025 and up to the date of approval of the annual report and statement of accounts.

3. The Governance Framework – accountability

3.1 National Park Authorities are independent, special purpose bodies working within the framework of local government. Their unique governance arrangements combine elements of accountability to central government and to local communities reflecting the needs of national and local customers. Constitutional accountability is achieved via the appointment of elected Members by principal local authorities and via national appointments. This includes the appointment by the Secretary of State of Parish Members elected by Parish Forums (in the case of the NYM).

3.2 The full breadth of the other mechanisms for accountability is varied involving a variety of financial and political reporting arrangements at a national level and a wide range of voluntary actions. The Authority makes great effort to ensure that voluntary actions are as open, inclusive and transparent as possible. In previous years they have included the following:

- The arrangement of regular Parish Forums which are attended by Members, the Chief Executive and Directors is supplemented by an annual Joint Parish Forum. Members of the public are free to ask questions at these events.
- The Authority currently has two policy Forums (Recreation and Wellbeing and Conservation and Climate Change). Membership is drawn from Authority Members to support the work of the National Park Authority Board in determining policy, scrutinising performance and overseeing delivery in these two areas of work. Following a review of our governance arrangements in 2023, co-options were invited to both Forums to represent the interests of young people. A co-option to the Conservation and Climate Change Forum was made in 2024.
- There is a quarterly Equality, Diversity and Inclusion Group in which Officers work jointly with representatives of a variety of interest groups and other organisations. An Authority Member chairs this group, and two other Members also sit on the group which reports directly back to NPA.
- Standing Orders and the Public Speaking arrangements allow members of the public and parish representatives to address the Planning committee, Full Authority meetings and Finance, Risk, Audit & Standards committee meetings are open to the public and there is the opportunity for the public to ask questions at the former.

- Wide and effective consultation mechanisms using a number of different communication channels, for example, video conference and face to face consultation, the use of social media, on-line and paper-based consultation. Feedback on the outcome of consultations is also shared in a similar variety of formats.
- Feedback to the Authority can take place in person, by phone, letter, e-mail or using a variety of social media.

3.3 The Authority regularly monitors Complaints and Compliments and reports these to the Finance, Risk, Audit and Standards Committee (FRASC) which also considers any reports from the Local Government Ombudsman. Processes are in place to deal with complaints against Members via the Authority's Finance, Risk, Audit and Standards Committee, which has an Independent Person to advise it on standards and governance arrangements.

3.4 In 2024/25, the Authority received 5 complaints (10 in 2023/24). 4 of the 5 were justified or partially justified. In the same period, the Authority also received 49 compliments. Details of all these are reported quarterly to Members. There was one Local Government Ombudsman referral which was not upheld.

3.5 There were no formal Member complaints in 2024/25.

3.6 The Authority's governance framework seeks to ensure that the principles of good governance are embedded into all aspects of its work.

3.7 The Authority's objectives are framed in accordance with the National Park Management Plan. The current National Park Management Plan was approved following engagement with partners and stakeholders and published in July 2022. Progress against the Plan's overall long-term objectives can be identified via an Annual Monitoring Statement that monitors progress ([Management Plan Annual Monitoring Statement](#)) against a broad range of targets and strategic indicators. Oversight of the Plan is supported by a Partner Delivery Group which meets twice a year and brings together key relevant authorities and stakeholders who support the delivery of the Plan.

3.8 The Authority's Strategy and Business Plan flow from the Management Plan and set objectives and milestones for the Authority's work over a five-year period. The Business Plan operates closely with financial processes including the Medium Term Financial Strategy, annual budget and budget monitoring processes, which

allocate resources required to deliver the objectives based upon reasonable assumptions based on assessment of financial risk. Both business plan delivery and the medium-term financial strategy are reviewed annually to ensure that resources and objectives remain aligned.

- 3.9 The Authority adopted a Local Plan in 2020, in accordance with statutory requirements, to assist in determining planning decisions. An Annual Monitoring Report - published around September- is prepared to check progress against plans and policies. Work to review the Local Plan will commence in 2025 with a timeline to adopt in 2028.
- 3.10 The Authority has an established committee structure with an associated Scheme of Delegation to ensure that decisions are taken in the most appropriate and effective manner. The Scheme of Delegation allows swift and effective policy and decision making by Members and managerial and operational decision making by officers within a framework of accountability to Government and local people.
- 3.11 Compliance with the regulations, procedures and statutory requirements is facilitated by a comprehensive set of appropriate controls. Policies are in place to regulate how the Authority's Members and staff use the resources available to them. Regular internal audits are conducted by external suppliers, providing assurance that the procedures are being adhered to. The Authority receives legal advice and Monitoring Officer support as appropriate in all aspects of its work via a contractual arrangement with North Yorkshire Council. Advice includes detailed input into significant Committee papers, particularly the work of the Authority's Planning Committee. The Whistleblowing Officer role is externalised via this contract to increase objectivity and independence.
- 3.12 The management of risk is embedded into the Authority's activities. A corporate level risk register is maintained to identify significant operational risks and describe the mitigation measures in place to control them. The corporate risk register is reviewed quarterly by the Authority's Senior Leadership Team (SLT) and by Members via FRASC.
- 3.13 Managing the risk management process is the responsibility of the Director of Corporate Services; the risk register itself is developed by the CEO and Directors, with advice from risk specialists at NYC, and agreed by Members in the spring of each year. Direct responsibility for controlling individual risks is delegated to the

Director most closely involved in the operation that would be affected. More strategic risks, and the mitigation measures to control them, are included in the Authority's Business Plan.

- 3.14 The routine financial management of the Authority is described in detail by the Financial Regulations. The annual budget is approved by the full Authority prior to the commencement of the financial year. The SLT receives reports on expenditure and income against the expected position at their monthly meetings and take appropriate action to address any significant deviation from the plan. The quarterly meetings of the FRASC receive a formal report on the financial position, including a description of any significant variances, highlighting financial risks plus information about material virements and any waivers that have been made. Forecasts are reported quarterly.
- 3.15 The Authority is compliant with the CIPFA Statement on the role of the Chief Financial Officer (2016). The Authority has opted for a number of its financial functions to be delivered via a Financial Collaboration Agreement with North Yorkshire Council. This provides the resilience, expertise and opportunities to easily access more specific expertise. The Authority's Chief Financial Officer (s151 Officer) function was provided under this contract until the 9 March 2025, after which the responsibilities are incorporated into the role of the new Director of Corporate Services (S151), following the retirement of the previous postholder. Remaining within the collaboration agreement are the accounting roles as well as expert advice on treasury management, insurance and risk management. The Authority is satisfied that the arrangements meet the CIPFA requirements and provides good value for money with high level financial advice.
- 3.16 The S151 Officer (now within the Director of Corporate Services role) has direct access as required to the Chief Executive and Members of the Authority and attends meetings of the SLT. The role has day to day management responsibility for the NYC staff working on financial matters within the Authority and works closely with the Authority's CEO and other Directors.
- 3.17 Performance Management is conducted via the FRASC which meets every quarter. This committee receives reports on finance, risk management, complaints and compliments and it monitors performance. A more structured approach was introduced in 2022/23 to provide members with more relevant, timely information through a scorecard of key performance indicators (KPIs). This

approach has continued to be refined during 2024/25 to ensure KPIs remain relevant, and reporting is user friendly. The Authority recruited a Performance Officer post in 2024/25 which is shared with the Yorkshire Dales National Park Authority.

4. Review of effectiveness

- 4.1 The Authority has responsibility for reviewing the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development 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.
- 4.2 These normal review methods and the implementation of recommendations from the Governance Review undertaken in 2022/23 have been used to inform the contents of the Annual Governance Statement which is prepared by the Director of Corporate Services (S151) in consultation with the Chief Executive, Monitoring Officer, and key Members.
- 4.3 The following key areas of work were due to be completed in 2024/25.
 - Implement all actions recommended by the Head of Internal Audit arising from the 2023/24 audit programme and establish the internal audit regime for 2024/25.
 - Introduce the new external auditors (Forvis Mazars) to the Authority and implement any recommendations from their initial audit.
- 4.4 The Head of Internal Audit at Veritau provided a report to the Finance, Risk, Audit and Standards Committee confirming that the outcome of the 2024/25 Cyber Security and Main Accounting audits resulted in Substantial Assurance. The project management and external income audit resulted in Reasonable Assurance with a number of helpful recommendations to improve project governance. The recommendations will form part of the action plan for 2025/26. The actions from the prior year have been mostly delivered with the exception of a couple of carry over actions from the Transparency audit. A review of previous recommendations forms part of the Internal Audit regime each year.
- 4.5 The change in external auditors was managed in year and the foundations of a strong working relationship formed. The first year is always a more challenging year for both auditors and officers as

additional work is required to help auditors understand how National Parks operate. The first year resulted in a strong audit result and unqualified audit opinion and was completed within the backstop dates. In particular the Value for Money audit result was excellent, highlighting strong economy, efficiency and effectiveness. It did highlight one control issue relating to full valuations being conducted every 5 years, and measures have been put in place to ensure this does not recur and a full valuation is taking place for the 2024/25 audit. Whilst this is a significant control issue from an accounting standards perspective, the impact on the running of the Authority and risk to the Authority finance position is negligible.

4.6 The Independent Person at the Authority has been reappointed for a further two years, effective from June 2025 to continue their work assisting where appropriate with the Authority's governance arrangements.

4.7 There has been one new Member appointment in 2024/25.

4.8 A new finance system will be implemented in the year with a go-live date of 1 August 2025. Access Financials will bring an additional layer of process efficiency and inbuilt governance, the latter which will need to be aligned to existing financial regulations parameters. It is expected in particular to enhance existing purchase ledger, reporting and project management processes as well as the budget manager experience. In addition, the system will be cloud based which assists in reducing system risk. The planning system is also under review, with a new system planned for launch in the second half of 2025/26. This will also be cloud based.

5. Governance actions

5.1 The following areas have been identified to be addressed in 2025/26.

- Implement all actions recommended by Internal and External Auditors arising from the 2024/25 audit programme and establish the internal audit regime for 2025/26.
- Implementation of the finance system and associated training and governance controls.
- Implement any changes as a result of the review of Parish Forums as a method of communications with communities.
- Light touch Best Value review.

- Ensure smooth service transition with the staff changes in the Director of Corporate Services and Head of People roles.
- 5.2 We propose over the coming year to take the steps detailed above to enhance our already sound governance arrangements.

Signed:

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T Hind (Chief Executive)

Date:

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J Bailey (Chair)

Date:

On behalf of the Members and senior officers of the North York Moors NPA.