

Annual Governance Statement

1. Scope of Responsibility

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 and 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, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.

The Authority has approved and adopted an Ethical Framework, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the overall governance framework in operation by the Authority. A copy of the Authority's Values Statement and Ethical Framework is available on our website <http://www.northyorkmoors.org.uk> in the publications section or can be obtained from; Director of Corporate Services, North York Moors National Park Authority, The Old Vicarage, Bondgate, Helmsley, YO62 5BP. This statement explains how the authority has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2011.

2. The Purpose of the Governance Framework

The governance framework comprises the values, systems and processes for the direction and control of the authority and its activities through which it accounts 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 in pursuit of National Park purposes.

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 policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2012 and up to the date of approval of the annual report and statement of accounts.

3. The Governance Framework

Accountability

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 (via DEFRA) and to local communities reflecting the needs of national and local customers. Local accountability is achieved via the appointment of elected Members by local government and other mechanisms.

The other mechanisms are varied involving the statutory appointment of elected Parish Councillor to the Authority and a wide variety of voluntary mechanisms. The NYMNPA makes great effort to ensure that voluntary mechanisms are as open, inclusive and transparent as possible. They include (omitting statutory requirements):

- Customer Service Excellence success

- The arrangement of regular Parish Forums which are attended by Members, the Chief Executive and Directors
- Providing quarterly opportunities for under-represented groups to address the Authority meeting
- The Scheme of Delegation allows members of the public and representatives of the parish to address the Planning committee
- Wide and effective consultation mechanisms using a number of different communication channels
- User forums such as the Primary Land Users Group and the Local Access Forum
- Publication of full pension, allowance and salary details of all staff earning over £50k
- Publication of Member allowances
- Publication and access to documents within the Publication Scheme including but not exclusively details of all invoices over £500.

The Authority regularly monitors Complaints and Compliments and reports these to the Performance Monitoring and Management Committee which also considers any reports from the Local Government Ombudsman (no findings against in 2011/12). Processes are also in place to deal with complaints against Members via the Authority's Standards Committee, which includes Independent Members.

In 2011/12 the Authority received 32 complaints of which 14 were justified or partially justified, these included issues with opening times and facilities at both visitor centres; delays in responding to correspondence by the Planning Department; Moors Bus delay and confusion over an events booking. The Local Government Ombudsman received 3 complaints of which one provisional case was closed due to no additional information being received by the Ombudsman from the complainant, one was no maladministration against the authority found and one is pending determination.

Internal

The Authority's governance framework seeks to ensure that the principles of good governance are embedded into all aspects of its work. This has been achieved by the adoption of the Ethical Framework which aims to embed the Authority's core values into the day to day operations of the Authority.

The Authority's objectives are defined and established by the National Park Management Plan. The Management Plan was published in April 1998 following widespread consultation with partners and stakeholders. The Plan was reviewed and updated in 2004. A full update of the Plan is drawing to its conclusion. Progress against the overall long term objectives of the Management Plan can be identified via regular reporting against a broad range of targets and strategic indicators.

The Business Plan 2009-12 confirms the strategic priorities that have been developed from the long term objectives, establishes the Financial Principles that underpin the strategic financial management of the Authority and describes how activities over the medium term will contribute to their achievement.

It also includes forecasts of income and expenditure for the three year period, allocating indicative resources to the objectives based upon the best available information. This forms the basis of the Medium Term Financial Strategy and assists in identifying any potential financial risks. This is reviewed annually when as part of the budget setting process and ensures that resources and objectives are appropriate aligned.

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.

Compliance with the regulations, procedures and statutory requirements is facilitated by a range of controls. Policies are in place to regulate how the Authority's Members and staff use the resources available to them. Regular audits are conducted by an internal auditor who is provided by an external contract and by external auditors, providing assurance that the procedures are being adhered to. The Authority has received legal advice and Monitoring Officer support as appropriate in all aspects of its work

via a service level agreement with North Yorkshire County Council. This role has passed to Scarborough Borough Council with effect from 1 April 2012 following a tendering exercise. 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.

The management of risk within the business is embedded into the activity of the Authority. A risk register is maintained to identify significant operational risks and describe the mitigation measures in place to control them. The risk management process is the responsibility of the Director of Corporate Services and is reported to Members in the spring of each year. Direct responsibility for controlling individual risks is delegated to the officer 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 and Annual Performance Plan.

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 Senior Management Team receive reports on expenditure and income against the expected position at their monthly meeting and take appropriate action to remedy any deviation from the plan. The quarterly meetings of the Performance Monitoring and Management Committee (PM&M) receive a formal report on the financial position, including a description of any significant variations that have been made. In November of each year, the annual budget is fully reviewed and revised to reflect the anticipated out-turn for the whole year.

The Authority is compliant with the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010) with the exception of two issues which reflect the arrangements in place to provide certain services under contract. The Authority's Treasurer (s151 Officer) is the Corporate Director of Finance and Central Services at North Yorkshire County Council. His role as one of the three statutory officers and his professional qualifications and experience are consistent with the Statement. The arrangements for the Treasurer also give the Authority access to services of a specialist nature, such as Treasury Management and the internal audit service.

He does not, however sit on the Senior Management team, although he has direct access as required to the Chief Executive and Members of the National Park Authority. He does not have line management of the staff working on financial matters within the Authority, but works closely with the Authority's Director of Corporate Services, who is professionally qualified, a member of Senior Management Team, and who plays a significant part in the organisational leadership and management of an internal finance function with suitably qualified staff.

Performance Management is conducted via the Performance Management and Monitoring Committee which meets every quarter. This committee receives reports on finance, risk management, complaints and compliments, FSR action plan progress and it monitors performance against the Authority's Headline Indicators and Corporate Management performance indicators. In the spring of each year, Members approve the Annual Performance Plan and PM&M agrees the targets for the Authority's Headline Indicators. Senior Management Team receives progress reports on the headline indicators where the data is collected on a monthly cycle. The Authority is subject to an external five yearly performance assessment (National Park Authorities Performance Assessment – NPAPA) which analyses its performance against seven sets of criteria. The most recent Assessment assessed as performing well or excellently in six of the seven categories.

4. Review of Effectiveness

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 senior 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.

This review is used to inform the contents of the Annual Governance Statement which prepared by the Director of Corporate Services in consultation with the Chief Executive, Monitoring Officer, Treasurer, Assistant Director of Corporate Services, Finance Officer and the following key Members.

- The Chair of the Authority
- The Chair of the Performance Monitoring and Management Committee.

The following key areas of work have been conducted in 2011/12

- Work on a substantial revision to the North York Moors National Park Management Plan has been undertaken. It is anticipated that a final version will be approved early in 2012/13.
- The Authority has completed a Financial Planning and Prioritisation process to identify the areas for cost savings and income generation in the light of the budget reductions facing the Authority to 2014/15. The process was consultative and based on a thorough analysis of costs and output assisted by Value Adding. This review will inform the Medium Term Financial Strategy for 2012/13 to 2014/15.
- Members and Officers have worked together to form the basis of the revised Business Plan for 2012-2015. This work will be concluded in 2012/13 and builds upon the Management Plan and Financial Planning and Prioritisation workloads.
- The Authority has undertaken a fundamental review of Committee Structure which will take effect from June 2012. This has included a preliminary review of the Authority's Standing Orders and Scheme of Delegation. This review will enable the Authority to adapt to changes at a national level to the Audit and Standards Regime as well as to increase the effectiveness of the decision making process and engagement with stakeholders.
- A new Committee has been established to bring together all work on audit, risk, standards, complaints and performance. This committee has been asked to conduct an annual review of the overall ethical performance of the Authority with the active support of an independent person.
- The Government response to the national consultation on the Governance arrangements in National Park Authorities was published in 2012. The Authority had input into the initial consultation and is currently preparing a response to consultation on the proposals. The Authority has requested and the Government has agreed in principle, that Parish Councils should have the right to nominate anyone living in the National Park to the parish member election process.
- The Customer Service Excellence Standard was maintained and performance improved.
- The Authority has developed a plan to address issues raised as part of the National Park Authorities Performance Assessment (NPAPA) regime.
- The Authority has reviewed arrangements for outsourced legal and financial services and conducted procurement exercises. In relation to Financial Services this procurement review will result in strengthened compliance with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Performance Monitoring and Management Committee, and a plan to address weaknesses to ensure continuous improvement of the system is in place.

5. Significant Governance Issues

The review of effectiveness has identified the following areas to be addressed in 2012/13

- The Authority must finalise the Business Plan for 2012-15 including priority actions to be undertaken by the Authority in response to the revised Management Plan.
- Processes will be put in place to monitor performance against the revised Management Plan and Business Plan.
- The Authority needs to conclude the review of the Grants to Individuals and Outside Organisations and the administrative criteria and arrangements for these in order to improve value for money.
- The changes to the Committee Structure need to be implemented with effect from June 2012 including the establishment of the Finance, Risk, Audit and Standards committee. Arrangements need to be put in

place for the new Fora and further changes will be planned in relation to Standing Orders and the Scheme of Delegation and systems to monitor effectiveness of the new arrangements.

- The Authority will need to adopt a revised Code of Conduct for Members, introduce procedures and protocols for dealing with complaints about Members, and appoint or make arrangements to share Independent Person(s).
- The Authority needs to respond to the further consultation on the National Governance Review.
- Following changes to the Scheme of Delegation and to recognised practices the Authority will review arrangements for Procurement and update Financial Regulations accordingly.
- Following the appointment of a new Monitoring Officer with effect from 1 April 2012 the Authority will review the Governance Arrangements and relevant policies to ensure that these are up to date.

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

Signed:

A Wilson (Chief Executive)

Date 24/09/2012

J Bailey (Chairman)

Date 24/09/2012

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