

Report to **Policy & Resources Committee**
Date **27 June 2024**
By **Head of Governance**
Title of Report **Annual Governance Statement and Updated Local Code of Corporate Governance**

Decision

Recommendation: The Committee is recommended to:

- 1. Approve the Annual Governance Statement for 2023-24 (Appendix 1) to accompany the Authority’s Statement of Accounts; and**
 - 2. Note the updated Local Code of Corporate Governance (Appendix 2).**
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1. Introduction

- 1.1 Under the Accounts and Audit (England) Regulations 2015 the Authority is required to conduct a review at least once a year of the effectiveness of its system of internal control. The findings of that review must be considered by a committee of the Authority, or by the Members of the Authority as a whole. Following that review, an annual governance statement, prepared in accordance with “proper practices in relation to internal control”, must be approved. The approved statement must then accompany the Authority’s Statement of Accounts. It is the role of the Committee to review the outcome of the annual review of governance arrangements and approve the Annual Governance Statement, ensuring it contains any actions for improvement.
- 1.2 The “proper practices”, in accordance with which the Annual Governance Statement is to be prepared, are set out in guidance (“Delivering Good Governance in Local Government Framework” as amended in 2016) to local authorities (including National Park Authorities) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief executives (SOLACE).
- 1.3 This report presents the Annual Governance Statement for 2023-24 for approval.

2. Policy Context.

- 2.1 The SDNPA has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Leadership Team and other officers within the Authority who have responsibility for the development and maintenance of the governance environment, the Principal Audit Manager’s annual internal audit report, the work done to review the Local Code of Corporate Governance, and also by responding to comments and recommendations made by external auditors and others. The findings of review work undertaken during the year that have resulted in proposed changes to the

governance structures have been considered by the NPA and changes have been made as consequence of the NPA's consideration of these matters.

- 2.2 The Monitoring Officer, Chief Finance Officer and Head of Governance have liaised to review the organisation's governance arrangements and prepare the Annual Governance Statement for 2023-24, in compliance with the guidance, and which records the ongoing work that has been undertaken to establish and review governance arrangements. The Annual Governance Statement is set out in **Appendix I** to this report.
- 2.3 No significant governance issues have been identified. The actions for further improvement in 2024-25 are listed in paragraph 5.2 of the Annual Governance Statement (**Appendix I**).
- 2.4 The outcome of this process has been that the Authority's Governance arrangements are considered to continue to be fit for purpose.

3. Issues for consideration

3.1 The guidance advises that it is up to each authority to set out its commitment to the seven core principles of corporate governance detailed in the guidance, determining its own governance structure, underpinned by these principles and ensuring that it operates effectively in practice. The core principles are:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the Authority's capacity, including the capability of its leadership and individuals within it
- Managing risks and performance through robust internal controls and strong public finance management
- Implement good practice in transparency, reporting and audit to deliver effective accountability

3.2 In respect of each core principle, the guidance offers more detailed advice concerning the requirements of good corporate governance and includes an example of how an annual governance statement may look. This guidance has been taken into account in the production of the Annual Governance Statement.

4. Local Code of Corporate Governance

4.1 In exercise of the authority delegated to him, the Chief Executive, in consultation with the Chair of the Policy and Resources Committee, has made the necessary amendments to the Local Code of Corporate Governance. As required by the terms of the delegated authority, the amended code is being reported to the Committee. Only minor changes have been made and the amended Code is set out at **Appendix 2** to this report for Members' information.

5. Options & cost implications

- 5.1 This process is mandatory and therefore there are no alternatives.
- 5.2 The costs associated with undertaking this work are met from within the Authority's core budget.

6. Next steps

- 6.1 Subject to approval, the Annual Governance Statement will be submitted along with the Authority’s Statement of Accounts.

7. Other Implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	There are no implications arising from this report
How does the proposal represent Value for Money?	Effective governance supports the efficient operation of the organisation
Which PMP Outcomes/ Corporate plan objectives does this deliver against	A strong and effective governance framework supports the organisation in its delivery of all PMP Outcomes and the Corporate Plan objectives
Links to other projects or partner organisations	None
How does this decision contribute to the Authority’s climate change objectives	A strong and effective governance framework supports the organisation in its delivery of its climate change objectives
Are there any Social Value implications arising from the proposal?	There are no implications arising from this report
Have you taken regard of the South Downs National Park Authority’s equality duty as contained within the Equality Act 2010?	There are no implications arising directly from this report. Any equalities implications arising from the activities or actions outlined in the Code of Corporate Governance and annual Governance statement are considered and addressed as part of the Authority’s ongoing delivery.
Are there any Human Rights implications arising from the proposal?	There are no implications arising from this report
Are there any Crime & Disorder implications arising from the proposal?	There are no implications arising from this report
Are there any Health & Safety implications arising from the proposal?	There are no implications arising from this report
Are there any Data Protection implications?	There are no implications arising from this report

8. Risks Associated with the Proposed Decision

- 8.1 The carrying out of an annual review, together with the reporting of its outcome to Members, is a legal requirement and provides assurance that arrangements are adequate and operating effectively in practice and, where gaps are identified, that action is planned to address this for the future.

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Appendices: 1. Annual Governance Statement
2. Local Code of Corporate Governance
SDNPA Consultees: Chief Executive Officer, Chief Finance Officer, Monitoring Officer,
Director of Planning.
External Consultees: None
Background Documents: None