

Annual Governance Statement 2020-21

Name of Committee	National Park Authority (Extraordinary General Meeting)
Date	19 October 2021
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Purpose of Report	To seek approval of the Annual Governance Statement for publication with the Annual Accounts
Single Integrated Assessment	Not applicable
List of Enclosures	Enclosure 1: Draft Annual Governance Statement Report on Annual Governance Statement to NPA 24 September 2021
Public Interest Test	Not applicable
Recommendation:	To approve the Annual Governance Statement for 2020-21 for publication with the Annual Accounts.

I. Introduction or Background

All local authorities, including National Park Authorities, are required to produce an Annual Governance Statement each year which demonstrates responsibility for developing and shaping governance in order to achieve the highest possible standards in a measured and proportionate way.

It is a retrospective report in that it seeks to give assurances about the previous financial year, and therefore depends on both internal and external assurances. These mainly come from internal and external audit but the Authority is required to carry out a Review of Effectiveness of its governance.

The draft document was presented to the Authority on 24 September 2021 and officers advised that following advice from Audit Wales on that draft, further work was needed and members agreed to defer the item to the Authority meeting on 26 November.

However, following that meeting Audit Wales advised that they needed an Authority approved draft earlier than that, in order for the statutory audit to take place by the end of the November. It was thus necessary to convene this EGM to enable this to happen. The Authority meeting on 26 November will consider the audited Annual Governance Statement and the Annual Statement of Accounts.

Members have been consulted on the amended draft and some comments were received which have been considered and largely included. However, it is important that the conclusion strikes the right tone in terms of the considerable progress made against the significant work still to do to address the Audit Wales statutory recommendations.

1.2 Proposals

A link is provided to the more detailed covering report presented on 24 September. A summary of the changes that have been applied following comments from Audit Wales include:

Executive Summary

- Need to add an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework – given the year we have had, reported findings of Audit Wales and TIAA.
- Standardise use of acronyms throughout, typographical errors and some replaced words
- Some sense checking/clarification needed in a few places
- Need to better highlight the key risk of the cyber-security attack and its impact on the day to day operations but also decision making and performance. Needs to be covered at least in the narrative as it had a major impact on the Authority. Later in the report they request acknowledgement that this is an area that needs strengthening or is being strengthened
- They also want it to be reflected in section 4 in the action plan to address significant issues - however, we have pushed back on this as a significant amount of work has already taken place to strengthen systems, and this will be ongoing work in future.
- Need to record that Audit Wales have written to the Authority about their expectations on progress against the AW Action Plan and have made clear that if progress is not made then they will need to consider further action. At present the jury is still out.
- Signature requirement has changed – should be signed by Chair and CEO as per CIPFA guidance

Effectiveness of Governance

- Make clear the recommendations made by Audit Wales are statutory

- Need confirmation that we had key statutory roles in place eg. MO taking temporary responsibility for DPO role
- They feel we should better reflect that one of the key challenges in the last 18 months has been staff capacity and morale and this is an area where the Authority needs to address some major risks to ensure it has an effective and well supported workforce.
- Requested a copy of the draft Financial Management Code – this has been sent
- Need to put in a conclusion - a commitment to monitoring implementation as part of the next annual review – after the tables in section 4

I.3 Implications

The AGS provides a useful self-analysis of the Authority's governance and an opportunity both to acknowledge good practice and identify weaknesses.

I.4 Risk

The Authority is required to produce this to the same timescale as the Annual Accounts and is audited on it by the Audit Wales. Not to do this this would be seen as a failure to comply and would result in reputational damage. Audit Wales will audit this document and report back on compliance.

I.5 Conclusion

Members are asked to review the AGS and approve it for audit by Audit Wales so that it can be published with the Annual Statement of Accounts.

RECOMMENDATION: To approve the Annual Governance Statement for 2020-21 for publication with the Annual Statement of Accounts