

APPENDIX 1

2009/10 Annual Governance Statement

Scope of Responsibility

The Peak District National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with 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 include arrangements for the management of risk.

The Authority approved and adopted a Code of Corporate Governance in May 2009 which is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives) Framework *Delivering Good Governance in Local Government*. A copy of the Authority's Code of Corporate Governance can be found on our website at www.peakdistrict.gov.uk or can be obtained from the Monitoring Officer at Aldern House, Baslow Road, Bakewell, DE45 1AE. The following statement reviews the effectiveness of the Authority's governance arrangements, and also meets the requirements of regulation 4 (2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, for the direction and control of the Authority and its activities through which it accounts to, engages with and leads its National Park 'community' (locally, regionally and nationally). It enables the Authority to monitor the achievement of its strategic outcomes and objectives and to consider whether these objectives have been supported through the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level and not provide 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 and outcomes, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage these risks efficiently, effectively and economically.

The elements of the governance framework identified in our Code of Corporate Governance have been in place at the Authority for the year ended 31 March 2010 and up to the date of approval of the Statement of Accounts (25 June 2010).

The Governance Framework

The Authority's corporate governance framework as enshrined in our Code of Corporate Governance helps us to ensure that the principles of good governance are embedded in all aspects of our work. The key aspects of the corporate governance framework include:

(a) The Authority's work, in pursuing its statutory purposes and duty, is governed by a number of key policies and plans including the new Defra (Department for Environment, Food and Rural

Affairs) circular and the National Park Grant Memorandum. The Authority communicates its vision and intended outcomes for the National Park working with partners over a 5-10 year period, through the National Park Management Plan (NPMP). This is reviewed every 5 years and is supplemented by a number of key National Park strategies and action plans also working with partners. A partnership protocol is in place to support our work with partners.

(b) The Authority's contribution to achieving the NPMP outcomes is described in our 3 year corporate objectives. The three year strategic planning process is integrated with the medium term financial strategy/ budget planning.

(c) The Performance and Business Plan provides an annual work plan for the Authority showing priorities for action in the forthcoming year, targets for performance and allocation of resources. The agreement of this follows a detailed planning process aimed at ensuring the economical, effective and efficient use of resources.

(d) The Local Development Framework is being developed and will replace key policies of the current Structure Plan and Local Plan and allow much clearer linkage to the key outcomes of the NPMP. The core strategy will be submitted to the Secretary of State by September 2010.

(e) The National Park Working with People and Communities strategy and action plans (recently updated to reflect feedback from the residents' survey) and the Authority's Communications strategy (also updated in early 2010) are being implemented to ensure clear channels of communication, consultation and engagement with target audiences and stakeholders.

(f) The Authority's performance management framework ensures that:

- all individual work programmes are linked through the service planning process to achieving corporate objectives and NPMP outcomes
- measures of success are identified and targets set for performance
- resources are allocated to priorities
- risks to achieving corporate objectives are considered and mitigating action identified at corporate and service levels
- performance and the changes to risks are monitored regularly throughout the year
- areas for performance improvement can be identified and addressed both in the short term and as part of a medium term Performance Improvement Plan. This includes addressing issues arising from strategic and scrutiny reviews, external/internal audit and inspection reports and the National Park Authorities Performance Assessment (NPAPA) process.

(g) The Authority's Standing Orders, and other procedures describe how the Authority operates and how decisions are made. They also define the terms of reference for committees and the Authority meeting including the special roles of the Standards Committee and Audit and Performance Committee. The prime objectives are to operate effectively, efficiently, transparently, accountably and within the law. Standing Orders are supplemented by:

- Scheme of Delegation (which is regularly reviewed)
- Codes of Conduct and guidance for Officers and Members
- Policies and Procedures including the Anti Fraud and Corruption Policy and the Confidential Reporting Policy
- Protocols on (i) Member/Officer Relations, (ii) Monitoring Officer and (iii) Development Control and Planning
- Complaints procedures
- Our scrutiny process led by Members

(h) Financial management includes forward planning of expenditure and resources, budget consultation, budget setting and monitoring and final accounts. The aim is to ensure that these are accurate, include information relevant to the user and are completed to agreed timescales. Financial Regulations further support the above by setting out policies and procedures that are to be adhered to. Following a review of the CIPFA statement on The Role of the Chief Finance Officer (CFO) in Local Government (2010) we will be strengthening our Code of Corporate Governance to reflect better the role of the CFO. We believe that our reporting arrangements meet the requirements of the Code with the CFO having independent reporting as necessary to the Chief Executive, Resource Management Team and Members even though the post holder sits in the Corporate Resources Directorate.

(i) Member and staff learning and development needs are identified and met through annual programmes. Our approach to staff development is described in our Learning and Development Policy. Our approach to Member development is described in the document approved by the Authority in October 2007 titled 'Review of Member Training and Development'. Improvements to our approach on Member development are reported annually to the Authority as part of agreeing the annual programme of development and business events.

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 assurances from staff and Members within the Authority who have responsibility for the development and maintenance of the governance environment (including financial controls, risk management and performance management processes, compliance with advice on legislation and regulations), internal and external audit reports and opinions, comments made by other agencies and inspectorates as well as feedback from customers and stakeholders.

The review of effectiveness is continual throughout the year as evidenced by some of the action taken during the year but a more formal assessment takes place each year in the preparation for this statement. In accordance with the Authority's Code of Corporate Governance a meeting was held on 29 April 2010 to:

1. Review our performance against our action statements of commitment in our Code of Corporate Governance and highlight what we have done in the 2009/10 year which contributes to achieving our outcome of 'good governance'
2. Identify any further improvement action needed for the forthcoming year

The meeting involved the Chief Executive, Director of Strategy and Development, Chief Finance Officer, Chair and Vice Chair of Audit and Performance Committee, an independent Member of Standards Committee, the Democratic Services Manager/Deputy Monitoring Officer, the Director of Corporate Resources/Monitoring Officer and the Head of Law. In carrying out our review we took account of the 'assurances' we have received during the year (and at our meeting) including:

- (a) Audit Commission Annual Audit Letter November 2009
- (b) Internal Audit reports for 2009/10
- (c) Assurances given at meeting from 'those charged with governance' including: Management Team, Statutory Officers (Head of Paid Service, Chief Finance Officer, Monitoring Officer, Deputy Monitoring Officer), Head of Law, Chair and Vice Chair of Audit and Performance Committee, Standards Committee representative
- (d) A special internal audit report commissioned during the year
- (e) Progress against action we identified last year as part of our Annual Governance Statement
- (f) The Local Government Ombudsman's annual letter received June 2009

It was agreed that the outputs of our review in terms of improvement action for the forthcoming year would be reflected in our 2009-10 Annual Governance Statement. These are recorded below against the 6 core principles of our Code of Corporate Governance. A full record of our review of action and assurances received indicating maintenance and/or improvement to the effectiveness of elements of the governance framework can be obtained from the Monitoring Officer at Aldern House, Baslow Road, Bakewell, DE45 1AE.

**(1) Code of Corporate Governance core principle:
Focusing on the purpose of the authority, on outcomes for the community and creating and implementing a vision for the area**

Issues identified during review which affect effectiveness:

1. We need to strengthen our Code of Corporate Governance to reflect more fully the Chief Finance Officer role using the guidance produced by CIPFA in March 2010 'Application note to delivering good governance in Local Government' and explain the CFO reporting arrangements in our Annual Governance Statement.
2. We will allocate extra resources to address outstanding work related to the proposed procurement manual and changes to Standing Orders if this is not completed within existing resources by October 2010.

**(2) Code of Corporate Governance core principle:
Members and officers working together to achieve a common purpose with clearly defined functions and roles**

Issues identified during review which affect effectiveness:

3. During the year feedback from handling complaints highlighted the need to be clearer to the public on how correspondence to Members is handled. Amendments will be made to the member officer protocol to address this.

**(3) Code of Corporate Governance core principle:
Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

Issues identified during review which affect effectiveness:

4. We will amend the Anti Fraud and Corruption policy to reflect formally the current practice of briefing the Chair and Vice Chair of Audit and Performance Committee on issues which are being investigated under the policy.

**(4) Code of Corporate Governance core principle:
Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

Issues identified during review which affect the effectiveness:

5. Although there is an IT disaster recovery plan and Crisis Management procedures in place we have identified the need for an Authority Emergency Plan and this will be completed in 2010/11 (delayed action from 2009).
6. A review of the Authority's risk management framework will be undertaken during the year reporting to Audit and Performance Committee in October 2010 (delayed action from 2009).
7. An annual report on insurance risks was considered by Resource Management Team and the fleet management group has been asked to review action to address the number of minor vehicle bumps on Authority vehicles because of the potential impact on next year's insurance premium.
8. It is intended to benchmark and review the Authority's complaints procedure to address feedback relating to time periods for response and how ombudsman cases are handled.

**(5) Code of Corporate Governance core principle:
Developing the capacity and capability of members and officers to be effective**

Issues identified during review which affect effectiveness:

9. In 2010/11 there will be a need for further leadership development under the new structure and we will be reviewing and developing our management competency framework to support this.

**(6) Code of Corporate Governance core principle:
Engaging with local people and other stakeholders to ensure robust public accountability**

Issues identified during review which affect effectiveness:

10. We have identified in our Performance Improvement Plan that we want to do more to fully utilise a) the role of members externally in partnerships, in the community and on outside bodies to support achievement of NPMP outcomes b) the NPMP external monitoring group to increase involvement of partners in delivering the NPMP and c) strategy lead officers in their external advocacy role with key delivery partners.

Significant Governance Issues:

Over the coming year we will take steps to address the issues identified during our review of effectiveness as detailed above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that have been identified and will monitor their implementation and operation as part of our next annual review. None of the issues highlighted are considered to be **significant** governance issues.

Signed on behalf of the Peak District National Park Authority:

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Chair

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Chief Executive