

## **9. 2019/20 ANNUAL GOVERNANCE STATEMENT (AMC)**

### **1. Purpose of the report**

Members are asked to review and approve the audited Annual Governance Statement for 2019/20.

#### **Key Issues**

- **Each year the Authority reviews its performance against the Code of Corporate Governance and in doing so this reviews the effectiveness of its governance arrangements including the system of internal control. The results of this feed into the Authority's Annual Governance Statement at Appendix 1.**
- **This review takes into account 'assurances' received during the year.**
- **The Annual Governance Statement highlights areas for further action in accordance with our approach to achieve continuous performance improvement.**
- **The External Auditor is expected to give a satisfactory conclusion with no issues highlighted following the Auditors' assessment of the Annual Governance Statement.**

### **2. Recommendations**

- 1. To approve the audited Annual Governance Statement for 2019/20 for sign off by the Chief Executive Officer and the Chair of the Authority.**

#### **How does this contribute to our policies and legal obligations?**

3. Regulation 6 of the Accounts and Audit Regulations (2015) requires relevant bodies to conduct a review at least once a year of the effectiveness of its system of internal control and Members must approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control, at the same time as the statement of accounts is approved under Regulation 12(2). To comply with the Regulations the Authority published an unaudited version of the Statement before the required deadline of 31 May. This report now asks the National Park Authority to approve the audited version before it is published in accordance with the Regulations.
4. The Ministry for Housing Communities and Local Government has clarified that 'proper practice' in relation to internal control relates to guidance produced by CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives). This guidance is found in the CIPFA/SOLACE publication titled 'Delivering Good Governance in Local Government Framework' which was updated in February 2016. Members approved our revised Code of Corporate Governance which reflected this guidance at the Authority meeting held on 3 February 2017 (Minute no. 5/17 refers)
5. This guidance has been supplemented and updated by: the CIPFA statement on the Role of the Chief Financial Officer (02/2016); the CIPFA statement on the Role of the Head of Internal Audit (2010); and the CIPFA delivering good governance addendum (2012). Since 2014/15 we have also been required to include a statement on our assessment of performance against CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption.
6. A review of our performance against the Authority's Code of Corporate Governance

feeds into this Annual Governance Statement and is part of our work to ensure the Authority has a solid foundation supporting achievement of our outcomes, as set out in the Corporate Strategy, by making sure the Authority is an agile and efficient organisation. Obtaining a satisfactory External Audit conclusion on value for money through an assessment of the Annual Governance Statement is a corporate indicator.

### **Background Information**

7. The review of effectiveness of our governance framework, including the system of internal control, is informed by assurances from Officers 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.
8. The 2019/20 Annual Assurance Report from our Internal Auditor states: “the overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides Substantial Assurance. Although there are no significant control weaknesses, in light of the current coronavirus pandemic and the impact of this on the Authority, this year the opinion is qualified as the opinion is based on internal audit work undertaken, and completed, prior to emergency measures being implemented as a result of the pandemic. These measures have resulted in a significant level of strain being placed on normal procedures and control arrangements. The level of impact is also changing as the situation develops. It is therefore not possible to quantify the additional risk arising from the current short term measures or the overall impact on the framework of governance, risk management and control.
9. 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. Usually a meeting is held during April to:
  - a) Review our performance against our action statements of commitment in our Code of Corporate Governance and highlight what we have done in the 2019/20 year which contributes to achieving our outcome of ‘good governance’
  - b) Identify any further action needed for the forthcoming year in accordance with our approach to ensure continuous performance improvement.
10. These meetings involve the Chief Executive (Head of Paid Service), the Chief Finance Officer and Head of Finance, Director of Corporate Strategy and Development, Director of Conservation and Planning, Director of Commercial Development and Engagement, Chair of the Authority, the Head of Law and Monitoring Officer and the Deputy Monitoring Officer. Unfortunately due to the Covid-19 Emergency this meeting could not take place. However, all the usual meeting participants were still able to contribute to the preparation of the Annual Governance Statement remotely.
11. It was agreed that the outputs of the review in terms of improvement action for the forthcoming year would be reflected in the 2019/20 Annual Governance Statement. These are recorded in Appendix 1 against the 7 core principles of our Code of Corporate Governance. A full record of the 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 Head of Law & Monitoring Officer or can be found at:

<http://www.peakdistrict.gov.uk/publications/operationalpolicies>

12. The full review has not been included in the Annual Governance Statement in order to provide a briefer document but a detailed review of performance against our Code of Corporate Governance has been published on the Authority Website.

### **Proposals**

13. The proposed Annual Governance Statement for 2019/20 is given in Appendix 1 for Members' consideration and approval. This statement has been audited by our External Auditors from Mazars to inform their conclusions. The External Auditor is expected to give a satisfactory conclusion with no issues highlighted following their assessment of the Annual Governance Statement but again this may be qualified due to the impact of the Covid-19 Emergency. As a consequence the impact of Covid-19 has been identified as a factor affecting effectiveness in the Annual Governance Statement.
14. As part of reviewing performance and assurances received no significant issues have been identified and the arrangements in place continue to be regarded as fit for purpose in accordance with the governance framework. However over the coming year we will take steps to address a number of issues identified during our review of effectiveness to further enhance our governance arrangements, these are set out in the table at the end of the Appendix.

### **Are there any corporate implications members should be concerned about?**

#### **Financial:**

15. There are no additional financial issues to highlight.

#### **Risk Management:**

16. The system of internal control is a significant part of our governance framework and is designed to manage risk to a reasonable level and not provide absolute assurance of effectiveness so Members need to be aware that problems can still arise. The system of internal control is based on an on-going 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.

#### **Sustainability:**

17. There are no issues to highlight.

#### **Equality:**

18. There are no issues to highlight.

### **19. Background papers (not previously published)**

An electronic file of documents has been prepared relevant to the Statement consisting of Authority and Committee reports and other supporting records to evidence the review of effectiveness made in the Statement.

### **20. Appendices**

Appendix 1 - : 2019/20 Annual Governance Statement.

#### **Report Author, Job Title and Publication Date**

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