

Committee: **AUDIT & REVIEW**

Date: **2 November 2007**

Report: **ANNUAL REPORT ON CORPORATE GOVERNANCE**

### **Purpose of the report**

1. To present to the Committee my first annual report on corporate governance.
2. To advise the Committee of the development of a new framework for local authority governance which has been developed by CIPFA and SOLACE, and to review its application to this Authority, including changes to current arrangements in relation to the Statement of Internal Control (SIC).

### **Strategic Planning Framework**

3. The information and recommendation(s) contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework:
  - **Best Value Performance Plan objectives**  
Continue to develop effective corporate governance: establish a Local Code of Corporate Governance.
  - **Corporate Governance Policy**  
The Audit and Review Committee .... will receive an annual corporate governance report from the Monitoring Officer.

### **Background**

4. During 2006, the Authority carried out a major piece of work on corporate governance. A member Working Group, established by this Committee but also including two representatives of the Standards Committee, met on seven occasions during the year and comprehensively reviewed the Authority's performance against the "Good Governance Standard" produced by the Independent Commission on Good Governance in Public Services. A great deal of detailed work was done, and this continued into 2007, dealing with issues identified by the Working Group.
5. In March 2007 the Authority approved a corporate governance policy, and this is attached as Appendix 1 to this report.
6. Throughout the last 12 months, many officers and members have been involved in ongoing work which has contributed, I believe, to continuing improvements in the Authority's governance arrangements. Highlights include:
  - a. A new code of conduct for members, adopted in July 2007 following detailed work by the Standards Committee, with training provided for members on the new code.

- b. The creation, for the first time, of a comprehensive collection of all the Authority's policies, accessible on the Intranet, and with responsible officers and review dates catalogued: this work has been led by the Head of Conservation & Policy
  - c. A review by the Authority, following work by the Chairman and Member Champions, of the Champion initiative, including the introduction of revised roles
  - d. Recruitment (by a member panel) of three independent members for the Standards Committee
  - e. A new Risk Management policy was adopted by this Committee in February 2007, following work by the Head of Finance & Resources
  - f. The Member Services Officer and the Communications Team developed a new Publication Scheme for the Authority under the Freedom of Information Act 2000: this was approved by the Information Commissioner in August 2007
  - g. A new Procurement Strategy (February 2007, Finance & Resources Committee); Property Strategy (February 2007, Finance & Resources Committee); Consultation Strategy (May 2007, Authority); and Data Protection policy (Authority, September 2007)
  - h. Also in September 2007, the Authority agreed a statement of the information members can expect in connection with their decision – making role.
7. The list above illustrates both the breadth of the governance agenda and the fact that virtually the whole corporate body has been involved with developments in the Authority's corporate governance. Of course there is never room for lapsing into complacency or self-congratulation, but I do believe that the Authority can legitimately feel pleased with what has been achieved in this regard over the last year.

### **A Review of Current Arrangements**

8. The corporate governance policy makes me responsible for keeping governance arrangements under review. This I do by maintaining a "Local Code of Corporate Governance" which matches what the Authority does against the Good Governance Standard. This is then reported to the Senior Management Team twice annually, and will form the core of my annual reports on governance to this Committee. A copy of the Local Code is attached as Appendix 2.
9. What issues arise from the Local Code at this time? I would suggest the following (whilst noting that they are issues I suggest need to be resolved over the next 12 months, not immediately):
- a. The key documents which determine what the Authority actually does are the National Park Management Plan (NPMP) and the Best Value Performance Plan (BVPP). A new NPMP for 2007 – 12 was agreed almost a year ago. The BVPP is, of course, an annual document, produced to meet a statutory requirement. However, it has become effectively a business plan for the Authority, and contains vital targets, against which progress is rigorously measured and reported to senior officers and to members. The statutory requirement for a BVPP ceases with the current year, and the Authority needs to determine what will replace it. This is an issue upon which the Chief Executive will need to report to members.
  - b. The Member Champion initiative has now been operating for 16 months, and the review carried out after 12 months highlighted many of the positive aspects. However, one issue which has not been successfully resolved is how the Member Champions should report back on their work to other Authority members. Even though Member Champions do not exercise decision making powers on behalf of the Authority, there is an issue of accountability which needs to be resolved. Existing documentation on the roles and responsibilities of members also needs to be updated.
  - c. The need to establish effective working relationships with the Authority's new external auditor, and new internal audit staff.

- d. The question of whether performance appraisal should apply to all Authority members, and if so, the development of a scheme for this.
- e. More work needs to be done on documenting relationships within key partnerships with which the Authority is involved
- f. Concluding the work on development of a Communication Strategy, and on public involvement and consultation.

### **Sources of Assurance**

10. In corporate governance terms, Authority members are the governors, and need to look for assurance that proper governance arrangements are in place. Obviously, this report is part of that process. But no one element could fully satisfy members; and the Local Code refers to various sources of assurance which are available. Members will obviously look also to the annual governance report of the external auditor, which was received at the special meeting of this Committee on 25<sup>th</sup> September 2007, and which proposed an unqualified audit opinion on the Authority's financial statements, and an unqualified conclusion on the Authority's use of resources; and also to the Annual Audit Letter, which is also on the agenda for this meeting.
11. Another important source of assurance is internal audit. As reported to this Committee in August, six reports have been prepared by internal audit in the current year, with conclusions as follows:

<b>Audit subject</b>	<b>Opinion on controls</b>	<b>Comment</b>
Inventory and Asset Security	<ul style="list-style-type: none"> <li>• Good</li> </ul>	
Human Resources and Payroll	<ul style="list-style-type: none"> <li>• Good</li> </ul>	
Visitor Centres and Stock	<ul style="list-style-type: none"> <li>• Good</li> </ul>	
Main accounting, budgetary control, Capital Accounting, Asset Registers, Treasury management and IT Controls	<ul style="list-style-type: none"> <li>• Good (Main accounting, budgetary control, Capital Accounting, Asset Registers, Treasury management)</li> <li>• Satisfactory (IT Controls)</li> </ul>	The opinion recorded as 'Satisfactory' against IT Controls relates primarily to the need to undertake a 'live' test of the IT Contingency Plan. This test will be undertaken within the near future, and will be planned to minimise disruption to the Authority's operations
Car Park Income, planning Fees, Visitor Centre Income and Sundry Debtors	<ul style="list-style-type: none"> <li>• Good</li> </ul>	
Creditors, Purchasing and Contracting	<ul style="list-style-type: none"> <li>• Good</li> </ul>	

12. The three statutory officers of the Authority (the Chief Executive, Chief Finance Officer and Monitoring Officer) have independent legal obligations which include reporting on any matters where the probity or legality of the Authority's actions or proposed actions are at stake. The Authority has received one such report from myself in the last year, relating to a decision of the Planning Committee to grant planning permission for a development which was contrary to the Local Plan and for which no material considerations had been identified. The Authority reversed the decision.

## Developments in Governance

13. The corporate governance policy also requires me to bring any significant developments in public sector governance to the attention of the Authority and, if appropriate, to make recommendations for action to members. There certainly has been such a development, namely the publication in the summer of 2007 of a new Framework for delivering good governance in local government.
14. The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) first produced a corporate governance framework for local government in 2001. In summer 2007, they launched a new and updated version, which includes increased emphasis on
  - a. strong and clear political arrangements and the need for effective dialogue with and engagement of the public;
  - b. working in partnership, and strategic and community leadership issues;
  - c. the role of audit and standards committees;
  - d. high standards of conduct, at the heart of good governance; and
  - e. the need for governance arrangements which go beyond mere compliance with due process, to drive high performance and focus on what the Authority is trying to achieve.
15. The CIPFA / SOLACE framework provides a useful reminder at the outset as to why governance is important: “Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables an Authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. All authorities should aim to meet the standards of the best, and governance arrangements should not only be sound, but also be seen to be sound”.
16. Thankfully, CIPFA and SOLACE have used the six core principles from the “Good Governance Standard” as the basis for their work. The CIPFA / SOLACE framework has however been developed specifically for local government. The principles behind this developmental work have included expanding the concept of leadership to emphasize the role of local authorities in leading their communities; greater emphasis on scrutiny and overview; and taking greater account of the political regime in which local authorities operate. National Park Authorities are mentioned as one type of Authority at which the framework is aimed. However, although National Park Authorities share much with local authorities in terms of their legal status, they are arguably gradually drifting apart in other ways; and the framework does encourage all authorities to “use the framework in a way that best reflects their structure, type, functions and size”. I therefore approached the CIPFA / SOLACE framework in terms of seeing what we might learn from it, rather than seeing it as something which might entirely replace our own approach, which has been so recently developed, and felt to be fit for purpose for this Authority.
17. The CIPFA / SOLACE framework rewrites the six governance principles, and their supporting principles somewhat, as shown in Appendix 3 to this report. This Authority’s governance arrangements are based on the original six principles and their supporting principles. Adopting the CIPFA / SOLACE rewrite instead would result in consequent changes in our Local Code of Corporate Governance, which would then have a rather different focus on many of the issues. Let me try to give the Committee a flavour of this. Looking at the current Local Code in Appendix 2, the first two columns are (of course) identical in wording to the *left hand column* of Appendix 3. Adopting the CIPFA / SOLACE framework would replace all of the text in the first two columns of Appendix 2 with the text in the *right hand column* of Appendix 3: these would be the new core and supporting principles. The CIPFA / SOLACE framework then suggests how this approach can be taken on to the next stage: effectively replacing the third column of

the Local Code with a column headed “The local code should reflect the requirement for the Authority to:”, and then setting out specific requirements for each supporting principle. For example, the specific requirements suggested for CIPFA / SOLACE supporting principle 1.1 are:

- a. Develop and promote the Authority’s purpose and vision
- b. Review on a regular basis the Authority’s vision for the local area, and its implications for the Authority’s governance arrangements
- c. Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners
- d. Publish an annual report on a timely basis to communicate the Authority’s activities and achievements, its financial position and performance.

As now, the fourth column of the Local Code would then set out what YDNPA does, or needs to do, to meet these requirements.

18. Which version of the core and supporting principles are best suited to this Authority is for members to decide. Essentially, it seems to me to be a question of whether the additional detail in the CIPFA / SOLACE version is considered to be helpful and an aid to understanding, or whether it mars the simplicity and clarity of the original version.
19. The framework also urges local authorities to test their structures against the principles in three ways:

<b>Test</b>	<b>What YDNPA currently does</b>
Review existing governance arrangements against the framework.	This is done through YDNPA’s Local Code of Corporate Governance.
Develop and maintain an up to date Local Code of Governance including arrangements for ensuring its ongoing application and effectiveness.	This is done through the Corporate Governance Policy; YDNPA Local Code; and the role of this Committee.
Prepare a governance statement in order to report publicly on the extent to which you comply with your own code on an annual basis, including how you have monitored the effectiveness of governance arrangements in the year, and on any planned changes for the coming year.	The Corporate Governance Policy is on the Authority’s website. The annual report to this Committee (ie this report) is a public assessment of compliance and report on planned changes. This report, once received by members, could be explicitly linked to the governance section of the website.

20. The framework recognises that increasingly local authorities work with and through a range of organisations and partnerships in order to deliver services and enhance prosperity. Partnerships are regarded as an essential part of the pattern of public service provision. Working in partnership can bring many benefits that public bodies could not achieve by other means. However, partnership working brings governance challenges. There is no single solution to this issue: governance arrangements must be proportionate to the risks involved.
21. The CIPFA / SOLACE framework states that Authorities should undertake regular, at least annual, reviews of their governance arrangements, to ensure continuing compliance with best practice. Such reviews should be reported on both within the Authority to the Audit Committee, and externally with the published accounts, to provide assurance that:
  - a. Governance arrangements are adequate and operating effectively in practice, or

- b. Where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in future.

The Authority complies with this, as will be apparent from this report.

22. The Accounts and Audit Regulations 2003, as amended in 2006, require the Authority to ensure that it has a sound system of internal control, which facilitates the effective exercise of functions, and which includes arrangements for the management of risk. The Regulations require the Authority to conduct a review at least once a year of the effectiveness of its system of internal control, the findings to be reported to a Committee of the Authority, or the Authority as a whole, which must then approve a statement on internal control (SIC), which must be included in its statement of accounts.
23. The CIPFA / SOLACE framework includes a supplement which defines proper practices for the form and content of a governance statement that meets the requirement to prepare and publish a SIC. Members will be familiar with the SIC published in the past, which contained relatively standard wording, based on previous CIPFA guidance. The new framework takes the view that standard wording is inappropriate to describe or demonstrate the effectiveness of the particular governance arrangements at any given Authority, as these will be dependent on the risk profile and range of activities in operation. Instead, from 2008, each authority will be required to prepare and publish an annual governance statement, which should be an open and honest self – assessment of the organisation’s performance across all of its activities, with a clear statement of the actions being taken or required to address areas of concern. The statement will need to be signed by the Chairman and the Chief Executive. The framework continues with these apposite remarks: “It is inevitable that, where the process of review has been rigorous and robust, issues will be identified that the organisation will need to address. An organisation that sets out with the mistaken aim of achieving a ‘clean’ statement, with no issues to report, risks creating a culture in which problems and concerns are suppressed to avoid criticism. Moreover, the absence of any issues to report, rather than indicating a strong governance framework, may signal quite the reverse – that the governance arrangements are not as effective as they should be”.
24. The new governance statement covers all significant corporate systems, processes and controls, spanning the whole range of the Authority’s activities, including those designed to ensure that:
  - a. The Authority’s policies are implemented in practice;
  - b. High quality services are delivered efficiently and effectively;
  - c. The Authority’s values and ethical standards are met;
  - d. Laws and regulations are complied with;
  - e. Required processes are adhered to;
  - f. Financial statements and other published performance information are accurate and reliable; and
  - g. Human, financial, environmental and other resources are managed efficiently and effectively.
25. The question arises as to by whom this governance statement should be prepared, and to what timetable. The framework recognises that the Authority’s own management provides the primary source of assurance to members, together with internal and external audit, and external assessments and inspections. The statement should be presented to this Committee, which will want to question it robustly. It is therefore suggested that the statement is best compiled by officers – in particular myself, together with the Chief Executive and the Head of Finance and Resources. I suggest that this Committee should not be drawn into preparation of the statement, which could prejudice its objectivity when formally reviewing it. However, it seems to me that it would be appropriate and helpful to have some Member input to the preparation of the statement, in order to widen the perspective on the issues that have to be

addressed. I therefore suggest that the following three members be consulted annually, as part of the preparation of the statement:

- a. The Chairman of the Authority
- b. The Member Champion for Corporate Management
- c. The Chair of the Standards Committee

Like the Good Governance Standard, the CIPFA / SOLACE framework includes suggested assessment questions for Members to ask themselves in relation to each of the six principles. Within this Authority, the Corporate Governance Working Group found such questions a very useful tool for its work during 2006, and this approach could continue to be used in future, by the Members suggested above, and/or by this Committee.

26. As the Governance Statement will form part of the annual accounts of the Authority, it is suggested that the most appropriate timing would be for it to be submitted to the February meeting of this Committee.

## **Conclusion**

27. Members may wish to consider the following issues in relation to the CIPFA / SOLACE framework:
  - a. Should YDNPA's governance framework continue to be based on the six original core principles and their supporting principles, or should we adopt the CIPFA / SOLACE rewrite (or some mix of the two)? [See Appendix 3 for a comparison of the two.]
  - b. Is the Committee happy that existing arrangements within YDNPA do test governance arrangements in the three ways advocated by the CIPFA / SOLACE document? [see paragraph 19 above].
  - c. Is the Committee happy with the suggestions in this report in relation to the preparation of an annual governance statement for 2007/08 and future years, in place of the previous Statement of Internal Control [see paragraphs 25 and 26 above]

## **RECOMMENDATION**

28. That the Committee:
  - a. Receives this annual corporate governance report;
  - b. Comments on the assessment of the Authority's governance arrangements contained in the Local Code of Corporate Governance (Appendix 2), and endorses (or otherwise) the proposals in paragraph 9 of this report in relation to further work needing to be done;
  - c. Decides whether, for the future, governance arrangements within the Authority should be based on the six principles (and their supporting principles) used to date, or should be based on the CIPFA / SOLACE version, or some combination of the two;
  - d. Endorses my conclusion that governance arrangements are tested in the ways advocated my CIPFA / SOLACE, subject to more explicit "signposting" of the annual assessment of governance arrangements on the Authority's website
  - e. Agrees to the suggestions in paragraphs 25 and 26 of this report in relation to the preparation of a governance statement, to replace the previous Statement of Internal Control.

Richard Daly  
Solicitor / Monitoring Officer

18<sup>th</sup> October 2007

**Background documents:** CIPFA/SOLACE: "Delivering Good Governance in Local Government"



## Yorkshire Dales National Park Authority

### Corporate Governance Policy

#### The Authority's Values

The Yorkshire Dales National Park Authority has adopted six Values, which apply to all its work. They are:

**1. Integrity**

Our relationships with the public, partners and each other are built on honesty, transparency, equality, impartiality and consistency. We welcome and respect diversity and demonstrate equality in working relationships.

**2. Accountability**

We will explain and take responsibility for our decisions and actions.

**3. Commitment**

We will do what we say we will do.

**4. Involvement**

We are open and approachable, and are proactive in encouraging wider and diverse participation in achieving our statutory purposes.

**5. Improvement**

We will continually strive to improve our performance in delivering National Park purposes and welcome feedback to help us do this.

**6. Valuing People**

We value the people who work for us and will ensure that they are equipped and empowered to provide professional services to the public.

#### Implementing the Values

The Authority believes that strong corporate governance arrangements are necessary to ensure that these Values are put into practice. Corporate governance arrangements are all of the structures, policies and procedures that determine and control the way that the Authority operates.

In order to achieve this, the Authority has adopted the "Good Governance Standard for Public Services" published by the Independent Commission on Good Governance in Public Services as a guide to understanding and applying principles of good governance, and as a tool to assess the strengths and weaknesses of current governance practice within the Authority and to improve it. The Authority believes that good governance is critical to encourage public trust in the Authority, and public participation in its work: these in turn will enable the Authority to improve its performance in achieving its statutory purposes, and in delivering services.

The principles of corporate governance apply to all aspects of the Authority's work. These six principles are:

Principle 1: focussing on the organisation's purpose, and on outcomes for citizens and service users.

Principle 2: performing effectively in clearly defined functions and roles.

Principle 3: promoting values for the whole organisation, and demonstrating the values of good governance through behaviour.

Principle 4: taking informed, transparent decisions, and managing risk.

Principle 5: developing the capacity and capability of the governing body to be effective.

Principle 6: engaging stakeholders and making accountability real.

### Responsibilities

All **Members of the Authority** share responsibility for good governance: Members are the Governors. The members who are first among equals in this responsibility are the Chair of the Authority, who has a unique leadership role in ensuring the development of a culture within the organisation which reflects its values; the Chair of the Audit & Review Committee; and the Member Champion for the Corporate and Democratic Core.

The Audit and Review Committee is responsible for advising the Authority on its corporate governance policies and agenda, and implementing and managing the Authority's agreed policies in this area. It will receive an annual corporate governance report from the Monitoring Officer. The Standards Committee is responsible for oversight of ethical issues, and has been asked to advise the Authority on ethical issues which affect governance.

**At officer level**, good governance is first and foremost the responsibility of the Authority's three "Statutory Officers": namely the Chief Executive, the officer responsible for the Authority's financial affairs and the Monitoring Officer. Amongst their responsibilities is leadership in promoting a culture and practice of good governance throughout the staff of the Authority, so that all employees understand and promote it.

The lead officer on governance issues is the Monitoring Officer. S/he will be responsible in particular for:

- Monitoring the operation of this policy, ensuring that it remains up to date, and that any significant developments in public sector governance are brought to the attention of the Authority and, if appropriate, that recommendations for action are considered by Members.
- Keeping the Authority's structures, policies and procedures under review in the light of the "Good Governance Standard", and drawing any concerns to the attention of the other statutory officers and if necessary to Members.

The Authority's **internal and external auditors** will also assess the Authority's governance arrangements, and their work will provide assurance to Members that governance arrangements are sound. Details of these and other assurance arrangements will be published annually by the Authority as part of a "Statement of Internal Control" within the Statement of Financial Accounts.

*This policy was adopted by the Authority in March 2007, and is due to be reviewed in 2010.*

**Yorkshire Dales National Park Authority**

**Local Code of Corporate Governance**

**Introduction**

The Yorkshire Dales National Park Authority has adopted a Corporate Governance Policy, emphasising its' belief that strong corporate governance arrangements are necessary to ensure that the Authority's values are put into practice. In order to achieve this, the Authority has adopted the "Good Governance Standard for Public Services" published by the Independent Commission on Good Governance in Public Services as a guide to understanding and applying principles of good governance, and as a tool to assess the strengths and weaknesses of current governance practice within the Authority and to improve it.

During the year 2006, a Working Group of five Authority members, with officer support, used the Good Governance Standard comprehensively to review the Authority's governance arrangements. This work was reported regularly to the Audit & Review Committee, which is responsible for advising the Authority on its corporate governance policies and agenda. All issues raised by the group have now either been fully resolved or are built into this Local Code.

This Local Code of Corporate Governance is maintained in order to set out the Governance Principles contained in the Good Governance Standard, and the extent to which the Authority matches up to them. The first two columns set out the core and supporting principles contained in the Standard; the third column sets out what procedures and documents one would expect to find in order to give effect to those principles; and the fourth column sets out the arrangements YDNPA has in place, and where further work is needed. This fourth column also picks up issues raised by the Corporate Governance Working Group, that are not yet resolved.

This Local Code of Corporate Governance is a living document, which is updated on an ongoing basis by the Monitoring Officer, who is the lead officer on governance issues. It will form an essential element of the annual corporate governance report to the Audit & Review Committee, which is called for by the Corporate Governance Policy.

A list of abbreviations used is contained at the end of this document.

Good Governance means....

Core Principle	Supporting Principles	Relevant procedures & documents	YDNPA's position
<p>1. Focussing on the organisation's purpose, and on outcomes for citizens and service users.</p>	<p>1.1 Being clear about the organisation's purpose and its intended outcomes for citizens and service users.</p>	<p>A clear statement of the organisation's purpose.</p>	<p>National Park Management Plan 2007-12 (NPMP). Annual Best Value Performance Plan (BVPP). Statutory statement of Park purposes set out in NPMP and BVPP; statements of mission and core values in BVPP. Detailed evaluation of all programmes and their contribution to the purposes is carried out every 3 years (2003 &amp; 2006) and reviewed annually.</p>
		<p>Clear and accessible policy framework.</p>	<p>A list of all of the Authority's policies, with hyperlinks to the documents, is contained on the Intranet. Work to rationalise the Authority's strategic planning structure is included in the 2007/08 BVPP (Action 91).</p>
		<p>Statement of objectives in a business plan or similar.</p>	<p>Contained in NPMP &amp; BVPP. New NPMP was adopted in November 2006, and BVPP objectives are reviewed annually.</p>
		<p>An explicit process which links business planning and budget setting.</p>	<p>This exists, and there is a brief and simple guide to explain the process. The Authority was judged to be strong in the area of setting priorities during the 2005 National Park Authorities Performance Assessment (NPAPA).</p>
		<p>A website which effectively conveys key information to the public.</p>	<p>The website largely does this, including a governance section ("How we work"), with a link to the corporate governance policy. There is a BVPP action to improve effectiveness of the website, including user evaluation and analysis of the uptake of electronic service delivery. Surveys have been carried out and reported to members.</p>
	<p>1.2 Making sure that users receive a high quality service.</p>	<p>Defined quality measures, and information on performance in relation to them.</p>	<p>A "State of the Park" report is produced, and there is an annual monitoring report on the impact of the Yorkshire Dales Local Plan. Performance information is contained in the BVPP, and is regularly reviewed by the Senior Management Team (SMT). Two performance improvement reviews and four project reviews are carried out each year for the Audit &amp; Review Committee. There is a need for a more structured</p>

<b>Core Principle</b>	<b>Supporting Principles</b>	<b>Relevant procedures &amp; documents</b>	<b>YDNPA's position</b>
			approach to project management (included in BVPP: Action 89), and work on this is in hand.
		Processes to obtain the views of service users and others about the suitability and quality of services.	There is a consultation strategy (approved May 2007), attached to which is a list of consultations undertaken. This was rationalised in early 2007.
	1.3 Making sure that taxpayers receive value for money.	Best Value Performance Plan.	BVPP published annually, but ceases to be a requirement after 2007/08; there is a need to decide what will replace it.
		Performance information in relation to BVPP targets.	This is contained in the Performance section of the BVPP, and there are quarterly reports to SMT and to Members.
		Application of best value principles.	External audit assess, and publish a conclusion upon, the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources. New external auditor appointed for 2007/08; discussions have been held re the roles of external & internal audit.
		Financial Regulations	Contained in the Members' Handbook and via the Intranet. Cover procurement of goods & services, making payments and collecting income, custody and disposal of assets, treasury management, and insurance and risk management. Reviewed and updated 2006.
		Procurement Strategy	A procurement strategy was approved by Finance & Resources Committee in February 2007.
		Asset Management Strategy	A property strategy (land and buildings) was approved by Finance & Resources Committee in February 2007.
2. Performing effectively in clearly defined functions and roles.	2.1 Being clear about the functions of the governing body.	Corporate Governance policy document.	A corporate governance policy was adopted by the Authority in March 2007.
		Clear delegation scheme for Committees etc.	Contained in the Members' Handbook. The Committee structure and decision making framework was reviewed and overhauled in 2004/05, in line with Government recommendations. The Delegation Scheme and Terms of Reference of Committees was reviewed and amended in 2006.

Core Principle	Supporting Principles	Relevant procedures & documents	YDNPA's position
	2.2 Being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out.	<p>Written statement of the roles of Members &amp; Officers.</p> <p>Written statement of respective roles of Chair and Chief Executive (eg job descriptions)</p> <p>Performance appraisal of individuals.</p>	<p>Material about the Roles and Responsibilities of Members &amp; Officers, and the interface between them, is in the Members' Handbook. This could usefully be reviewed in the light of the changes to members' roles which took place in 2006.</p> <p>It could also be useful for members to do more to explain their role and work to key officers.</p> <p>Job descriptions for the Chairman &amp; for Members have been agreed and implemented. They may need to be reviewed as and when a new National Parks circular is produced to replace 12/96.</p> <p>Job descriptions exist for Chief Executive (&amp; all other officers).</p> <p>In 2006, the new role of "Member Champion" was created, covering each of the seven functional headings set out in the BVPP, and each with a detailed description of the areas of activity covered. The role, and the descriptions, were reviewed in 2007. The issue of how Member Champions should report back on their work has not yet been satisfactorily resolved. There is a performance appraisal scheme for all staff. Performance appraisal also exists for Secretary of State members. A Defra proposal to extend this to all Members has not come to fruition, and the Authority now needs to decide whether, and if so how, to take this work forward for YDNPA.</p>
		Statement that all members have collective responsibility.	There is no explicit statement to this effect, though a statement on the advocacy and representational roles of members covers some aspects.
	2.3 Being clear about relationships between governors and the public.	Processes for engaging with the public and service users to understand their views, and access to reliable information about public opinion and satisfaction levels.	Surveys (see 1.2 above). Planning surgeries. Role of NPA Members. An officer level Consultation Group produced a list of all consultations YDNPA is involved in, and rationalised it to reduce the number and cost of surveys, whilst still obtaining all necessary information. This was adopted by the Authority, as part of a new Consultation Strategy, in May 2007.
3. Promoting values for the	3.1 Putting organisational	Clear statement of the values of the	The Authority has adopted core values, which appear in various documents, eg

<b>Core Principle</b>	<b>Supporting Principles</b>	<b>Relevant procedures &amp; documents</b>	<b>YDNPA's position</b>
whole organisation, and demonstrating the values of good governance through behaviour.	values into practice.	organisation.	the BVPP. These were reviewed in 2005, and 6 core values, with 13 "behaviours" to put the values into practice were adopted in place of the previous 8 values. The issue of performance in relation to these has been built into the staff appraisal process, and the core values are being embedded through management development training. The IIP process provides some external verification in this area. The core values have been added to the SMT Concordat, so that they are always before SMT when new policies or policy changes are being considered.
		Anti fraud and corruption policy.	A new policy was adopted in November 2006, and other procedures have been amended accordingly.
	3.2 Individual governors behaving in ways that uphold and exemplify effective governance.	Code of Conduct for Members.	Statutory code adopted by Authority, with some adaptations, July 2007. Statement of standards of behaviour in formal meetings also adopted: see Members' Handbook.
		Procedure for declaring gifts & hospitality.	Code of Practice for Members & Officers in Members' Handbook and accessible via the Intranet. Needs updating in the light of the new Code of Conduct.
		Register of Members Interests.	Maintained by Monitoring Officer. Updated August 2007.
		Register of Officers Interests	Maintained by Monitoring Officer. Updated July 2007.
		Standards Committee	Established, with independent Chair. Terms of reference reviewed and amended, March 2006. Three independent members (increased from two) appointed, July 2007.
4. Taking informed, transparent decisions and managing risk.	4.1 Being rigorous and transparent about how decisions are taken.	Clear access to information arrangements.	Statutory: Part VA of the Local Government Act 1972, and the Freedom of Information Act 2000. FoIA procedures updated January 2006. Publication Scheme under FoIA revised and submitted to Information Commissioner June 2007. Most Authority / Committee papers are available on the website. SMT minutes and meetings are open to staff (except for confidential items). New Data Protection policy approved by the Authority, September 2007.
		Standing Orders.	Contained in the Members' Handbook

Core Principle	Supporting Principles	Relevant procedures & documents	YDNPA's position
			and via the Intranet. Reviewed and amended, Nov 2005. Work needs to be done by the Monitoring Officer and the Committee Services Officer to see if amendments can be made which, whilst retaining an essential structure, allow for freer debates.
		Delegation Scheme for Officers.	Contained in Members' Handbook and accessible via the Intranet. Reviewed and amended 2006.
		Explicit statement of the criteria, rationale and relevant considerations on which decisions are based.	National Park purposes for all decisions. Local Plan / Local Development Framework for planning decisions. Written reports cover specific issues – eg planning policies. Reports address conformity of the subject matter with the Authority's strategic planning framework. "Guidance on Good Decision Making" developed and circulated in 2006. Head of Planning is to develop case summaries illustrating planning policy, and display information about planning policy at Committee meetings.
	4.2 Having and using good quality information, advice and support.	Explicit understanding of what information members need to take decisions.	A statement on this was agreed by the Authority in September 2007.
		Availability of clear and reliable performance information.	This is available in the performance section of the BVPP, and up to date performance information is considered regularly by SMT. The NPAPA assessment concluded that good information on performance is produced, but there is a need to explore how lessons can be learned, and shared. Audit & Review Committee now reviews major projects, specifically to consider lessons to be learned.
		Procedures which ensure financial and legal advice is provided where necessary.	Standing instruction to authors of reports to seek financial and legal input where necessary. This does not always work well in practice.
	4.3 Making sure that an effective risk management system is in operation.	Risk management policy / procedures. Risk Register.	A new risk management policy was approved by Audit & Review Committee in February 2007. A quarterly review of risk is undertaken by SMT to identify the risks facing the Authority, the controls in place, and the responsibilities for managing those risks. This is summarised in a

<b>Core Principle</b>	<b>Supporting Principles</b>	<b>Relevant procedures &amp; documents</b>	<b>YDNPA's position</b>
			strategic risk register. All new policy proposals are to be accompanied by a risk assessment. There is a crisis management plan in place. Business continuity plans need to be developed in key areas. More emphasis needs to be given to documenting relationships within key partnerships.
		Statement on Internal Control.	Contained in the annual statement of accounts.
		Appropriate protections against personal liability.	These were put in place in July 2006.
5. Developing the capacity and capability of the governing body to be effective.	5.1 Making sure that governors have the skills, knowledge and experience they need to perform well.	Induction training for new members, and for Member Champions.	This is provided locally. National training is also provided for new members. A mentoring scheme for new members was introduced in 2007.
		Training needs analysis of members.	This is addressed by an annual survey of Members and senior managers, which leads to the production of a Member Training Programme.
		Clear statement to bodies which appoint members as to what skills and perspectives would be most helpful (including diversity issues).	A document prepared for appointing authorities is in the Members' Handbook; it was updated in October 2006 and reissued in March 2007.
	5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	Appraisal / performance review of members.	The 6 Secretary of State members are appraised annually by the Chairman; others not currently. See 2.2 above.
		Self assessment of performance by the Authority as a whole.	National Park Authority Performance Assessment process took place through 2005, and included self assessment.
	5.3 Striking a balance, in the membership of the governing body, between continuity and renewal.	Explain preferred approach to continuity / renewal to outside bodies that appoint members.	Past experience has shown that the Authority has little influence on these matters. However, a document has been produced to brief appointing authorities about the role of NPA members, and this is sent to those authorities when appointments are due to be made. It does not address the continuity / renewal issue, however.
6. Engaging stakeholders and making accountability	6.1 Understanding formal and informal	Statement clarifying to whom the Authority is accountable, and for what.	Circular 12/96, and the BVPP, contain some relevant material. It was hoped that a replacement circular would be more explicit, but its production has

<b>Core Principle</b>	<b>Supporting Principles</b>	<b>Relevant procedures &amp; documents</b>	<b>YDNPA's position</b>
real.	accountability relationships.		been put on ice by Defra.
	6.2 Taking an active and planned approach to dialogue with and accountability to the public.	Procedures for seeking public feedback.	See 1.2 and 2.3 above. Also Complaints procedure. Questionnaire for persons attending Planning Committee meetings.
		Complaints Procedure.	A Compliments, Complaints and Comments procedure is in place (revised October 2004)
		Strategy for consultation.	A new Consultation Strategy was agreed by the Authority in May 2007. As part of the above, and in the light of the 2006 White Paper from DCLG, the issue of community engagement in the work of the Authority will also be considered.
		Communication Strategy	The Head of External Affairs is working on a new communication strategy. Section 4 of the BVPP details work the Authority is doing to promote understanding of the Authority's work and the special qualities of the National Park. There is a crisis management plan for communication. An internal guide to style and plain English has been produced, and is being promoted across the Authority, and media guidelines have been agreed by SMT.
		Annual publication of purpose, strategy, plans & finances.	Much of this is covered in the BVPP. Circular 12/96 requires an annual report on stewardship of the Park – this is also covered by the BVPP. The English National Parks publish a joint annual report, in which there is a chapter relating to the YDNP.
		Effective communication to the public of decisions which have been taken.	Meetings are mostly open to the public, and minutes of Authority and Committee meetings are placed on the website. Decisions on planning matters could be more clearly communicated, perhaps by developing case summaries on the website, and having information about the Local Plan / Local Development framework on display at Planning Committee meetings. It will be part of the role of Member Champions to explain decisions, and media training has been provided accordingly.
	6.3 Taking an	Staff consultation	A climate survey every two years

<b>Core Principle</b>	<b>Supporting Principles</b>	<b>Relevant procedures &amp; documents</b>	<b>YDNPA's position</b>	
	active and planned approach to responsibility to staff.	mechanisms.	canvasses views of staff, and issues raised are put into an Action Plan. Again, IIP provides an element of external verification. There are recognised mechanisms for consulting staff and Unison on specific issues.	
		Whistleblowing procedures.	Confidential reporting policy: updated & reissued November 2005.	
		Staff code of conduct.	Included in Employment Information Guide. A National code of officers' conduct is awaited.	
	6.4 Engaging effectively with institutional stakeholders.	Identify key institutional stakeholders, and make them aware of the Authority's corporate governance arrangements.		Key institutional stakeholders have been identified as the five local authorities, Defra, DCLG, Yorkshire Forward, Government Office for Yorkshire & the Humber and the Yorkshire Dales Millennium Trust. ENPAA have identified stakeholders that are important for all NPAs. They were made aware of the governance arrangements once the corporate governance policy was adopted by the Authority.
			Partnership strategy.	There is a strategy, which includes criteria specifying the main purposes of belonging to a partnership, clear terms of reference, adequate training and an exit strategy. A review of the nature and involvement of the Authority across all partnerships was completed in 2004/05, with the approach to participation in partnerships rationalised. An annual assessment leads to a decision on which should continue, and on what basis. The review was recognised by the Audit Commission as an example of best practice, and the Authority was judged to be strong in relation to working in partnership. In 2006, criteria were agreed and applied in relation to who should represent the Authority on partnerships (ie members or officers), and where this is a member, it is normally the relevant Member Champion.
			Framework of accountability for partnerships.	A Memorandum of Understanding has been developed with the Yorkshire Dales Millennium Trust, and this can provide a template for other partnerships, where appropriate.
			Mechanisms for obtaining feedback	See 1.2, 2.3 and 6.2 above.

Core Principle	Supporting Principles	Relevant procedures & documents	YDNPA's position
		from stakeholders.	

The following checks exist for the Authority to be able to take assurance that proper governance arrangements are in place, and are working properly:

- Internal Audit (provided externally by North Yorkshire County Council)
- External Audit, including the annual audit letter and the report to those charged with governance
- Audit & Review Committee
- Independent inspections / reviews, eg National Park Authority Performance Assessment
- Statutory roles of Head of Paid Service, Section 151 Officer and Monitoring Officer

List of abbreviations used

BVPP: Best Value Performance Plan  
 Defra: Department for the Environment, Food and Rural Affairs  
 FoIA: Freedom of Information Act  
 IIP: Investors in People  
 NPAPA: National Park Authority Performance Assessment  
 NPMP: National Park Management Plan  
 SMT: Senior Management Team  
 YDNPA: Yorkshire Dales National Park Authority

Comparison of the original governance principles and the CIPFA / SOLACE rewrite

<b>Good Governance Standard</b>	<b>CIPFA / SOLACE rewrite</b>
<b>Principle 1. Focussing on the organisation's purpose, and on outcomes for citizens and service users.</b>	<b>Principle 1. Focussing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.</b>
Supporting Principles: 1.1 Being clear about the organisation's purpose and its intended outcomes for citizens and service users.  1.2 Making sure that users receive a high quality service.  1.3 Making sure that taxpayers receive value for money.	Supporting Principles: 1.1 exercising strategic leadership by developing and clearly communicating the Authority's purpose and vision and its intended outcome for citizens and service users. 1.2 Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning. 1.3 Ensuring that the Authority makes best use of resources and that tax payers and service users receive excellent value for money.
<b>Principle 2. Performing effectively in clearly defined functions and roles.</b>	<b>Principle 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles.</b>
Supporting Principles: 2.1 Being clear about the functions of the governing body.  2.2 Being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out.  2.3 Being clear about relationships between governors and the public.	Supporting Principles: 2.1 Ensuring effective leadership throughout the Authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function. 2.2 ensuring that a constructive working relationship exists between Authority members and officers, and that the responsibilities of Authority members and officers are carried out to a high standard. 2.3 Ensuring relationships between the Authority and the public are clear so that each knows what to expect of the other.
<b>Principle 3. Promoting values for the whole organisation, and demonstrating the values of good governance through behaviour.</b>	<b>Principle 3. Promoting the values for the Authority, and demonstrating the values of good governance through upholding high standards of conduct and behaviour.</b>
Supporting Principles: 3.1 Putting organisational values into practice.  3.2 Individual governors behaving in ways that uphold and exemplify effective governance.	Supporting Principles: 3.1 Ensuring Authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance. 3.2 Ensuring that organisational values are put into practice and are effective.
<b>Principle 4. Taking informed, transparent decisions, and managing risk.</b>	<b>Principle 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.</b>
Supporting Principles: 4.1 Being rigorous and transparent about how	Supporting Principles: 4.1 Being rigorous and transparent about

<p>decisions are taken.</p> <p>4.2 Having and using good quality information, advice and support.</p> <p>4.3 Making sure that an effective risk management system is in operation.</p>	<p>how decisions are taken and listening and acting on the outcome of constructive scrutiny.</p> <p>4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants / needs.</p> <p>4.3 Ensuring that an effective risk management system is in place.</p> <p>4.4 Using their legal powers to the full benefit of the citizens and communities in their area.</p>
<p><b>Principle 5. Developing the capacity and capability of the governing body to be effective.</b></p>	<p><b>Principle 5. Developing the capacity and capability of members and officers to be effective.</b></p>
<p>Supporting Principles:</p> <p>5.1 Making sure that governors have the skills, knowledge and experience they need to perform well.</p> <p>5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p> <p>5.3 Striking a balance, in the membership of the governing body, between continuity and renewal.</p>	<p>Supporting Principles:</p> <p>5.1 Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p> <p>5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p> <p>5.3 Encouraging new talent for membership of the Authority, so that best use can be made of individuals' skills and resources in balancing continuity and renewal.</p>
<p><b>Principle 6. Engaging stakeholders and making accountability real.</b></p>	<p><b>Principle 6. Engaging with local people and other stakeholders to ensure robust public accountability.</b></p>
<p>Supporting Principles:</p> <p>6.1 Understanding formal and informal accountability relationships.</p> <p>6.4 Engaging effectively with institutional stakeholders.</p> <p>6.2 Taking an active and planned approach to dialogue with and accountability to the public.</p> <p>6.3 Taking an active and planned approach to responsibility to staff.</p>	<p>Supporting Principles:</p> <p>6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p> <p>6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery, whether directly by the Authority, in partnership or by commissioning.</p> <p>6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</p>