

9. 2021/22 ANNUAL GOVERNANCE STATEMENT AND AMENDED CODE OF CORPORATE GOVERNANCE (AGM)

1. Purpose of the report

Members are asked to review and approve the audited Annual Governance Statement for 2021/22. Members are also asked to approve the amended Code of Corporate Governance.

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 (AGS) at Appendix 1.
- This review takes into account 'assurances' received during the year.
- The AGS highlights areas for further action in accordance with our approach to achieve continuous performance improvement.
- The External Auditor earlier on the agenda is anticipating giving a satisfactory conclusion with no issues highlighted following the completion of the Auditors' assessment of the AGS.
- The current Code of Corporate Governance has been in effect since 2017 with minor changes made, when required, following the publication of the Annual Governance Statement each year.

2. Recommendations

1. To approve the Annual Governance Statement for 2021/22 for sign off by the Chief Executive Officer and the Chair of the Authority attached at Appendix 1.
2. To approve the Code of Corporate Governance set out in Appendix 2.
3. To authorise the Head of Law & Monitoring Officer, following consultation with the Chair of the Authority, to make minor changes to the Code of Corporate Governance each year following publication of the Annual Governance Statement.

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 AGS, 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 2021. This report now asks the National Park Authority to approve the version before it is published in accordance with the Regulations.
4. The Ministry for Housing Communities and Local Government has previously 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 AGS 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 KPI26.

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 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. No reliance was placed on the work of other assurance providers in reaching this, and there are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the AGS (Authority Minute number 63/22 refers).

The opinion given is based on work that has been undertaken directly by Internal Audit, and on cumulative knowledge gained through our ongoing liaison and planning with Officers.

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 2021/22 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 involved the Interim Chief Executive (Head of Paid Service), the Chief Finance Officer and Head of Finance, the Head of Law and Monitoring Officer, the Deputy Monitoring Officer and the Chair of the Authority.
11. It was agreed that the outputs of the review in terms of improvement action for the forthcoming year would be reflected in the 2021/22 AGS. 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 AGS 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.
13. The current Code of Corporate Governance ('the Code') was approved by the Authority in February 2017 and authorisation was given to the Monitoring Officer, in consultation with the Chair of Audit, Resources and Performance Committee, to make minor changes to the Code each year following publication of the AGS. As minor amendments have been made to the Code since then it is thought good governance practice to bring the current, amended, Code back to Members to support and approve as attached in Appendix 2. Also, as the Authority no longer has an Audit, Resources and Performance Committee authorisation to the Monitoring Officer to make minor changes to the Code, in consultation with the Chair of the Authority is requested.
14. It is also requested that the Code is signed by the Chair and Chief Executive to reflect the appointment changes in both roles since the Code was originally signed in 2017.

Proposals

15. The proposed Annual Governance Statement for 2021/22 is given in Appendix 1 for Members' consideration and approval. This statement is in the process of being audited by our External Auditors from Mazars. The External Auditor earlier on this agenda has indicated that they are anticipating giving a satisfactory conclusion with no issues highlighted following their full assessment of the AGS. The External Auditors are currently satisfied that the AGS fairly reflects the Authority's risk assurance and governance framework and confirmed that as it stands they have not identified any significant weaknesses in the AGS. The Auditors have indicated that as they continue their work to audit the Value for Money conclusion and the AGS, which will be finally reported on in the Annual Auditors Report 2021/22, they are supportive of us proceeding with approval of the AGS. 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 2022/23 we are taking 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 1.
16. In addition, the Authority is asked to approve the amended Code of Corporate Governance as set out in Appendix 2 and to delegate minor changes to the Head of Law & Monitoring Officer in consultation with the Chair of the Authority. The amended Code will be used to prepare the 2022/23 AGS for publication later this year. Current changes made are shown highlighted in yellow in the Appendix.

Are there any corporate implications members should be concerned about?

Financial:

17. There are no financial implications to consider.

Risk Management:

18. There are no issues to highlight other than already included in the AGS and Code. Having a Code in place, implementing it and reviewing action each year helps us to

follow good practice and reduces the risk of failing to address any weaknesses in our corporate governance arrangements.

Sustainability:

19. There are no issues to highlight.

Equality, Diversity and Inclusion:

20. There are no issues to highlight.

21. Climate Change

There are no issues to highlight.

22. Background papers (not previously published)

None

23. Appendices

Appendix 1 - 2021/22 Annual Governance Statement

Appendix 2 - Amended Code of Corporate Governance

Report Author, Job Title and Publication Date

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