



**Please note start time**

## **AGENDA**

### **MEETING: AUDIT AND REVIEW COMMITTEE**

*[Membership: Judith Donovan, John Fort, Roger Harrison-Topham, Neil Heseltine, Robert Heseltine, David Ireton, Allen Kirkbride, Jim Munday, Margaret Pattison, Yvonne Peacock, Neil Swain and Richard Welch].*

**VENUE: The National Park Authority Office, Yoredale, Bainbridge**

**DATE/TIME: Tuesday 11 April 2017 at 11.15am**

✧ Please see the attached “NOTES FOR MEMBERS OF THE PUBLIC AND AUTHORITY MEMBERS” ✧

## **BUSINESS**

### **Part One – “Procedural items**

|   | <b><u>Indicative<br/>Duration</u></b> | <b><u>Page No</u></b> |
|---|---------------------------------------|-----------------------|
| 1. Minutes of the meeting held on 8 November 2016 |                                       | <b>1</b>              |
| 2. Public Questions / Statements                  |                                       |                       |
| 3. Apologies for absence                          |                                       |                       |
| 4. Declarations of lobbying                       |                                       |                       |

### **Part Two – Items/Reports which require a decision from Members**

|  |                  |           |
|--|------------------|-----------|
| 5. Performance reviews and major project reviews for 2017/18 | <i>(15 mins)</i> | <b>5</b>  |
| 6. Annual Governance Statement                               | <i>(10 mins)</i> | <b>9</b>  |
| 7. Review of the Authority’s Member Code of Conduct          | <i>(10 mins)</i> | <b>25</b> |
| 8. Review of the Complaints Policy                           | <i>(10 mins)</i> | <b>37</b> |

### **Part Three – Items/Reports which are for Members to note**

|   |                  |           |
|---|------------------|-----------|
| 9. Internal Audit Annual Report for 2016/17 | <i>(10 mins)</i> | <b>47</b> |
|---|------------------|-----------|



## **NOTES FOR MEMBERS OF THE PUBLIC AND AUTHORITY MEMBERS**

### **1. Declarations of Interest:**

Authority Members should make any declarations of interest at the start of the appropriate item.

### **2. Public Questions/Statements:**

The National Park Authority has allocated up to 15 minutes at the start of meetings to allow members of the public the opportunity to ask questions and/or to make statements that relate to the work of the Authority or the appropriate Committee. Anyone wishing to ask a question or make a statement **must 'register'** that intention with the Chief Executive by 12 noon on the working day before the meeting. More detailed guidance is available from the Authority's Committees Officer. (This procedure is in addition to the opportunity to speak on planning applications at the Planning Committee.)

For anyone registered to speak at today's meeting – the Chairman will call you at the appropriate time – each Speaker will have up to three minutes.

### **3. Filming/Recording of Meetings:**

The National Park Authority routinely records all full Authority and Planning Committee Meetings. Filming/recording of Authority meetings, Committee and sub-committee meetings is permitted provided it does not disrupt the smooth running of the meeting.

The Chairman reserves the absolute right to ask for filming or recording of a meeting to cease if, in his/her opinion, continuing to film/record would be disruptive to, or prejudice, proceedings.

Ultimately the Chairman may suspend or adjourn the meeting.

Anyone filming a meeting is asked only to focus on those actively participating. Those attending National Park Authority meetings should be aware that they may be filmed and that attendance at the meeting signifies agreement to this.

The Authority cannot accept responsibility for the content of any recording made, once it has been taken away from the Authority's premises.

### **4. Health & Safety:**

**All** members of the public **and** Authority members should sign the Visitors Book on entering and leaving the building – this is necessary in order that, if the building has to be evacuated, all persons can be accounted for.

In the event of the fire alarms being activated, all those present at the meeting should leave the building by the main entrance (if possible), go straight across the car park (with the central wall on your left) and assemble at the far right-hand side of the lower part of the car park by the Fire Assembly Point. Please go **straight** to the Assembly Point as not doing so may delay checks that everyone is accounted for.

### **5. Meeting Room(s) Hearing Loop:**

As well as using a conference sound system at Authority and Planning Committee meetings, each of the rooms used for formal meetings of the Authority and its Committees has an induction loop system fitted.

If you have a hearing aid with a 'T' setting, please switch it to 'T'.

### **6. Agenda Papers:**

The agenda and all public reports for meetings of the Authority (and each of its Committees) are normally available for public inspection five working days before the meeting. The papers are also posted on the Authority's website and a **limited** number of copies are available for reference at each meeting.

***If you have any general enquiries/comments about the above or the way in which the Authority's decision-making processes operate, please contact the Committees Officer by post (to Yoredale, Bainbridge, Leyburn, DL8 3EL); telephone 0300 456 0030; or email: [secretariat@yorkshiredales.org.uk](mailto:secretariat@yorkshiredales.org.uk).***



## Committee Membership and Member Champions as at 1 January 2017

| Member                    | Appointing body | Planning | Audit & Review | Finance & Resources | Standards |
|---------------------------|-----------------|----------|----------------|---------------------|-----------|
| <i>M'ship/Quorum→</i>     |                 | 17/7     | 12/6           | 13/6                | 5/3       |
| Blackie John              | NYCC            | ✓        |                | ✓                   |           |
| Clark Chris               | SoS(P)          | ✓        |                | ✓                   | (S)       |
| Cotton Nick               | CCC             | S1       |                | ✓                   |           |
| Donovan Judith            | SoS             |          | ✓              |                     | ✓         |
| Fort John                 | NYCC            |          | ✓              |                     |           |
| Gray Brenda               | SLDC            | ✓        |                | ✓                   |           |
| Harrison-Topham Roger     | NYCC            | ✓        | ✓              |                     | ✓         |
| Heseltine Neil            | SoS(P)          | S1       | ✓              |                     | ✓         |
| Heseltine Robert          | CDC             | ✓        | ✓              |                     |           |
| Ireton David              | CDC             | S1       | ✓              |                     | ✓         |
| Johnstone Marcus          | LCC             | S2       |                | ✓                   |           |
| Kendall Valerie           | EDC             | ✓        |                | ✓                   |           |
| Kirkbride Allen           | SoS(P)          | ✓        | ✓              |                     |           |
| Lis Carl                  | CDC             | ✓        |                | ✓                   |           |
| Macaré Steve              | SoS             | S1       |                | ✓                   |           |
| Manners-Armstrong Jocelyn | SoS             | ✓        |                | ✓                   | ✓         |
| Martin Julie              | SoS             | ✓        |                | ✓                   |           |
| McPherson Ian             | SoS(P)          | ✓        |                | ✓                   |           |
| Munday Jim                | SoS             | ✓        | ✓              |                     |           |
| Parsons Stuart            | NYCC            | ✓        |                | ✓                   |           |
| Pattison Margaret         | LCyC            | ✓        | ✓              |                     |           |
| Peacock Yvonne            | RDC             | S2       | ✓              |                     |           |
| Swain Neil                | SoS             | ✓        | ✓              |                     |           |
| Thornton-Berry Caroline   | RDC             | ✓        |                | ✓                   |           |
| Welch Richard             | NYCC            | ✓        | ✓              |                     |           |

CDC= Craven District Council; EDC= Eden District Council; LCyC= Lancaster City Council;  
RDC=Richmondshire District Council; SLDC=South Lakeland District Council;  
CCC=Cumbria County Council; LCC= Lancashire County Council; NYCC= North Yorkshire County Council;  
SoS=Secretary of State; SoS(P)=Secretary of State (Parish);

| <b>CHAIRMEN AND DEPUTY CHAIRMEN</b> |                           |                        |
|-------------------------------------|---------------------------|------------------------|
| <i>Date elected</i>                 | <i>Chairman</i>           | <i>Deputy Chairman</i> |
| Authority (28/06/16)                | Carl Lis                  | Ian McPherson          |
| Planning (09/08/16)                 | Caroline Thornton-Berry   | Julie Martin           |
| Audit and Review (08/11/16)         | Yvonne Peacock            | Jim Munday             |
| Finance and Resource (13/9/16)      | Jocelyn Manners-Armstrong | Nick Cotton            |
| Standards (01/11/16)                | Jocelyn Manners-Armstrong | -                      |

| <b>MEMBER CHAMPIONS</b>       |                         |                            |
|-------------------------------|-------------------------|----------------------------|
| <i>Area of responsibility</i> | <i>Member appointed</i> | <i>Term of appointment</i> |
| Natural Environment           | Ian McPherson           | Nov15 – Nov18              |
| Cultural Heritage             | Julie Martin            | Sep14 – Sep17              |
| Recreation Management         | Nick Cotton             | Dec16 – Dec19              |
| Promoting Understanding       | Judith Donovan          | April14 – June17           |
| Development Management        | Robert Heseltine        | June15 – June18            |
| Sustainable Development       | Chris Clark             | Sept16 – Sept19            |
| Corporate Management          | Steve Macaré            | June15 – June18            |

**YORKSHIRE DALES NATIONAL PARK AUTHORITY  
AUDIT AND REVIEW COMMITTEE**

**ITEM 1**

Minutes of the meeting held at Yoredale, Bainbridge on Tuesday 8 November 2016.

**Present:**

Judith Donovan, Roger Harrison-Topham, Robert Heseltine, David Ireton, Jim Munday, Margaret Pattison, Yvonne Peacock and Richard Welch.

***COPIES OF ALL DOCUMENTS CONSIDERED ARE IN THE MINUTE BOOK***

**19/16 MEMBERSHIP OF THE COMMITTEE**

The report of the Committees Officer was noted.

**20/16 ELECTION OF CHAIRMAN**

Yvonne Peacock was nominated unopposed as Chairman and duly elected.

**RESOLVED –**

That Yvonne Peacock be elected Chairman of the Audit and Review Committee.

***YVONNE PEACOCK IN THE CHAIR***

**21/16 ELECTION OF DEPUTY CHAIRMAN**

Jim Munday was nominated unopposed as Deputy Chairman and duly elected.

**22/16 MINUTES**

**RESOLVED -**

That the minutes of the meeting held on 12 July 2016, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

**23/16 PUBLIC QUESTIONS/STATEMENTS**

No notifications of public questions or of the intention to make a statement had been received.

**24/16     APOLOGIES FOR ABSENCE**

Apologies were received from Neil Heseltine and Neil Swain.

**25/16     DECLARATIONS OF LOBBYING**

No declarations of lobbying were made at the meeting.

**26/16     PERFORMANCE REVIEW OF NATIONAL PARK MANAGEMENT PLAN  
PROCESS – FOR DEVELOPMENT AND IMPLEMENTATION**

CONSIDERED – the report of the Senior Policy and Performance Officer.

**RESOLVED –**

That the recommendations of the review be approved, and form the basis for a report to be brought to the full Authority setting out detailed proposals for updating the National Park Management Plan by 2018, including changes to the make up of the Steering Group.

**27/16     ANNUAL GOVERNANCE REPORT**

CONSIDERED – the report of the Solicitor/Monitoring Officer

**RESOLVED –**

That the assessment of the Authority's governance arrangements set out in the revised Local Code of Corporate Governance at Appendix B of the report, be adopted.

**28/16     ANNUAL REVIEW OF THE EFFECTIVENESS OF THE ARRANGEMENTS FOR  
RISK MANAGEMENT**

CONSIDERED – the report of the Director of Corporate Services.

**RESOLVED –**

That the report be noted.

**29/16     PROGRESS ON CORPORATE PLAN – 2016/17 HALF YEAR REPORT**

CONSIDERED – the report of the Senior Policy and Performance Officer

**RESOLVED –**

That the report be noted.

**30/16 MID-YEAR TREASURY MANAGEMENT REVIEW: REPORT OF THE TREASURER**

CONSIDERED – the report of the Treasurer.

**RESOLVED –**

That the report be noted.

**31/16 INTERNAL AUDIT: 2016/17 AUDIT PLAN**

CONSIDERED – the report of the Director of Corporate Services.

**RESOLVED –**

That the report be noted.

**32/16 ANNUAL AUDIT LETTER**

CONSIDERED – the report of the Director of Corporate Services.

**RESOLVED –**

That the report be noted.

**33/16 ANNUAL EQUALITY PROGRESS REPORT**

CONSIDERED – the joint report of the Solicitor/Monitoring Officer and the Head of HR and Communications.

**RESOLVED –**

That the report be noted.





**Committee:** AUDIT AND REVIEW  
**Date:** 11 April 2017

**Report:** PERFORMANCE REVIEW AND MAJOR PROJECT REVIEWS FOR  
2017/18

### **Purpose of the report**

1. To consider and determine what should be the focus of the Member-led 'performance review' and the 'major project reviews' in 2017-18.

### **RECOMMENDATION**

2. That Members identify the areas of work to be scrutinised through one performance review and two major project reviews in 2017/18.

### **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:
  - **Corporate Plan objectives**  
*Ensure a robust and transparent Performance Management Framework is in place and is driving improvement,...*

### **Background**

4. Each year, the Audit and Review Committee identifies an annual programme of reviews comprising two elements: 'Performance Reviews' (which are led by Members) and reviews to learn lessons from major projects in which the Authority has been involved.
5. **Performance Reviews** focus on effectiveness and value for money. In the past they focused on *improving* performance but this might not necessarily be the main driver now. Some reviews can be about *maintaining* performance with less resource, while others might even be about how best to *reduce* performance in order to make savings.

6. The aim of '**Major Project**' **Reviews** is to undertake a quick and honest assessment of the success or otherwise of significant projects that we have been involved in, so that lessons can be learned for future projects.
7. In recent years, the Committee has instituted one performance review and up to two major project reviews each year. This is considered to be proportionate to the Authority's current resources.

## **Consideration**

### ***Performance review***

8. Performance reviews have a high profile within the Authority. Our practice is for two Members to participate in a small Member/officer working group to undertake each review. It is suggested that the following might be appropriate areas to look at in the coming year:
  - a. **Income generation** – the Authority's income generation strategy was introduced in March 2015, in response to the challenge of the 40% real terms cut in government grant. It set out a range of responses, including fees and charges, sponsorship, donations, and external grants. The review could assess the cost-effectiveness of our performance to date, and inform an updated strategy in 2018.
  - b. **Parish Forums** (and other engagement with parishes) – in December 2014, Members agreed – as a pilot - to set up two (now 3) Parish Forums' to try to engage with the Parish Councils and Parish Meetings wholly or partly within the boundaries of the National Park. It was agreed that this would be reviewed after two years' worth of meetings (i.e. at the end of this year). The review could look at the cost-effectiveness of the approach, and lead to recommendations for future parish engagement.
9. Subject to Members' decision, a further report will then be brought to the Committee setting out more detailed terms of reference for the agreed review, and seeking Member participation in the review team.

### ***Major project reviews***

10. Major project reviews are more 'light touch' and focus on learning from recent experience. Reviews are carried out by officers and then reported to the Committee. It is proposed that Members choose two of the following options:
  - a. **Broadband projects** – in recent years, the Authority has supported a number of local community broadband projects, including several led by Broadband for the Rural North.
  - b. **Implementation of the boundary extension** – in October 2015, the Government announced its intention to extend the boundary of the National Park on 1 August 2017. In response, the Authority set out a range of steps that would be taken to try to ensure a smooth transition, including dealing with the transfer of various functions from the constituent local authorities.

This was followed, in September 2016, by proposals for a staff reorganisation, aimed in part at enabling the Authority to deliver its functions effectively across the new Park geography.

- c. **Pennine Trails Partnership** –In 2013 Natural England looked to set up a partnership of local authorities and others to take on the management of each National Trail. The Authority took on the role as ‘lead’ partner for the Pennine Way and Pennine Bridleway, first in a shadow capacity in 2014/15 and then formally in 2015/16
- d. **Charging for toilets** – in March 2015 Members approved a 2-year trial (beginning August that year) of charging for the use of the Authority’s public toilets at Grassington, together with the introduction of ‘donation boxes’ at several other sites.

11. Subject to Members’ decision, a further report will then be brought to the Committee setting out more detailed terms of reference for the agreed review, and seeking Member participation in the review team.

12. Members may wish to note that – largely as a result of the income generation strategy — there is now a significant number of ‘major projects’ underway, which will provide potential subjects for reviews in 2018/19 and beyond:

- Refurbishment of the Dales Countryside Museum (2018)
- Parish Wildlife project (2018)
- Wensleydale Dormouse Project (2019)
- Muker Barns Restoration and *Every Barn Tells a Story* (2019)
- The Swale Trail (2019)
- RBAPS national pilot (2019)
- Destination management (2019)
- Habitat surveys (2019)
- Young Rangers/Green Futures (2020)

## **Conclusion**

13. Performance reviews and major project reviews are a fundamental part of the framework by which Members are able to engage in scrutiny of the effectiveness of the Authority’s work.

Gary Smith  
**Director of Conservation and Community**

26 March 2017

Background documents: None.



**Committee:       AUDIT AND REVIEW**

**Date:               11 April 2017**

**Report:             ANNUAL GOVERNANCE STATEMENT – 2016/17**

### **Purpose of the Report**

1. To seek Members' approval of the Annual Governance Statement for 2016/17.

### **RECOMMENDATIONS**

2. Members are requested to

(i) Consider and approve the Annual Governance Statement to accompany the 2016/17 Statement of Final Accounts; and

(ii) Confirm that, subject to the implementation of the improvements identified in Table B, the Authority's internal control systems and governance arrangements are considered to be adequate and effective.

### **Strategic Planning Framework**

3. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework, and in particular:

*Objective 31: Operate corporate governance and financial arrangements that are fit for purpose, as evidenced through the Annual Governance Statement, the Annual Governance Report and an unqualified audit opinion.*

### **Introduction**

4. The Accounts & Audit (England) Regulations 2011 (as amended by the Accounts & Audit Regulations 2015 ("the Regulations")) require the Authority to carry out an annual review of the effectiveness of its system for internal control.
5. Having considered the findings of the review, Members are then required to approve an Annual Governance Statement (AGS), prepared in accordance with proper practices in relation to internal control.

6. The AGS must then be included with the Statement of Accounts. The regulations specify a date for publication of an Annual Governance Statement. This must be no later than 31<sup>st</sup> July of the financial year immediately following the end of the financial year to which the Statement relates.

### **Scope and preparation of the Annual Governance Statement**

7. This Statement has been prepared in line with guidance issued by the Chartered Institute for Public Finance and Accountancy (CIPFA) "Delivering Good Governance", 2016. The guidance recommends that authorities should test their governance structures and partnerships against the principles in the framework by:
  - Reviewing existing governance arrangements;
  - Developing and maintaining an up to date local code of governance including arrangements for ensuring on-going effectiveness;
  - Reporting publically on compliance with their adopted code on an annual basis.
8. The Annual Governance Report to this Committee in November 2016 included an assessment and evaluation of the effectiveness of the Authority's governance arrangements throughout the year. A revised Local Governance Code, based on the principles in the framework, was adopted. The AGS is the third stage of this process and is the point at which the Authority reports publically on compliance with the Local Governance Code, on how the effectiveness of the governance arrangements has been monitored during the year, and on any planned actions.
9. The AGS should include:
  - An acknowledgement of responsibility for ensuring that there is a sound system of governance incorporating the system of internal control, and with reference to the Authority's Local Code of Governance;
  - Reference to, and an assessment of, the key elements of the governance framework, and the role of those responsible for the maintenance of the governance environment within the Authority;
  - An opinion on the level of assurance that the governance arrangements can provide, and confirmation that the arrangements can continue to be regarded as fit for purpose in accordance with the governance framework.
10. The CIPFA guidance recommends that the AGS should be signed by the Chief Executive and a leading Member (the External Auditor has indicated that this should be the Chairman of the Authority).
11. The AGS must relate to the governance system as it applied during the financial year for the accounts that it accompanies. However, significant events or developments relating to the governance system, that occur between the year-end and the date on which the Statement of Accounts is signed by the responsible financial officer, should be reported. The draft AGS attached is, to that extent, subject to the possible need for later amendment; one example being the need to update the AGS following this

meeting to include reference to the performance reviews and major project review which have been agreed by Members to be carried out in 2017/18.

12. The Chief Financial Officer and the Monitoring Officer have reviewed the system for internal control, and the findings are set out in the draft AGS for 2016/17 which is attached as an **Appendix** to this report. Table A of the AGS lists those matters which were identified in the 2015/16 AGS and the actions taken to address those matters. Table B lists those improvements which the current review has identified are required over the next twelve months.
13. The Chairman of the Authority and the Member Champion for Corporate Management have been consulted in connection with the draft AGS.

**Gillian Cooper**  
**Monitoring Officer**

**Richard Burnett**  
**Director of Corporate Services**

28 March 2017

Background documents: CIPFA/SOLACE *'Delivering Good Governance in Local Government – 2016 edition'*

## **[Draft] Annual Governance statement 2016/17**

### **1. The purpose of the governance framework**

The governance framework comprises the systems, processes, culture and values by which the Yorkshire Dales National Park Authority ('the Authority') is directed and controlled; and the activities through which it accounts to, engages with, and leads its stakeholders and the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate services, and have ensured best use of resources and value for money, in pursuit of National Park purposes.

### **2. The system of internal control**

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 on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, evaluate the likelihood and potential impact of those risks being realised, and to manage those risks efficiently, effectively and economically.

The Authority's governance framework has been in place at the Authority throughout the year ended 31 March 2017 and up to the date of approval of the Statement of Accounts.

### **3. Responsibility**

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.

### **4. How this responsibility is discharged**

In discharging this overall responsibility, the Authority must put in place arrangements for the governance of its affairs, including the management of risk, that meet the highest standards and facilitate the effective exercise of its functions. These governance arrangements should be, and be seen to be, sound.



The Authority has approved and adopted a Local Code of Corporate Governance which sets out principles consistent with the CIPFA/SOLACE guidance note on *Delivering Good Governance in Local Government*. The guidance was revised and re-issued in 2016, and contains a new set of principles. The Authority has reviewed its Local Governance Code to take account of the new guidance. A copy of the Local Governance Code can be obtained from the Monitoring Officer, Yorkshire Dales National Park Authority, Yoredale, Bainbridge, Leyburn, North Yorkshire DL8 3EL.

This Statement explains how the Authority has complied with the Code, and also complies with the Accounts & Audit (England) Regulations 2015 (as amended) which require the Authority to prepare this Statement annually.

## **5. The framework**

The Authority's Corporate Governance Framework seeks to ensure that the principles of good governance are embedded in all aspects of its work. The adopted Local Code of Corporate Governance implements the core values of the Authority:

- **Accountability:** We explain our decisions and actions.
- **Commitment:** We will do what we say we will do.
- **Improvement:** We will continually improve our performance in addressing our statutory purposes.
- **Integrity:** Our relationships with the public, partners and each other are built on honesty, equality, impartiality and consistency. We welcome and respect diversity and demonstrate equality in working relationships.
- **Involvement:** We are open and approachable, and are proactive in encouraging wider and diverse participation in achieving our statutory purposes.
- **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.

The Code sets out that all Members of the Authority share responsibility for governance arrangements, and requires the Monitoring Officer to review those governance arrangements and to report annually to the Audit & Review Committee on the findings of that review.

Ultimately, decision-making power rests with Authority Members, advised by officers. Decisions are taken at meetings of the full Authority; at meetings of Committees (Finance & Resources, Audit & Review, Planning and Standards); or by officers under delegated powers. Operational management is the responsibility of the Chief Executive Officer, with the help and support of the Senior Management Team (SMT) comprising the Director of Conservation & Community, Director of Park Services, Director of Corporate Services and the Solicitor/Monitoring Officer. SMT also advises Authority Members on key issues such as performance management, priority setting, and change management. The training and development needs of Members and officers are addressed in annual training plans.

## 6. Key Aspects.

The 2016 CIPFA guidance sets out key aspects of the corporate governance framework. These are:

### **a) Developing codes of conduct which define standards of behaviour for Members and officers, and ensuring that policies for dealing with whistleblowing and conflicts of interest are communicated effectively.**

The Authority's mission statement is inextricably linked to its adopted core values, which are widely publicised through policies, agendas, the website, staff induction and appraisals.

There is a programme in place whereby policies, codes and protocols are reviewed when there is a change in legislation or, in any event, every five years. Reporting arrangements for reviewing codes and protocols are to the Authority, Audit & Review Committee, and the Standards Committee if there is a need for consultation on ethical matters.

The Authority maintains Codes of Conduct for both Members and officers which include reference to the Nolan Principles, and procedures for declarations of interests.

An Independent Person has been appointed to the Standards Committee (which meets to consider complaints concerning Member conduct). The procedures for assessing Code of Conduct complaints were reviewed in 2015.

The Register of Member Interests is available on the Authority's website.

The Member Officer Protocol was updated in March 2015.

The Authority has a Whistleblowing Policy, with confidential reporting arrangements in place to enable internal and external whistleblowing.

The Authority has a Policy in place for dealing with Complaints; this procedure was reviewed in April 2017.

### **b) Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.**

The Chief Executive Officer is the Authority's Head of Paid Service, who advises the Authority on issues of policy, staffing and resources. The Authority employs a Solicitor/Monitoring Officer, to advise on issues of ethical conduct and the lawfulness of decision making, and a Chief Financial Officer. The Deputy Monitoring Officer is also a Solicitor who attends and advises the Planning Committee. Together they are responsible for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The Authority is compliant with the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010). The Authority's Chief Financial Officer (s151 Officer) is the Director of Corporate Services, who sits on the Senior Management Team, has direct access as required to the Chief Executive and Members, and is directly responsible for the organisational leadership and management of an internal finance function with suitably qualified staff.

Financial Regulations set out arrangements governing the award of contracts, to ensure that procurement processes are fair, transparent and lawful, and that best value for money is being obtained. Payment of allowances to Members is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations, 2003.

**c) Documenting a commitment to openness and acting in the public interest.**

The Authority's decision-making framework is set out in publicly available documents, including Standing Orders, a statement of the powers delegated to Committees and officers, and a description of the role of Authority Members in governance arrangements. The Authority has adopted procedures for openness of public meetings including access to, and recording of, meetings; and for publishing decisions including contract awards.

**d) Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

The Authority establishes clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation by having a dedicated Communications Team. This team is responsible for coordinating communications with the wide variety of stakeholders who are affected by, or have an interest in, the work of the National Park Authority and the National Park more generally.

The Authority's website is a key communication tool for residents and visitors; other regular communication tools include the publication of two newspapers for residents (two editions per year) and visitors (annually) and the use of social media (including Twitter and Facebook).

**e) Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning**

The Authority publishes its objectives, and commitment to the achievement of statutory purposes, in a number of plans. The National Park Management Plan (NPMP) establishes the vision for the National Park, and the highest level objectives that the Authority is committed to see achieved, working in partnership with stakeholders. Work has begun to update the NPMP for the Park including the extended areas, which will involve extensive public consultation. This Plan will be adopted by the Authority in 2018.

**f) Translating the vision into courses of action for the Authority, its partnerships and collaborations**

An annual Corporate Plan translates the Authority's commitments in the NPMP into service-specific objectives, with annual targets and financial plans. This forms an integral part of the Performance Management regime.

Arrangements have been developed for the management of partnerships through which many of the outcomes in the NPMP are delivered. There are clear criteria as to whether the Authority should become or remain a member of a partnership, reported biennially to SMT and Audit & Review Committee. Work is done to seek to ensure the good governance of partnerships, as recommended by the Audit Commission.

**g) Reviewing the effectiveness of the decision-making process, including delegated arrangements; decision making in partnerships; information provided to decision makers; and robustness of data quality.**

Standing Orders, and the Scheme of Delegation to Committees and Officers, are reviewed to take account of changes in legislation or otherwise every five years under the Authority's policy review framework. Revisions are reported to the Audit & Review Committee and agreed by the full Authority.

Minutes of meetings and delegated decisions are published. The Chairman and Chief Executive present feedback reports to the Authority and Member Champions report to the Authority.

The Authority's Data Protection Policy is currently under review to ensure that the Policy and procedures are in accordance with changes to the legislation which take effect in May 2018.

**h) Measuring the performance of services and related projects, ensuring that they are delivered in accordance with defined outcomes; and that they represent best use of resources and value for money.**

It is a Corporate Plan objective to plan and manage all aspects of our priorities and targets to make the most effective use of our resources. A robust system of prioritising work programmes is in place and is reviewed regularly. Mid-year progress reports are presented to SMT and Audit & Review Committee; an end of year performance report is presented to the full Authority.

**i) Defining and documenting the roles and responsibilities of Members and management, with clear protocols for effective communication in respect of the Authority and partnership arrangements.**

Members, Member Champions and the Chair of the Authority each have job descriptions. Guidance for, and roles of, Member Champions have been reviewed and updated.

The Authority has adopted protocols on the roles and responsibilities of Members and on Member/Officer relations. All such documents are kept up to date and reviewed when necessary (and at least once every five years).

The Authority reviews its arrangements for partnership working every two years to ensure that the partnerships it participates in are appropriate and effective. The Authority has adopted criteria which assist the Authority in its review.

**j) Effective financial management arrangements conform to the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2015).**

The Authority is compliant with the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010). The Authority's Chief Financial Officer (s151 Officer) is the Director of Corporate Services, who sits on the Senior Management Team, has direct access as required to the Chief Executive and Members of the National Park Authority, and is directly responsible for the organisational leadership and management of an internal finance function along with suitably qualified staff.

**k) Ensuring effective arrangements are in place for the discharge of the monitoring officer function.**

The Authority employs a Monitoring Officer and a Deputy Monitoring Officer, both of whom are qualified Solicitors. The Monitoring Officer is a member of SMT, and attends and advises the Authority, Finance & Resources Committee, Audit & Review Committee and Standards Committee. The Deputy Monitoring Officer attends Planning Committee and, together with the Monitoring Officer, advises on issues of ethical conduct and the lawfulness of decision making.

**l) Ensuring effective arrangements are in place for the discharge of the Head of Paid Service Function.**

The Chief Executive Officer is the Authority's Head of Paid Service, and advises the Authority on issues of policy, staffing and resources.

Together the three Statutory Officers (Chief Executive, Chief Financial Officer and the Monitoring Officer) are responsible for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

**m) Providing initial induction, and identifying the development needs, of Members in relation to their senior roles; supported by appropriate training.**

There is a Member induction process in place. The Policy Development Forum provides regular briefings, updates and training for Members on a range of issues. Compulsory planning training is provided to Members of the Planning Committee. There is a Member training programme in place.

**n) Reviewing the effectiveness of the framework for identifying and managing risk; and for performance and demonstrating clear accountability.**

Risk management procedures link the process for identifying and managing risks explicitly to the achievement of the Authority's objectives. Risks are reviewed every four months with the Authority's insurance advisors, to ensure appropriate cover is in place both for existing and emerging issues. Operational and strategic risks are reported to SMT and strategic risks to the Audit & Review Committee.

**o) Ensuring effective counter fraud and anti corruption arrangements are developed and maintained in accordance the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014)**

The Authority's Anti-Fraud & Corruption Policy is in place to prevent fraud and corruption; procedures exist to ensure that officers are aware of what steps to follow should they suspect a fraud. The Authority has reviewed its policies and procedures against the guidance published in October 2014 by CIPFA "Managing the Risk of Fraud and Corruption", and following that review key staff received appropriate training. The Authority is satisfied that it has adopted a response that is appropriate for its fraud and corruption risks, and commits to maintain its vigilance to tackle fraud.

**p) Ensuring that assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.**

The Authority's internal audit arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010). The role of Internal Audit is currently provided by Veritau Ltd which reports directly to the Authority's Audit & Review Committee.

**q) Undertaking the core functions of an audit committee, as identified in the Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2015).**

The Audit & Review Committee undertakes the core functions identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities. These functions include raising the profile of internal control, risk management and financial reporting issues within the Authority, as well as providing a forum for the discussion of issues raised by internal and external auditors. The Committee also provides some scrutiny functions. Whilst noting that the guidance states that ideally, Audit Committees should be separate from such activity, the size of the Authority means that the current arrangements are fit for purpose.

**r) Ensuring that the Authority provides timely support, information and response to its External Auditors (Ernst Young) and promptly considers audit findings and recommendations.**

The relationship with the External Auditor is supported by regular planning and update meetings and by the preparation and submission of information required by them. At all times, the Auditor has access to the Statutory Officers of the Authority and, if necessary, to the Chairman and other Members.

The External Auditor reports directly to the Authority meeting at which the annual accounts are signed off (currently, September). The Auditor subsequently issues an Annual Audit Letter, by which means they can highlight directly (and in a formal manner) to Members any issues that they might identify during their audit work. This 'direct line' for reporting helps to strengthen the Authority's approach to corporate governance.

The Annual Audit Letter is reviewed by the Audit & Review Committee. No problems were identified in relation to 2015/16, and the Annual Audit Letter (reviewed by the Audit & Review Committee in October 2016) was accordingly very short, with no findings; an unqualified audit opinion was achieved. This provides a level of assurance over the adequacy of the systems used in preparing the annual accounts.

## **7. Conclusion**

This AGS is based on the review of the Local Governance Code undertaken in November 2016 and on the 2016 CIPFA/SOLACE guidance.

Checks are in place to ensure compliance with the governance framework: **Table A** (overleaf) identifies the issues in the 2015/16 AGS and records the actions taken.

The review of the Authority's Code of Local Governance undertaken in March 2017 has identified a number of corporate governance – related actions which will be completed over the next twelve months; these are listed in **Table B**. In addition, the Authority has made a commitment to review the size, membership and appointment of the Board within the next three years. This commitment will be included in the November review of the Code of Local Governance.

**Table A: Matters raised within the 2015/16 Annual Governance Statement**

| <b>Issues raised in the 2015/16 AGS</b>  | <b>Update on action taken.</b>  |
|--|---|
| <p>Work on the preparation of the core strategy within the Local Development Plan, which includes updating the Yorkshire Dales Design Guide and Farm Buildings Design Guide has continued and the Authority has considered two reports. The Local Plan has now been submitted to the Planning Inspectorate for Examination and it is anticipated that a Public inquiry will be held later this year.</p>   | <p>A report on the results of the examination was presented in December. The Inspector's report found that — subject to the inclusion of all the main modifications set out in the Appendix to his Report — the Plan is a sound basis for making planning decisions (in the pre 1 August 2016 National Park area). The Plan was adopted by the Authority in December 2016.</p>  |
| <p>A significant expansion of the Yorkshire Dales National Park takes effect by Order of the Secretary of State on the 1 August 2016. This raises issues of service delivery, effective communication and governance in relation to the new area. Not only will the Authority need to establish a new board with membership from the three new constituent authorities, but the decision making arrangements will need to be reviewed in order to ensure that the new board can exercise its functions effectively in relation to that new area.</p> | <p>Reports were presented to meetings of the Authority in March and June 2016. In March, Members agreed to allocate funds towards the transitional costs of work in preparation for the extension on 1 August. In June the Authority appointed new Members to the board; with effect from 1 August 2016 the membership increased from 22 to 25 with 3 additional Members from the 3 new constituent authorities (Eden District Council, City of Lancaster Council and Lancashire County Council). A Member Induction programme followed shortly after the appointments were taken up. A staffing restructure was agreed in September and completed in March 2017.</p> |
| <p>The National Park Management Plan is due to be updated by March 2018. In addition to being updated the plan will also be expanded to include the boundary extension area. This is likely to require considerable engagement with communities and lead representatives in the extension area, starting in 2016.</p>  | <p>A new National Park Steering Group has been established to lead the process. Work will continue with updates being presented to Members through to the adoption of the plan in 2018.</p>   |
| <p>The announcement of the annual DEFRA settlement coincided with the preparation of the budget and bearing in mind the fact that the Authority had a legal obligation to agree a balanced budget by 31st March 2016 the Authority adopted a pragmatic approach, agreeing a budget on the same financial basis as that for 2015/16. This meant that detailed management and financial issues associated with the boundary extension will be considered at a later date in 2016.</p>  | <p>A revised budget was submitted to Finance &amp; Resources Committee. This was presented in September when a proper account of the grant settlement, and a review of our operations, was taken into account.</p>  |



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| <p>We will need to clarify whether the external audit contract awarded to EY (Ernst and Young LLP) is being extended by 3 years. If not, we need to put our own procurement processes in place, potentially by Autumn 2016.</p>   | <p>Members agreed in December 2016 to accept the Public Sector Audit Appointments (PSSA) invitation to “opt in” to the sector-led option for the appointment of the external auditor. A new contract is in the process of being secured and will be in place by December 2017.</p> |
| <p>The People Management Strategy is due for review during 2016/17.</p>   | <p>Completed</p>   |
| <p>The reviews of the IT and Property Strategy carried out in 2015/16 were light touch, pending more information on the future requirements of the Authority. With the DEFRA settlement and Boundary extension being announced, these two strategies will undergo a fundamental review during the year ahead.</p> | <p>Completed</p>   |

**Table B: Matters identified during the preparation of the 2016/17 Annual Governance Statement**

| Issue   | Explanation   |
|---|---|
| Review of National Park Management Plan   | <p>There is a statutory duty to review the National Park Management Plan “at intervals of not more than five years” (s66 of the Environment Act 1995).</p> <p>The National Park Circular (statutory guidance) makes clear that the National Park Management Plan is the single most important document for the management of the National Park. It guides the work and plans of a range of organisations and provides the framework for a number of other key strategy documents, including the Local Plan. The Plan will set out a long term vision for the National Park through to 2040 and a series of specific objectives for the next five years. Approximately 95% of the area of the National Park is in private ownership, so it is important that the NPMP engages with local people, and is responsive to their interests – as well as the wider ‘national’ interest. The next review, which should be completed by March 2018, will provide the first opportunity to further engage with residents and organisations particularly in the new area of the National Park and get a clear view of their hopes and aspirations.</p> |
| Changes to accounting and reporting processes   | <p>The Treasurer will need to consider changes to reporting standards which require a closer link to be made between the year-end and management accounts. The shortening of the timetable for preparing the annual accounts in 2018 (from September to July) will require a revision to the Authority’s annual timetable of meetings.</p>  |
| Reviews of corporate documents (strategies and policies), in line with the 5 year cycle of planned reviews.                         | <p>Complaints and Compliments Procedures (April)<br/>           Financial Regulations (May)<br/>           Media Procedure &amp; Protocol (June)<br/>           Member Code of Conduct (June)<br/>           Access to Information Policy (August)<br/>           Data Protection Policy (August)<br/>           Anti Fraud and Corruption Policy (September)<br/>           Planning Code of Good Practice (November)</p>  |
| <b>Internal Audit Actions, arising from Audits completed in February / March 2017</b>   |   |
| Risk Management; review of the risk management processes in order to provide an opinion on the effectiveness of those arrangements. | <p>The auditor concluded that the Authority’s processes for Risk Management provided a high level of assurance; there were no recommendations for further improvements.</p>   |
| Freedom of Information/Data Protection; review of the   | <p>Two actions for improvement were identified: to evidence those officers who had received training in</p>   |

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| systems in place to ensure compliance with Freedom of Information and Data Protection legislation and best practice.  | information governance and data protection principles, and to investigate whether better linkage can improve the accessibility of the publication scheme-related information on our website.  |
| Banking; review of banking arrangements and the controls that assure security over cash assets.   | One action for improvement was identified: that the National Park Centres meet the requirement to submit cash receipt forms as part of the banking arrangements.  |
| Loans to Yorkshire Wildlife Trust; review of the processes involved in the administration of loans to the Wildlife Trust.   | The auditor concluded that the Authority's processes for the Loans provided a high level of assurance; there were no recommendations for further improvements.  |
| Administration of National Trails; YDNPA are the administrative body for the Pennine National Trails. This audit reviewed the processes for paying organisations that undertake approved work on those trails.                              | The auditor concluded that the Authority's processes for administering the National Trails provided a high level of assurance; there were no recommendations for further improvements.  |
| Main Accounting; a review of the main systems and processes in place to ensure the reliability of financial and accounting information. This included a review of control accounts and reconciliations.                                     | The auditor concluded that the Authority's Main Accounting processes provided a high level of assurance; there were no recommendations for further improvements.  |
| Planning (Development Control); the audit reviewed the processes in place for the determination of planning applications. It also reviewed the impact on those processes resulting from the changes in the boundaries of the National Park. | Two actions for improvement were identified: that Planning Officers are clear about their responsibility to accurately record the Site Notice within the appropriate section of the Field Notes/Case Officer Checklist, and that planning fee receipts are scanned into the appropriate file. |
| ICT follow-up of previous Payment Card Compliance and other IT audits.  | Two actions for improvement were identified: to check that the 'national' National Parks website is Payment Card Industry (PCI) compliant, and that the IT Disaster Recovery Policy is updated.   |



**Committee: AUDIT & REVIEW COMMITTEE**

**Date: 11 APRIL 2017**

**Report: REVIEW OF THE AUTHORITY'S MEMBER CODE OF CONDUCT**

### **Purpose of the report**

1. To review the Authority's Member Code of Conduct ("the Code"). The suggested changes are set out in this report and within the existing Code (highlighted in italics) **attached as an Annex**

### **Recommendation**

2. That Members recommend the revised Member Code of Conduct to the Authority for adoption.

### **Strategic Planning Framework**

3. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework:

#### ***Corporate Plan 2016/19***

*Objective 26: Operate corporate governance and financial arrangements that are fit for purpose, as evidenced through the Annual Governance Statement, the Annual Governance Report, and an unqualified audit opinion.*

### **Background: the Legislation**

4. The Localism Act, 2011 ("the Act") came into effect in November 2011. Sections 26-37 of the Act provide that local authorities (including national park authorities) must promote and maintain high standards of conduct by Members and co-opted Members. The Authority is required to adopt and maintain a Code of Conduct which is based on the Seven Principles of Public Life.
5. The Act requires that the Member Code of Conduct must include such provision as the Authority considers appropriate in respect of the registration and disclosure of:
  - a) pecuniary interests; and
  - b) interests other than pecuniary interests

6. The regulations which deal with the registration and disclosure of pecuniary interests came into effect in May 2012, in June the Authority adopted the current Code with an implementation date of 1<sup>st</sup> July 2012. This Code is now due for review. To date there have been no changes in the legislation to take account of in the review.
7. The Authority may either revise its existing Code of Conduct, or adopt a new Code to replace the existing version. This function may only be discharged by the full Authority. It makes sense for a smaller group of Members – Audit & Review Committee - to undertake the review and consider proposals from the Standards Committee. The recommendations from this Committee will be reported to the Authority at its June meeting.

### **The Review Process: Matters to Consider**

8. Members are asked to consider the following points.

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| <b>a.</b> | <b><i>Should we adopt a new Code, to achieve consistency with other authorities and a common approach?</i></b>   |
|           | <p>A national Code of Conduct was in place prior to the 2011 Act. The Act changed this and the national Code was abolished, requiring each local authority to adopt a Code at local level. Fundamentally, the requirements of each Code need to reflect the duty of that authority to promote and maintain high standards, and to promote ethical standards. To be effective, these requirements need to be proportionate to the business of the authority.</p> <p>The various Codes adopted both by the constituent county and district councils within the Park and by other National Park Authorities have been considered . In some cases, local authorities have grouped together to adopt a common approach. The Cumbrian authorities have a common Code, whereas across North Yorkshire each authority has adopted its own local Code. There are slight variations in approach amongst the National Park Authorities.</p> <p>The arrangements this Authority adopted in July 2012 are very similar to approaches taken by other authorities and, whilst there may slight variations between the provisions in each Code, there would appear to be a common consensus. It is recognised that, until such time as a national Code is introduced, there will always be these localised variations. This means that Members of first, second and third tier authorities have now adapted to working with the authorities’ respective Codes.</p> <p><b>Recommendation:</b><br/>It is considered that minor changes are required. The Code has now been structured into sections to aid interpretation.</p> |
| <b>b.</b> | <b><i>The Nolan Principles</i></b>   |
|           | <p>At the last meeting of the Audit &amp; Review Committee in November, Members approved the Local Code of Corporate Governance, including the adoption of a new Principle A - “Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law”. The Seven Principles of Public Life, or the Nolan Principles as they are sometimes referred to, apply to anyone who works in public office and are included in both Officer and Member Codes of Conduct. To fulfil</p>   |

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|           | <p>the Authority’s obligations under the Act, the Code should be consistent with, and read in the light of, those principles.</p> <p><b>Recommendation</b><br/>The Nolan Principles should be set out in full, for reference and clarity, in an Appendix to the Code. This approach has been taken by most authorities.</p>  |
| <b>c.</b> | <b>General Obligations - Courtesy and Respect.</b>   |
|           | <p>Under the Standards regime, cases relating to the Member Code of Conduct struck a balance between criticism of ideas and opinion as part of the democratic debate (which was not considered to constitute a failure to treat others with respect), and unreasonable or excessive personal attacks on individuals (which was held to be a breach of the Code).</p> <p>There are different approaches adopted across local authorities. Some Codes refer to “respect” or “behave in such a way that a reasonable person would regard as respectful”; some apply the double negative and refer to “not treating others with disrespect. “</p> <p><b>Recommendation</b><br/>The Standards Committee recommendation is that the general obligation to treat others with courtesy is changed to “treat others with courtesy and respect” as set out in Clause 2.1 of the Code.</p>  |
| <b>d.</b> | <b>Declarations of Interest</b>  |
|           | <p>It is worth repeating the principle behind the need for a mechanism for registering and declaring interests, and a means by which Members can decide whether to exclude themselves from the decision-making process. Members have a fiduciary duty as guardians of the public purse, as well as a quasi-judicial role in planning matters. In taking decisions, they must be seen to be open, transparent and to avoid any bias (whether actual or perceived) because they or someone close to them has a stake in that decision.</p> <p>In order to comply with the Act, Codes must include provisions for dealing with Disclosable Pecuniary Interests (DPIs), and it is then open to each local authority to decide how to deal with declarations in relation to “other interests”.</p> <p>The approach to declarations of personal interests differs amongst local authorities. There are two schools of thought: the first is to adopt a “light touch approach” in line with that adopted by this Authority, which is to set out when a Member is required to declare a personal interest; and allow that Member to stay in the meeting and participate in the vote.</p> <p>Clauses 3.5 and 3.6 of the Authority’s Code provide as follows:</p> <p><i>“Where you attend a meeting of the Authority, or of a Committee of the Authority, and you are, or ought reasonably to be, aware that any of your personal interests are relevant to an item of business which is being considered, then unless the interest is one which has been noted under paragraph 3.4, you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later”.</i></p> |

*“Where you attend a meeting of the Authority, or of a Committee of the Authority, and you are, or ought reasonably to be, aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the wellbeing or financial position of a person described in paragraph 3.1 to a greater extent than the majority of inhabitants of the Yorkshire Dales National Park, then you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later”.*

Some authorities’ Codes go further. For example, the Code adopted by the Cumbrian authorities provides that:

*“Where a matter arises at a meeting that affects the interest set out [in paragraph 2] above and a reasonable member of the public would think your view of the public interest would be so adversely affected by the decision, you must leave the meeting room and may not vote on or discharge any function related to the matter unless a dispensation has been granted”.*

This test is similar to the old “prejudicial interest” test. The provision in the Code deals with the situation where there is, or appears to be, potential conflict of interest and/or bias.

However, in this Authority’s Code the only occasion when a Member is required to leave the room is when he or she has a Disclosable Pecuniary Interest (DPI) in relation to an item of business under consideration.

It is relevant to consider what actually gives rise to the need to declare a DPI. The legislation states that “where a member has a DPI in matters to be considered they must not take part in the decision”. The regulations list Disclosable Pecuniary Interests but do not specify what type of matter would result in having a DPI. For this Authority, the most common examples arise in connection with planning cases. The generally accepted view is that the DPI has to directly relate to the interest, for example a planning application which relates to the Member’s property as opposed to a planning application by the Member’s neighbour. So in the case of the former the Member would have a DPI, whereas in the latter the Member would not.

The Authority’s Code clearly specifies the interests which are personal interests and require a Member to declare and remain in the meeting. . In relation to DPIs, unless a Member has a dispensation, that Member must leave the room and not take part in the vote. In cases where, for example, a Member may have a “close association” with the applicant, it is left to that Member’s discretion whether to declare or not, and to seek advice if necessary.

### **Recommendation**

The Standards Committee felt that the provisions in the Code are clear, and to introduce provisions which are aimed at dealing with matters of bias and/or conflicts of interests would introduce uncertainty. Therefore no changes are proposed.



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| <b>e. Gifts and Hospitality</b>   |
| The Code requires the registration of any gift or hospitality received by a Member which is attributable to membership of the Authority. Whereas some authorities have increased the value of gifts that must be declared to £100, some set the threshold at £50 and some at £25. |
| <b>Recommendation</b><br>The Authority's Code should specify a value of £25.00.   |

### **Conclusion**

9. As, to date, there have been no changes to the legislation, the minor amendments detailed above, which take account of the recommendations from the Standards Committee are recommended. It is not considered that any fundamental changes are required.

**Gill Cooper**  
**Solicitor/Monitoring Officer**  
**22<sup>nd</sup> March 2017**





## **Code of Conduct**

### **For Members of the Yorkshire Dales National Park Authority**

| Document Status     |   |
|---------------------|---|
| Date adopted        | 26 <sup>th</sup> June 2012 effective from 1 <sup>st</sup> July 2012 |
| Reviewed            | 27 <sup>th</sup> June 2017  |
| Adopted by          | Authority   |
| Lead Officer        | Solicitor to the Authority and Monitoring Officer                   |
| Date of next review | June 2022   |

# CODE OF CONDUCT FOR THE MEMBERS OF THE YORKSHIRE DALES NATIONAL PARK AUTHORITY

## 1. **Introduction**

- 1.1 The Yorkshire Dales National Park Authority (“the Authority”) has adopted the following Code dealing with the conduct that is expected of Members of the Authority when they are acting in that capacity.
- 1.2 The Code is intended to be consistent with the following Seven Principles of Public Life, and should be read in the light of those principles, namely that Authority Members will act with selflessness, integrity, objectivity, accountability, openness, honesty and leadership. *These principles are set out in more detail in **Appendix A to this Code.***

## 2. **General Obligations**

- 2.1 You must treat others with courtesy *and respect.*
- 2.2 You must not intimidate or attempt to intimidate any person.
- 2.3 You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Authority.
- 2.4 You must not conduct yourself in a manner which could reasonably be regarded as bringing the Authority, or your office as a member of the Authority, into disrepute.
- 2.5 You must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
- 2.6 You must not knowingly prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
- 2.7 You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:
  - You have the consent of a person authorised to give it; or
  - You are required by law to do so; or
  - The disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
  - The disclosure is reasonable, in the public interest, made in good faith, and made in
  - compliance with the reasonable requirements of the Authority.

2.8 Where, as a Member of the Authority, you have been involved in making any decision which is subsequently subject to scrutiny within the Authority, you must not take part in the scrutiny process. In this paragraph, “scrutiny” means the formal examination by the Authority, a Committee of the Authority, or a group of people including Members of the Authority, of a policy or decision previously approved or taken by or on behalf of the Authority, in order to reach a view on its rectitude, efficacy, performance or value for money. For the purposes of this paragraph, you do not take part in a scrutiny process if you simply offer evidence or opinion to the scrutiny body, and do not participate in its decision.

### **3. Registration and Declarations of Interest**

3.1 Subject to paragraph 3.4, you must register in the Authority’s Register of Members Interests information regarding your personal interests. In this Code of Conduct “your personal interests” means:

- any disclosable pecuniary interest (as defined by statutory regulations in force from time to time and set out for information in the note below) which is held by you or, to your knowledge, by your spouse or civil partner, by a person with whom you are living as husband and wife, or by a person with whom you are living as if you were civil partners; and
- any other interest as defined in paragraph 3.3 below which is held by you.

3.2` You must register information regarding your personal interests by giving written notice to the Monitoring Officer, who maintains the Register; and you must give such notice:

- within 28 days of your appointment as a member of the Authority; and
- thereafter, within 28 days of any change taking place in your personal interests.

3.3 The following are personal interests within paragraph 3.1:

- ✓ Your membership of any body to which you are appointed by the Authority;:
- ✓ Your membership of any public body;
- ✓ Your membership of any charitable body;
- ✓ Your membership of any political party, trade union, or other body one of whose principal purposes is to influence public opinion or policy;
- ✓ Any land owned by the Authority of which any of the persons mentioned at (a) to (d) above, are the tenant or licensee.

3.4 Where you consider that disclosure of the details of any of your personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, you may so inform the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the register to the effect that you have a personal interest, details of which are withheld under Section 32 of the Localism Act 2011.

3.5 Where you attend a meeting of the Authority, or of a Committee of the Authority, and you are, or ought reasonably to be, aware that any of your personal interests are

relevant to an item of business which is being considered, then unless the interest is one which has been noted under paragraph 3.4 you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later.

3.6 Where you attend a meeting of the Authority, or of a Committee of the Authority, and you are, or ought reasonably to be, aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the well being or financial position of a person described in paragraph 3.7 to a greater extent than the majority of inhabitants of the Yorkshire Dales National Park, then you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later.

3.7 The persons referred to in paragraph 3.6 are:

- a) a member of your family;
- b) any person with whom you have a close association;
- c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.

3.8 You must comply with any standing order adopted by the Authority which requires Members to leave the room during any meeting at which a matter in which they have a disclosable pecuniary interest is being discussed.

#### **4. Gifts and Hospitality**

4.1 *If you are in receipt of a gift or hospitality with a value of £25.00 or more which is attributable to your membership of the Authority, or any offer of any such gift or hospitality, you must disclose this to the Monitoring Officer; and you must decline to accept any such gift or hospitality which could reasonably be perceived as creating an obligation upon the Authority, or upon yourself as a member of the Authority.*

## **APPENDIX A**

# **The Seven Principles of Public Life (The Nolan Principles)**

### **1. Selflessness**

Holders of public office should act solely in terms of the public interest.

### **2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

### **3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### **4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### **5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### **6. Honesty**

Holders of public office should be truthful.

### **7. Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

**APPENDIX B** (*This Appendix is not part of this Code of Conduct but it contains, for information, the currently defined list of disclosable pecuniary interests:*

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit (other than from the Authority) made or provided in the last 12 months in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the Member's election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Unions and Labour Relations (Consolidation) Act 1992.
- Any contract under which goods or services are to be provided or works are to be executed and which has not been fully discharged which is made between the Authority and
  - the Member and/or
  - to the Member's knowledge, by their spouse or civil partner, by a person with whom they are living as husband and wife, or by a person with whom they are living as if they were civil partners and/or
  - any body in which any of the above have a beneficial interest.
- Any beneficial interest in land (not including an interest which does not carry with it a right to occupy the land or to receive income) which is within the area of the Yorkshire Dales National Park.
- Any licence (alone or jointly with others) to occupy land in the area of the Yorkshire Dales National Park for a month or longer.
- Any tenancy where (to the Member's knowledge) the landlord is the Authority and the tenant is a body in which
  - the Member and/or
  - to the Member's knowledge, their spouse or civil partner, a person with whom they are living as husband and wife, or a person with whom they are living as if they were civil partnershas a beneficial interest.
- Any beneficial interest in securities of a body where that body (to the Member's knowledge) has a place of business or land in the Yorkshire Dales National Park and either:
  - The total nominal value of the securities exceeds £25000 or one hundredth of the total issued share capital of that body; or
  - If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which
    - the Member and/or
    - to the Member's knowledge, their spouse or civil partner, a person with whom they are living as husband and wife, or a person with whom they are living as if they were civil partnershas a beneficial interest exceeds one hundredth of the total issued share capital of that class.



**Committee:       AUDIT AND REVIEW**

**Date:               11 April 2017**

**Report:            REVIEW OF COMPLAINTS POLICY**

### **Purpose of the report**

1. To present proposals to update, streamline and consolidate the Authority's Complaints Policy and procedures.

### **RECOMMENDATION**

2. That Members approve the proposed changes to the current procedure, specifically:
  - I. The Policy should relate to the handling of Complaints only; reference to Compliments and Comments should be taken out.
  - II. One process should apply to all complaints: the qualifier "formal" should apply to the investigation, not the degree of gravity of the complaint.
  - III. The current "third stage" of the investigation – the Member panel - should be removed.

### **Strategic Planning Framework**

3. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and approved strategic planning framework:
  - Corporate Plan Objective 30: *Provide high quality, efficient and effective services and communications to the public and in doing so maintain the 'Customer Service Excellence' (CSE) standard every year.*

### **Background**

4. The Authority's Complaints Policy is formulated on the basis that, in order to challenge the quality of services we provide, and the behaviour and attitude we have towards others, it is important to have a robust procedure which is straightforward, constructive, easily accessible to the public, and from which we can learn.
5. The current Policy has been in place since 2012 when minor amendments were made to ensure the system is relevant, effective and user-friendly. The Policy has served its purpose well, but the procedures for handling, investigating, reporting and publishing complaints need revitalising and updating as set out in this report.

## Overview

6. Dealing with expressions of dissatisfaction should be an integral part of the provision of our services. The procedure for handling complaints should enable officers to offer constructive comment, advice, help or redress (even if this is just a recognition of an error where appropriate, and an apology) to our service users. At the same time it should fit the requirements of the Authority, and provide a mechanism to put right anything we didn't get right initially.
7. As part of the review, the processes at other local authorities have been examined, in particular those in place at the Authority's constituent county and district councils. Comments and observations were invited from those senior officers who have most involvement with the complaints procedure, and more detailed discussion took place with the CEO as lead officer.
8. Additionally, the Local Government Ombudsman (LGO) offers guidance on good practice in running an effective and efficient complaints system, and continues to offer topical guidance through its Link Officer training programme.

## Proposed changes

9. To ensure the Policy is clear and straightforward, the reference to Compliments has been removed. Compliments will still be recorded and reported as they are currently but there is no need for a formal process. Likewise, we have taken out reference to making Comments which will also continue to be collated centrally and reported as at present. Some of these Comments are "expressions of dissatisfaction" and as such are handled as complaints, and responded to accordingly under current arrangements. This process will remain in place.
10. Under the current process, minor complaints - for example about parking charges - are not included in the complaints statistics. They are, however, treated in the same way and passed to the appropriate officer for action and reported to Members. The LGO is clear that a Complaints Policy should encompass all complaints, of whatever magnitude – they each represent ***an expression of dissatisfaction which requires a response***. With this in mind, the Policy reference to "formal complaints" should be dropped, and instead the differentiation should be explained by indicating that it is the latter part of the complaints handling/investigation process which is "formal", as opposed to the initial informal resolution discussion with the relevant officer. Under the proposed new arrangements, all complaints will be reported but those requiring a formal investigation (ie under the new two-stage senior officer/CEO process) will be clearly indicated.
11. It is recommended that the current third stage of the investigation procedure (Member panel) should be dropped. Over the past fifteen years a Member panel has only been convened twice. The LGO favours two stages of formal investigation only, and does not recommend Member/Councillor involvement as this can significantly add to the timescales which is not helpful to either party. Members have an important "accountability" role to play in monitoring the complaints process in order to keep it up to date with legislation (particularly equality and freedom of information

responsibilities) and service user expectations. It is recommended that Members retain an overview unimpeded by involvement in the investigation process.

12. The constituent local authorities use a mix of different approaches to their complaints procedures, with the majority favouring an “informal” officer stage, followed by two formal officer stages (of increasing seniority). Only Lancashire County Council and Eden District Council include a stage where Councillors are involved.

13. The “stages” of investigation of a complaint would therefore be:

- Officer/contemporaneous consideration/resolution;
- Formal investigation by Director or Section Head; and
- Formal review by CEO.

If the complainant remains unhappy with the way in which their complaint had been handled, it would be at this point that he/she would be advised to take their complaint to the Local Government Ombudsman.

## **Conclusion**

14. With the above proposals in mind, the revised Complaints Policy has been updated and re-ordered (see **Appendix**), to make it unambiguous, easy to read, and with the key information available at the start of the Policy..
15. The comprehensive but streamlined Policy removes the need to publish a summary Guide alongside the Policy, as we do at present.
16. An Equalities Impact Assessment has been completed for this report and the proposals it presents, with specific reference to the protected characteristics prescribed by the Equalities Act 2010. This assessment concluded that the proposals have no adverse impact with respect to equalities.
17. The Policy has also been cross-referenced with our Data Protection Policy to ensure our legislative responsibilities are fully met.

**Lesley Knevitt**  
**Corporate Services Officer**

21 March 2017

### Background documents:

Local Government Ombudsman Guidance on Running a Complaints System 2009





# Complaints Policy:

A guide to the Authority's procedures for handling complaints

| Document Status     |               |
|---------------------|---------------|
| Date adopted        | xx April 2017 |
| Adopted by          | A&R Committee |
| Lead Officer        | DB            |
| Date of next review | February 2022 |

## **COMPLAINTS POLICY**

A complaint is any ***expression of dissatisfaction with the actions or policies*** of the Yorkshire Dales National Park Authority (The Authority), made by a member of the public

Our policy provides a mechanism for receiving, investigating and – where possible - resolving complaints. We will respond to each complaint in a professional, respectful and courteous manner. We will ensure the complaints process is::

- easily accessible and well-publicised;
- simple to understand and use with clear responsibilities;
- prompt and efficient, with established target timescales for action and for keeping people informed.

The process by which we respond to complaints is an integral part of the Authority's business, as part of our commitment to continuous improvement. Information and lessons learned from upheld complaints will be used to improve service provision and to help prevent recurrence of any mistakes we may have made.

For further information about the complaints policy, or if you wish to make a complaint, please contact the Complaints Officer:

Mrs Lesley Knevitt, Complaints Officer  
Yorkshire Dales National Park Authority  
FREEPOST RLZG-JARG-TXAK  
Yoredale, Bainbridge  
North Yorkshire DL8 3EL

Telephone: 01969 652326 (direct line)  
0300 456 0030 (switchboard)

Email: [lesley.knevitt@yorkshiredales.org.uk](mailto:lesley.knevitt@yorkshiredales.org.uk)

## HOW WILL A COMPLAINT BE HANDLED?

To ensure we can deal with complaints efficiently, we ask that the problem is brought to our attention as quickly as possible after the issue arises. We will not normally consider investigating a complaint about something that happened more than 12 months ago.

The complainant can expect:-

- a full, fair and unbiased investigation;
- respect for confidentiality;
- a comprehensive response to the points made, and redress given where appropriate

### **Informal consideration**

If the complaint is an issue or disagreement that can be handled at the point of initial contact or service delivery, we hope a member of staff can resolve the complaint there and then. If this is not possible, details may be sent to the Complaints Officer who will ask the most relevant officer to respond directly and promptly.

If the complaint is one that requires a greater level of consideration, or the complainant is dissatisfied with the initial response given, a more “formal” investigation at senior level may be appropriate.

### **Formal investigation**

The complainant should contact the Complaints Officer with details of the complaint. To ensure we have a correct understanding of the issues involved and to avoid any risk of misinterpretation, we ask that details are in writing/email (we are happy to offer support in this respect where appropriate). These details will be acknowledged and recorded, and passed to the relevant senior officer to investigate and respond. The Complaints Officer may wish to contact the complainant to clarify the information given; we therefore ask that a telephone number or email address is given at the outset.

There are two possible stages to the formal investigation process:

#### ***Stage One***

An investigation into the points raised will be undertaken by the relevant Director or Section Head, who will have a target framework of ten working days for a response. The complainant will be notified of this and kept updated on progress.

#### ***Stage Two***

If the complainant feels this response has not dealt correctly with the points raised in the complaint, the Authority’s Chief Executive can be asked to review the matter. When requesting a review by the Chief Executive, the complainant must set out clearly which parts of the response are felt unsatisfactory, and the reasons for this dissatisfaction. We will try to provide a full response within twenty working days, with the same provision for keeping the complainant informed of progress and any unavoidable delays.

In concluding the final stage of the Authority's complaints process, the complainant will be made aware of further avenues for pursuing any remaining dissatisfaction. This would normally be the Local Government Ombudsman:

Telephone: 0300 061 0614 Mon-Fri 8.30am to 5pm

Address: PO Box 4771  
Coventry CV4 0EH

Website: [www.lgo.org.uk](http://www.lgo.org.uk). (complaints may be submitted electronically using the online form)

## **Confidentiality and data security**

A complainant can expect confidentiality in the handling of their complaint. Details will only be shared with those officers who are involved in the investigation. Anonymity makes it difficult to investigate a complaint or to provide appropriate responses or redress, so we prefer complainants to avoid anonymity for these reasons.

All personal information will be treated in the strictest confidence, and will not be used for anything other than investigating the complaint. A summary of complaints is published as part of the Authority's annual governance reporting process, but this will not contain any identifying or personal information. The Authority safeguards all personal information in accordance with the requirements of the Data Protection Act 1998. For further information please ask to see our [Privacy Notice](#).

## **Equality**

The Authority will handle all complaints fairly and honestly regardless of who makes the complaint; we treat all members of the public equitably and will not show bias to any individual or group on the basis of age, race, religion, disability, sexual orientation, gender or gender identity.

## **Complaints about third parties**

Occasionally, someone may complain to the Authority about something that is the responsibility of a third party, for example another local authority or public body.

In these cases, the Complaints Officer will forward the complaint to the appropriate body having first contacted the complainant to explain and gain consent for his details to be shared..



## Persistent or vexatious complaints

All complaints will be treated with the same consideration. However, any complaints system is open to abuse; persistent or vexatious complainants may make a number of separate complaints over a period of time, or they may have made many contacts with the Authority about one complaint. A complainant may be intent on pursuing a complaint that has already been addressed or, in the Authority's opinion, has no merit; or it may be the manner of the complainant's contacts with the Authority that causes concern.

The process therefore draws a clear line after the second stage of formal investigation, unless the complainant has something new to add to his original case. If, having exhausted our system, the complainant will not or cannot pursue one of the external avenues of complaint (for example the Local Government Ombudsman), the matter will be closed.

## What is not covered by this policy:

- complaints about Authority Members' conduct, which will be referred to the Monitoring Officer for consideration under a separate procedure;
- complaints about the conduct of individual Officers, which will be referred to the Chief Executive and handled under the Authority's disciplinary procedure;
- objections to planning applications, which should be made to the Authority's planning team; and appeals or challenges to planning decisions, which should be referred to the Planning Inspectorate at the address shown below;
- internal concerns about process or probity, which are dealt with under the Authority's Confidential Reporting Policy.
- complaints about the Chief Executive personally, which will be passed to the Chairman as part of a separate procedure
- complaints from MPs or other senior public figures, which will be dealt with immediately by the Chief Executive.

Please ask the Complaints Officer for details of any of these procedures.

*If a complaint is about a **planning decision**, rather than about how an application was handled, there is a national process by which an applicant may appeal. The applicant will find information about his or her rights of appeal on the reverse side of the decision notice that will have been sent to them. They should write to:*

*The Planning Inspectorate  
Temple Quay House  
2 The Square  
Temple Quay  
Bristol BS1 6PN*



**Committee:** AUDIT AND REVIEW

**Date:** 11 April 2017

**Report:** INTERNAL AUDIT ANNUAL REPORT FOR 2016/17

### **Purpose of report**

1. To present the Annual Report prepared by the Authority's Internal Auditor, Veritau Ltd, for 2016/17, based on audit work covering the year to March 2017.

### **Recommendation**

2. Members are asked to note the report.

### **Strategic Planning Framework**

3. The information contained in this report is consistent with the Authority's approved and adopted strategic planning framework:

- ***Existing policies and strategies***  
"Each NPA is required to maintain an adequate and effective internal audit..."  
(Financial Regulations, paragraph 17.1 (iv)).

4. The provision of an Internal Audit function is a statutory requirement. Compliance with established Internal Audit Codes of Practice requires that the Audit & Review Committee are provided with an annual report setting out the work done by Internal Audit, and that such a report contains an overall opinion on the internal control framework.

### **The Report**

5. The purpose of the Annual Report is to provide an overall opinion and a statement of assurance regarding the adequacy and effectiveness of the Authority's internal control systems, and a summary of the internal audit work carried out during the year to 31 March 2017. This statement of assurance supports the Annual Governance Statement (AGS) which in turn supplements the Authority's Financial Statements.

6. A copy of the Internal Auditor's annual report for 2016/17 is attached, including a summary of audit work completed for the financial year. This work involved the examination and testing of accounting records and related controls, as well as examinations of other significant risk areas of the Authority's work, for which individual

internal audit reports were issued. The overall opinion of the Internal Auditor on the controls operated by the Authority is that they provided **High Assurance**.

7. The Internal Auditor's report contains details of the findings of the individual Internal Audits undertaken this year. If Members wish to see the full reports, they are available at [https://www.dropbox.com/sh/mbd95x98h0sw9b2/AADK9k7KYj7m0\\_UokvZnWvGza?dl=0](https://www.dropbox.com/sh/mbd95x98h0sw9b2/AADK9k7KYj7m0_UokvZnWvGza?dl=0)

**Richard Burnett**  
**Director of Corporate Services**

29 March 2017

Background Documents: None



**YORKSHIRE DALES**  
National Park

# **Yorkshire Dales National Park Authority**

## **Internal Audit Annual Report**

**2016-17**

**Audit Manager:**

Ian Morton

**Head of Internal Audit:**

Max Thomas

**Circulation List:**

Members of the Audit and Review Committee  
Corporate Directors (S151 Officer)

**Date:**

11 April 2017

  
Assurance Services for  
the Public Sector

## Background

- 1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the PSIAS, the Chief Audit Executive (Head of Internal Audit) must provide an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 2 During the year to 31 March 2017, the Authority's internal audit service was provided by Veritau Limited.

## Internal Audit Work Carried Out 2016/17

- 3 During 2016/17, internal audit work was carried out across the full range of activities of the Authority. The main areas of internal audit activity included:

**Financial Systems** – providing assurance on key areas of financial risk. This helps support the work of the external auditors and provides assurance to the Authority that risks of loss are minimised.

**Information Systems** – providing assurance on information management and data quality.

**Operational Systems** - providing assurance on operational systems and processes which support service delivery.

**Governance / Risk Management** - providing assurance on governance arrangements and systems to manage risks to the achievement of corporate objectives.

**Follow Up** – providing assurance that the agreed actions from previous years' reports are being properly implemented.

- 4 No special investigations were carried out during the year.
- 5 Appendix A summarises the internal audit work carried out during the year and the opinion given for each report. Appendix B provides details of the key findings arising from our internal audit work and appendix C provides an explanation of our assurance levels and priorities for management action.

## **Professional Standards**

- 6 In order to comply with the Public Sector Internal Audit Standards (PSIAS) the Head of Internal Audit is required to develop and maintain an ongoing quality assurance and improvement programme (QAIP). The objective of the QAIP is to ensure that working practices continue to conform to the required professional standards. The results of the QAIP should be reported to senior management and the Audit and Review Committee along with any areas of non-conformance with the standards. The QAIP consists of various elements, including:
- (a) maintenance of a detailed audit procedures manual and standard operating practices;
  - (b) ongoing performance monitoring of internal audit activity;
  - (c) regular customer feedback;
  - (d) training plans and associated training and development activities;
  - (e) periodic self-assessments of internal audit working practices (to evaluate conformance to the Standards).
- 7 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. An external assessment was last carried out in April 2014.
- 8 The outcome of the previous QAIP demonstrated that the service conformed to the Public Sector Internal Audit Standards. The QAIP for 2017 is yet to be completed, but further details of the 2017 Quality Assurance and Improvement Action Plan will be provide to this committee when available.

## **Audit Opinion and Assurance Statement**

- 9 In connection with reporting, the relevant professional standard (2450) states that the Chief Audit Executive (CAE)<sup>1</sup> should provide an annual report to the board<sup>2</sup>. The report should include:
- (a) details of the scope of the work undertaken and the time period to which the opinion refers (together with disclosure of any restrictions in the scope of that work)
  - (b) a summary of the audit work from which the opinion is derived (including details of the reliance placed on the work of other assurance bodies)
  - (c) an opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (ie the control environment)
  - (d) disclosure of any qualifications to that opinion, together with the reasons for that qualification
  - (e) details of any issues which the CAE judges are of particular relevance to the preparation of the Annual Governance Statement

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<sup>1</sup> The PSIAS refers to the Chief Audit Executive. This is taken to be the Head of Internal Audit.

<sup>2</sup> The PSIAS refers to the board. This is taken to be the Audit and Review Committee.

(f) a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme

10 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 **High Assurance**. There are no qualifications to this opinion and no reliance was placed on the work of other assurance bodies in reaching that opinion. There are also no significant control weaknesses which, in the opinion of the Head of Internal Audit need to be considered for inclusion in the Annual Governance Statement.



## Table of 2016/17 audit assignments completed to 31 March 2017

| Audit                                  | Status    | Assurance Level       |
|--|-----------|-----------------------|
| <b>Financial Systems</b>               |           |                       |
| Banking                                | Completed | Substantial Assurance |
| Main Accounting                        | Completed | High Assurance        |
| Loans to Yorkshire Wildlife Trust      | Completed | High Assurance        |
| <b>Information Systems</b>             |           |                       |
| ICT follow-up                          | Completed | Substantial Assurance |
| <b>Operational Systems</b>             |           |                       |
| Planning                               | Completed | Substantial Assurance |
| Administration of National Trails      | Completed | High Assurance        |
| <b>Governance/Risk Management</b>      |           |                       |
| Risk Management                        | Completed | High Assurance        |
| Freedom of Information/Data Protection | Completed | Substantial Assurance |

Summary of Key Issues from audits completed to 31 March 2017

| System/Area     | Opinion               | Area Reviewed   | Date Issued      | Comments   | Management Actions Agreed & Follow-Up  |
|-----------------|-----------------------|---|------------------|--|--|
| Banking         | Substantial Assurance | The purpose of this audit was to provide assurance to management that procedures and controls ensured the security of cash assets and that banking arrangements were working effectively                    | 22 February 2017 | <p><b>Strengths</b><br/>The controls in place for collecting cash from car parking machines and donation buckets along the Pennine trail are working effectively and pre-numbered security tags are now used for donation buckets.</p> <p><b>Weaknesses</b><br/>In some cases the audit till receipt was not attached to the return from the visitors centre, and therefore this figure could not be verified as part of the reconciliation.</p> | National Park Centre managers have been instructed to send in the documentary evidence along with the return |
| Main Accounting | High Assurance        | <p>The purpose of this audit was to provide assurance to management that:</p> <ul style="list-style-type: none"> <li>The main accounting systems are up to date and are a true reflection of the</li> </ul> | 27 January 2017  | <p><b>Strengths</b><br/>Balances are brought forward accurately and in line with the budget approved by Members. Bank reconciliations are carried out monthly and those checked balanced to zero.</p>  |  |

| System/Area                       | Opinion        | Area Reviewed   | Date Issued      | Comments  | Management Actions Agreed & Follow-Up |
|-----------------------------------|----------------|---|------------------|---|---------------------------------------|
|                                   |                | <p>Authority's finances</p> <ul style="list-style-type: none"> <li>• Budgets are set based on realistic assumptions, monitored and reported on.</li> </ul>                        |                  | <p>Budgets are based around priorities agreed with Members and have been approved by the appropriate member committees.</p> <p>Budgets are monitored by budget holders and any significant variances and virements are first discussed at SMT and then reported to the Finance and Resources Committee</p> <p><b>Weaknesses</b><br/>No significant control weaknesses identified.</p> |                                       |
| Loans to Yorkshire Wildlife Trust | High Assurance | The purpose of this audit was to provide assurance to management that there are sufficient controls in place to mitigate any risks in providing loans to Yorkshire Wildlife Trust | 24 February 2017 | <p><b>Strengths</b></p> <p>The loan agreement sets out clear rules for the YWT to follow; reducing the risk to the Authority. Testing demonstrated that there is sufficient documentation to evidence that YDNPA carried out adequate checks to ensure that YWT is able to repay the Authority.</p> <p>There appears to be clear</p>  |                                       |

| System/Area              | Opinion               | Area Reviewed   | Date Issued  | Comments   | Management Actions Agreed & Follow-Up  |
|--------------------------|-----------------------|---|--------------|--|--|
|                          |                       |   |              | <p>communication between the two organisations and the loan is paid in 2 instalments minimising the period where the full amount of the loan is scheduled to be with YWT</p> <p><b>Weaknesses</b><br/>No significant control weaknesses identified.</p>  |  |
| Computer Audit Follow-up | Substantial Assurance | The purpose of the audit was to provide assurance to management that progress had been made towards completing the agreed actions within the previous audit reports covering PCI DSS, IT Systems Access and Disaster Recovery, and Software Licensing | 9 March 2017 | <p><b>Strengths</b><br/>A significant amount of work had been completed to respond to the findings contained in the previous IT audit reports. The PCI DSS policy has been updated and new PCI-compliant PDQ machines obtained. All actions within the Software Licensing audit had been completed satisfactorily</p> <p><b>Weaknesses</b><br/>As at the time of audit, the disaster recovery elements of the ICT policy had not yet been updated to reflect</p> | The disaster recover content of the ICT policy is in the process of being updated (target date for completion: early May 2017) |

| System/Area | Opinion               | Area Reviewed   | Date Issued     | Comments  | Management Actions Agreed & Follow-Up  |
|-------------|-----------------------|---|-----------------|---|--|
|             |                       |   |                 | issues identified in the previous audit.  |  |
| Planning    | Substantial Assurance | <p>The purpose of this audit was to provide assurance to management that:</p> <ul style="list-style-type: none"> <li>• Sufficient documentary evidence is held to support planning decisions</li> <li>• The process for handling planning applications was effective</li> <li>• The correct fees for planning applications were charged</li> <li>• Timescales for processing planning applications were met in line with specified performance indicators</li> </ul> <p>The audit also reviewed the impact of the park boundary changes</p> | 8 February 2017 | <p><b>Strengths</b><br/>For the new boundaries, the Dales' guidance and the relevant districts Local Plans, rules and checklists are consulted during validation. By the end of next year the revised local list and new local plan will be published by the Authority. For most cases there was sufficient evidence held on file to support the decision and document the process followed. Time taken to determine applications is calculated accurately, monitored and reported upon.</p> <p><b>Weaknesses</b><br/>Cases were identified where the display of site notices could not be evidenced on the file.</p> | All Planning Officers to be made aware of their responsibility to accurately record the Site Notice section of the Field Notes/Case Officer Checklist. |

| System/Area                       | Opinion        | Area Reviewed   | Date Issued      | Comments   | Management Actions Agreed & Follow-Up |
|-----------------------------------|----------------|---|------------------|--|---------------------------------------|
| Administration of National Trails | High Assurance | The purpose of this audit was to provide assurance to management that procedures and controls will ensure that funding for the improvements to the Pennine Way is only allocated to eligible projects.  | 24 February 2017 | <p><b>Strengths</b><br/>All applicants had completed the appropriate form, which requires a suitable level of detail and all successful applicants received a formal acceptance letter. Evidence is obtained to ensure the works have been carried out as approved.</p> <p><b>Weaknesses</b><br/>No significant control weaknesses identified.</p> |                                       |
| Risk Management                   | High Assurance | <p>The purpose of this audit was to provide assurance to management that:</p> <ul style="list-style-type: none"> <li>• Risk Registers are accurate and are reviewed consistently</li> <li>• Actions are carried out in a timely manner, ensuring risks are mitigated</li> </ul> | 27 January 2017  | <p><b>Strengths</b><br/>Roles and responsibilities are clearly defined. Monitoring and reporting occurs in line with the policy. Risks are scored using well defined criteria and recorded on risk registers. The risk registers include sufficient detail about current controls and any additional controls which need to be</p>                 |                                       |

| System/Area                            | Opinion               | Area Reviewed   | Date Issued  | Comments  | Management Actions Agreed & Follow-Up   |
|--|-----------------------|---|--------------|---|---|
|  |                       | <ul style="list-style-type: none"> <li>The requirements of the risk management policy are followed</li> </ul>   |              | <p>implemented in order to reduce the risk to the target level.<br/>Emerging risks are considered and added to the register as required.</p> <p><b>Weaknesses</b><br/>No significant control weaknesses identified.</p>   |   |
| Freedom of Information/Data Protection | Substantial Assurance | <p>The purpose of this audit was to provide assurance that:</p> <ul style="list-style-type: none"> <li>Staff are adequately trained in DP, FOIA and EIR issues;</li> <li>DP, FOIA and EIR roles and responsibilities are clear;</li> <li>Data breaches are handled in accordance with the DPA; and</li> <li>Information requests made under the Acts and Regulations are handled appropriately</li> </ul> | 2 March 2017 | <p><b>Strengths</b><br/>Significant progress has been made since the last audit. The data protection policy has been updated, and an Information Asset Register introduced. Document retention guidelines have been updated and the storage of data has been reviewed. Over 98% of FOI requests were responded to on, or before, the 20-day limit allowed under FOI legislation.</p> <p><b>Weaknesses</b><br/>Whilst training has been provided there is no</p> | A log of DPA training provided will be maintained, and this will assist in identifying requirements for refresher training, or for updates as DPA requirements evolve |

| System/Area | Opinion | Area Reviewed | Date Issued | Comments  | Management Actions Agreed & Follow-Up |
|-------------|---------|---------------|-------------|---|---------------------------------------|
|             |         |               |             | documented evidence of who has received what training and when. |                                       |



### Audit Opinions and Priorities for Actions

#### Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

| Opinion               | Assessment of internal control  |
|-----------------------|---|
| High Assurance        | Overall, very good management of risk. An effective control environment appears to be in operation.   |
| Substantial Assurance | Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.             |
| Reasonable assurance  | Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.     |
| Limited Assurance     | Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.                   |
| No Assurance          | Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse. |

#### Priorities for Actions

|            |  |
|------------|--|
| Priority 1 | A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management         |
| Priority 2 | A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management. |
| Priority 3 | The system objectives are not exposed to significant risk, but the issue merits attention by management.                                     |