

**BRECON BEACONS NATIONAL PARK AUTHORITY**

**ANNUAL GOVERNANCE STATEMENT**

**2012**



## **I. Introduction**

The Brecon Beacons National Park Authority (“the Authority”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. It is a Welsh improvement authority under section I of the Local Government (Wales) Measure 2009 and as such has a general duty under section 2 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In 2010/11 the Authority approved a Code of Corporate Governance, which is consistent with the principles of the CIPFA/ SOLACE Framework ‘Delivering Good Governance in Local Government’. This guidance recommends that the review of effectiveness of the system of internal control that local authorities are required to undertake in accordance with the Accounting and Audit Regulations should be reported in an Annual Governance Statement. In Wales the inclusion of the Annual Governance Statement in the Statement of Accounts is voluntary. In 2009/10 CIPFA also published an “Application Note to Delivering Good Governance in Local Government: A Framework”. This note has been developed to advise on the application of the “Statement of the Role of the Chief Financial Officer on Local Government” under the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government”. The Authority has decided to adopt the CIPFA framework and Annual Governance Statement approach for 2011/12.

## **II. The purpose of the Governance framework**

The governance framework comprises the committees, systems and processes, cultures and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Authority’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## **III. Review of Effectiveness**

The Authority is responsible for conducting an annual review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of the Authority, Members and its Committees, internal and external auditors, other review agencies (as appropriate) and senior managers who have responsibility for the development and maintenance of the internal control

environment. The review of effectiveness of governance can be divided into the following.

The review is based on the six principles of the Code of Corporate Governance.

## **Principle I.**

### **Focusing on the Authority's purpose, on outcomes for the community including citizens and service users and creating and implementing a vision for the local area**

The Authority has continued to develop its work to ensure that it is 'fit for purpose' to meet the challenges of the future and is focused on outcomes rather than actions. A process is now embedded which involves Members, the Corporate Management Team and the Joint Management Team in identifying objectives and who will benefit from the outcomes.

### **Ffynnon Pan Wales Performance System**

The Authority has continued to use the Ffynnon system to ensure that we develop and manage a robust system of performance information to highlight the impact of the work undertaken by the Authority and to enable comparisons to be made with other authorities.

### **Value for Money Study**

The Authority co-operated with the Pembrokeshire Coast National Park Authority and the Snowdonia National Park Authority to develop a set of robust performance indicators for the Development Management Service. These have been included in our performance management system and are reported to the Audit and Scrutiny Committee on a quarterly basis. The Authority has now approved a set of eight quantitative and qualitative measures that the Authority will use to indicate whether it is delivering an "excellent" development management planning service.

### **Financial Control and Value for Money**

#### **Budgetary Pressures.**

Prudent financial management and firm controls ensured year-end spending was contained within approved budgets. The Authority approved a balanced budget for the coming year with minimal impact on general reserves which remain at a level higher than recommended providing a hedge against future budget pressures. A three year budget cycle has been established enabling forward financial planning. The costs of the recent restructuring within the Countryside and Land Management department have been fully absorbed. A fourfold approach has been adopted to achieving more with fewer resources. The Authority has sought to:

- Reduce expenditure on goods and services
- Obtain services from volunteers and partner organisations at nil or minimal cost
- Generate more income from services provided to partner organisations.

- Seek new funding to add value to the work of existing staff.
- A culture of cost reduction at all levels of the Authority encourages staff to minimise procurement costs.

### **Procurement**

The Authority is now making use of framework agreements development by Value Wales and the OGC to drive down costs and improve the efficiency of procurement processes, particularly in relation to photocopiers and IT equipment. The Authority recently procured a new photocopier contract, which, complemented by the removal of all desktop printers, has resulted in a centralised printing solution effecting savings of £17,000pa. Discussions have taken place with other National Park Authorities about the possibility of joint procurement, but procurement timetables are not always easily aligned.

### **Joint Working**

The Authority works with Cardiff City Council under an SLA for payroll services and during the year had an SLA with Powys County Council for the provision of internal audit. The Authority is working with Carmarthenshire County Council to deliver an improved Financial Management System on a shared access basis. In addition, an SLA has been in place for joint working with Powys County Council on affordable housing. Discussions will shortly be carried out with the other organisations working in Plas y Ffynnon regarding the potential for sharing franking services. The Authority has recently employed a new Monitoring Officer who also provides the service for Pembrokeshire Coast National Park Authority and it is hoped that this will provide opportunities for joint member induction events and a common approach to the ethical work programme. The Authority is exploring membership the South West Wales Shared Legal Services Consortium which would allow us to both buy in and sell out specialist services.

**Financial Management:** In the recent successful review of the Authority's Investors in People Award the assessor made the following comment in his report:

*The CMT display strength in the management of the staff and the Park and together with the greater involvement of the Members has enabled the Authority to weather the storm in terms of Welsh Government scrutiny, budget cuts and the need to make financial savings. Effective management, particularly HR and the improved financial control, resulted in just a small number of voluntary retirements and the Authority now placed on a firm financial footing to support future development. The return to financial stability is a credit and placed the Authority in a unique position to other Parks in England and Wales who currently face making a major cut in staffing and financial savings.*

Increased use of commitment accounting and reporting enables budget managers to control spend against budget much more effectively, using the Finance Portal to monitor expenditure and raise purchase order requests. This has fostered a culture of pro-active budget management, allowing resources to be re-deployed in a controlled way during the year when underspends or additional income

streams are identified. More significant budget adjustments are referred upwards to CMT or Members as required by the Financial Regulations.

The Authority also ensures that key financial documents are regularly reviewed and has this year developed and approved a Treasury Management Policy on the recommendation of Powys Internal Audit. It has also reviewed and approved its Financial Regulations.

### **National Park Management Plan**

In December 2010 the BBNPA recommended that the National Park Management Plan Priorities for Action be tracked through a monitoring, evaluation and reporting process. During calendar year 2011, a Joint Management Team Task and Finish Group examined various methodologies for developing these processes and have made recommendations to the Corporate Management Team. A primary objective of this work was to establish a direct relationship between the externally driven 'action generators' such as the Strategic Grant Letter, the externally driven reporting process such as the Wales Audit Office and improvement plans, and the NPMP, strategic objectives, corporate goals, annual priorities for action and outcome agreements. These linkages would then be used to develop a toolkit to help determine for each year or each three year period, which Priorities for Action will form the departmental work stream(s) and therefore how officer time and financial resources will be allocated accordingly. Directors and managers will then track and report on the staff time and financial resources spent against relevant Priority Action, giving the Authority a better perspective on how the Management Plan is being delivered.

Work in progress includes: developing a tracking system for external organisations who lead on Priority Actions; directly linking state of the park monitoring information with annual and three-yearly corporate objectives via updates to the National Park Management Plan Priority Actions; and developing the specific IT and Finance mechanisms that will aid the tracking processes outlined above. The Audit and Scrutiny Committee will also be monitoring progress against the Management Plan actions.

The Authority has also strengthened its methodology to identify priorities and allocate resources in accordance with Management Plan Priorities for action.

### **Work with Communities**

The Authority approved a Community Engagement Action Plan which has been well progressed. Specific examples to demonstrate Citizen Centred Governance Principles include (numbers correspond to CCGP numbering):

1. The Community Council Charter has been well received by community councils through consultative cluster meetings. An annual Community Council Liaison meeting was held in March 2012 in partnership with One Voice Wales. Community Councils are committed to working together on delivering Charter & associated Action Plan. A Planning Guide for Community Councils is currently being prepared.

The Authority is required under the Local Government Measure 2009 to identify a number of **Improvement Objectives** which are outcome based and citizen focused. In addition, the Authority needs to agree a number of **Annual Objectives** to support the delivery of its Corporate Goals. The Authority holds a series of workshops with members and officers to identify and develop objectives each year using results based accountability methodology to ensure that these are citizen centred and outcome focused

3. Consultation summaries produced to feed back to consultees contributing to consultations on: NPMP, Single Equality Duty, Social Inclusion Strategy & Action Plan.
4. Social Inclusion (including Child Poverty )Strategy & Action Plan consultation with representatives of a range of non-traditional user groups including BME groups, mental health groups, Communities First and Powys Youth Forum
5. Worked in partnership with the Green Valleys Community Interest Company to develop community energy (efficiency and renewable) capacity.
7. Volunteer added value project has involved existing and new volunteers in delivery of a wider range of BBNPA projects

## Principle 2

### **Members and officers working together to achieve a common purpose, with clearly defined functions and roles**

There is clear definition of the roles of Members and Officers and all members, member champions, Authority and committee chairs and members representing the Authority on outside bodies all have bespoke role descriptions. There is a clear committee and decision making structure outlined in the Terms of Reference and Scheme of Delegation. This includes:

#### **The Authority**

The Authority comprises 24 members and meets at least 6 times a year. Its main functions are:

- To approve the development of the Authority's strategic corporate planning framework through the National Park Management Plan (every five years), the Local Development Plan (every five years), and the Business Improvement Plan (annually).
- To determine all policy matters in support of its strategic planning objectives. The Authority may receive advice from member officer working groups and may also set up task and finish groups to investigate and advise on specific matters.
- To manage the Authority's resources i.e. finance, staffing and assets; and to approve the budget, levy, charges, and the Annual Accounts

- To ensure that the NPA complies with all legislation affecting its services.
- To determine membership of other committees, task & finish groups, working groups and advisory groups, within the NPA, and their terms of reference, and the Authority's representation on external bodies and organisations.
- To determine the delegation of the Authority's responsibilities to other committees of the Authority and when appropriate to the Chief Executive
- To approve selection of improvement objectives for a detailed scrutiny review

### **Audit and Scrutiny Committee**

The Audit and Scrutiny Committee comprises nine members of the National Park Authority and is responsible for the monitoring and review of performance against targets set in the National Park Management Plan, Business Improvement Plan, other plans and projects, and on agreed performance indicators. The Committee considers:

- Quarterly reports on financial performance and budgetary matters
- Quarterly reports on achievements towards targets set in the Business Improvement Plan and the Strategic Grant Letter
- Internal controls, including risk management and mitigation, and health and safety
- Annual reports from the Wales Audit Office (WAO) on the financial statements, arrangements for ensuring economy, efficiency and effectiveness in the use of resources and the Business Improvement and Assessment reports
- Reports from Internal Audit on financial systems and controls and other areas determined by the committee in an annual audit programme
- Recommends to the Authority which improvement objectives should be the subject of scrutiny and monitors progress on each scrutiny review, receiving regular reports on action plans arising out of these reviews

### **Planning, Access and Rights of Way Committee**

Comprises all members of the Authority and is responsible for:

- Making decisions on non-delegated planning applications.
- Enforcement of planning control.
- Making recommendations to the Authority on the Development Plan.
- Policy issues on minerals and waste.
- Making decisions to divert, widen, create and extinguish public paths.

- Making recommendations to the Authority on access and rights of way policy.
- Making decisions on changes to the Definitive Map of rights of way.
- Making traffic regulation orders under the Road Traffic Regulation Act 1984.
- Making decisions under the Countryside and Rights of Way Act 2000.

### **Working Groups/Task and Finish Groups**

One of the most effective ways that the Authority operates effective governance is through its member/officer working groups, which has proved to be an efficient use of members' time and also their individual and collective skills. Work this year has included:

#### Corporate Governance Task and Finish Group

- Consultation on the Independent Remuneration Panel for Wales' recommendations for National Park Authorities and considering how the impact of these might be monitored;
- Reviewed the need for a countryside committee
- Leading on the webcasting project by working with Cardiff City Council to view their processes, and supporting the funding bid and implementation of the pilot (they will now play a monitoring role once the webcasting goes live).
- Agreed a process for updating key regulatory documents

#### Member Development Working Group

- Reviewed the Member Development Strategy and development framework
- Developed a pilot mentoring scheme for new members
- Reviewed the Personal Development Interview process for members
- Reviewed evidence for the Advanced Charter submission

#### National Park Management Plan Working Group

- Works with officers to recommend a process for monitoring priority actions from the Management Plan

### **Internal Audit**

The terms of reference for internal audit require that work is conducted in accordance with standards as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government. The review of the effectiveness of the system of internal control and governance arrangements is informed by the work of the Internal Auditors and their reports to the Authority. In 2011 a full tendering process was undertaken via the Buy4Wales website and through contact with constituent authorities. The Authority appointed Deloitte LLP for a period of three years, based on perceived quality and reliability of the service offered. The new auditors are taking a risk based approach to audit and following an audit needs assessment to determine areas for audit in 2012-13 have produced a three year audit plan. They have categorised each audit area as high, medium or low based on materiality, complexity of the system and potential for fraud. In 2012/13 audits will be carried out on Corporate Governance and Risk Management, with an additional review of operational systems - IT general controls and VAT compliance.

## **External Audit**

Wales Audit Office acts as the Authority's external auditor and reports formally to Members following both their financial accounts and performance audits, summarising their findings in the annual audit letter which is presented to both CMT and Members. They also express an opinion on the adequacy of internal audit work, carry out national value for money and other studies and audit specific grant funding as required by funding bodies. Members of the public may approach WAO directly with concerns or requests for further information

## **Section 151 Officer**

The Authority's Chief Financial Officer has been appointed in accordance with Section 151 of the Local Government Act 1972. The Section 151 Officer works on a part-time basis and complies with the CIPFA "Statement on the Role of the Chief Financial Officer in Local Government". In addition to the statutory responsibility contained in the Local Government Act 1972, the Section 151 Officer had obligations under section 114 of the Local Government Act 1988 to report to the Authority when it is about to embark on unlawful expenditure or expenditure beyond its resources.

## **The Corporate Management Team**

The Corporate Management Team meets weekly and comprises the Chief Executive Officer, the Director of Planning, the Director of Countryside and Land Management, the HR Manager, the IT and Systems Manager, the Democratic Services Manager and the Communications Manager. Other officers are called on for their professional expertise as required. Service Managers sit on a Joint Management Team with CMT, and a rota system operates whereby one manager sits on CMT for a period of three months to develop their skills and contribute to decision making.

## **Scheme of Delegation and Terms of Reference**

The Authority has a comprehensive Scheme of Delegation which is reviewed at least annually together with all other regulatory documents. It includes terms of reference and delegated powers where relevant for all committees, working groups, task and finish groups and advisory groups. This includes provision for emergency situations.

All Members have a generic role description, with supporting role descriptions for the Chairman and Deputy Chairman of the Authority and its main committees, Member Champions, and a generic one for Members representing the Authority on outside bodies. This will be further expanded during 2012 to give specific guidance for the different outside bodies.

The Authority has, over the last few years, developed the role of Member Champions, whose role is to act as an advocate for the strategic policy area, both within the Authority and in its external relationships, in order to influence policy development. A major review of these roles took place in 2010, with a subsequent request by Members to consider the need for a Regeneration Champion. Members are currently discussing how regeneration might be incorporated into all the champion role descriptions. Current areas for the champions are:

- Human Rights & Equal Opportunities
- Agriculture & Land Management
- Visitor Centres
- Historical & Cultural Heritage
- Welsh Language
- Biodiversity & Climate Change
- Affordable Housing
- Member Development
- Sustainable Communities

Members report to Authority meetings to keep other members updated and are required to make an annual report either at an Authority meeting or by written report. Examples can be viewed on the Authority's agendas on the website (accessed via the committee calendar link from the home page). They also place relevant papers and information on the Members' Portal.

In response to a motion put by two members last year, the Corporate Governance Task and Finish Group considered a proposal to establish a Countryside Committee as a way of highlighting countryside management issues. Their recommendation was that this could be done more effectively through the Member Development Programme (see Principle 5 below). The Chairman asked for amendments to be made to Authority agendas to give countryside items more prominence and this has been implemented.

### **Restructure of the Countryside and Land Management Directorate**

During 2011 a comprehensive review of the structure was carried out by the Director within a clear set of guiding principles set by members and including the move to being more enabling, more commercial in approach and more community focused. It also addressed limitations in service provision and proposed remedies. The resulting structures and new appointments have now been implemented and the changes will be closely monitored during 2012.

## **Principle 3**

### **Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

A Code of Conduct for Members and a Code of Conduct for Officers is in place. The Monitoring Officer brings any issues relating to the Members' Code of Conduct to the attention of Members and incorporates this into refresher training sessions. This was done in 2011 after the publication of the Ombudsman's Guidance relating to the application of the Code. The Monitoring Officer informs members of any relevant issues as they arise and attends all meetings of the Authority and its committees to give advice as needed.

Issues relating to the Code are also dealt with by the following:

### **The Standards Committee**

It is the responsibility of the Authority's Standards Committee to promote high standards of conduct by Members. It does this by advising on and promoting awareness and understanding of the code of conduct for Members and recommending training where appropriate. A process is in place for the committee to carry out investigations if required. The Standards Committee has recently reviewed specific aspects of the Code in respect of Members of the Authority speaking under the Public Speaking Scheme, which has led to changes being made to this Scheme.

The Authority has an approved Whistleblowing Policy. All documents are given to members in their Member Handbook CDs.

### **Monitoring Officer**

The statutory Monitoring Officer functions set out in Section 5 of the Local Government and Housing Act 1989 (as amended) i.e., in short, to report to the Authority if the Monitoring Officer considers that any proposal, decision, or omission by the Authority may give rise to unlawfulness or maladministration. Following the retirement of the current Monitoring Officer the Authority has recently entered into a one year agreement with the Monitoring Officer of Pembrokeshire Coast National Park Authority to include the training of the Authority's Solicitor. While the appointment is a separate arrangement from Pembrokeshire Coast NPA there will be benefits and potential savings to both authorities when standard reports, advice or training need to be carried out.

### **Public Sector Ombudsman for Wales**

The Public Service Ombudsman for Wales has jurisdiction over the Authority's functions by virtue of the Public Service Ombudsman (Wales) Act 2005. He is currently investigating two matters of complaint regarding the Members' Code of Conduct which were referred to him during the year. He has not made any investigation in relation to alleged maladministration under either Sections 16 or 21 of that Act.

### **Staff Members**

Issues relating to the conduct of staff are normally considered in accordance with the Authority's Disciplinary procedures, contained in a comprehensive Human Resources Handbook – 'Signpost'.

### **Member Officer Protocol**

The Authority has a member officer protocol that sets high standards of conduct and guides members and officers of the Authority in their relations with one another. It aims to promote clarity and certainty and seeks to enhance and maintain the integrity of the Authority in the eyes of the people it serves. New members are given an induction session on all the Authority's protocols, and refresher sessions as needed.

### **Planning Protocol**

The Planning Protocol guides Members of the Authority in dealing with planning related matters and to provide more detailed guidance on the standards to be

applied specifically in relation to planning matters. It informs potential users of the planning service, and members of the public generally, of the standards adopted by the Authority in the performance of its planning function. It is separate from and in addition to the Authority's Code of Conduct for Members and aims to reflect the Local Government Association's update to its guidance entitled "Probity in Planning – The Role of Members and Officers" (2002).

### **Declarations of Interest/Gifts and Hospitality**

Arrangements are in place for both members and officers to declare interests in respect of decision making. An annual reminder is sent regarding the need to update this information. A register of Gifts and Hospitality is maintained for members with an Authority decision to apply a zero threshold, and is available at all meetings of the Authority and its committees. The newly appointed Monitoring Officer has advised that he will regularly review the register and the Chairman has agreed that a quarterly report will be taken to the Authority to highlight entries to the register. A separate register is kept for officers.

### **Equality Act**

The Authority has carried out significant work towards compliance with the Equality Act 2010 and the Authority has now approved a Strategic Equality Plan and Action Plan. It recognises that there are currently gaps in its evidence data and is undertaking a staff and Member survey in 2012 to address these gaps prior to the first review in April 2013. Member and staff training is ongoing, and includes guidance on completing Equality Act Screening/Full Equality Impact Assessments for all Authority decision reports. This will be implemented from the Authority meeting on 29 June 2012, and an internal audit of the equalities work has been scheduled for 2014/15 to monitor compliance.

### **Information for Prospective Members**

The Authority strives to communicate its values, its commitment to Park purposes and good governance by approving a booklet which is sent to all constituent authorities prior to the local government elections, and which provides a reference for any councillor being considered for appointment to the National Park Authority.

## **Principle 4**

### **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

The Authority has the following processes and structures in relation to ensure effective decision making:

#### **Decision making**

The comprehensive induction and continuing development programme for members aims to give members the knowledge and skills to make informed decisions. Decisions on major issues are facilitated by advance access to documents via the Members Portal, where members can communicate with report authors and other members prior to reports going to the Authority or committee for decision. All decisions are recorded on a decision and action tracking database and any actions

not completed are reported to each Audit and Scrutiny Committee meeting. Directors are accountable for any decisions not implemented.

The Authority strives to consider as many reports as possible in the public domain, and has an effective public speaking scheme for Authority and committee meetings which is regularly reviewed and updated to ensure that the public can inform the decision making process. In 2011 it reviewed the deadline by which potential speakers needed to lodge their request and reduced this from 48 hours to 24 hours in order to increase accessibility to the Authority's meetings.

The Authority has continued to review its transparency and accountability and members have considered and agreed to pilot webcasting of its Authority and main committee meetings. It has obtained funding from the Welsh Government to do this and it is hoped the live webcasts will commence on 29 June 2012. The take up of the webcasting will be closely monitored both by the Authority and the Welsh Government with the hope of encouraging other local authorities in Wales to do the same.

### **Corporate Business Cycle**

Each year a Corporate Business Cycle is produced in consultation with the Finance Manager, Section 151 Officer, Wales Audit Office, the Chairman of Audit and Scrutiny Committee and the Corporate Management Team to ensure that all statutory deadlines are met for financial and performance audit, compliance with Welsh Language requirements, and all financial and performance reporting requirements for the Audit and Scrutiny Committee. This provides the framework for the scheduling of meetings and for committee agendas and ensures that the Authority's business is executed in a timely and efficient way.

### **Complaints Scheme**

The Authority has an effective complaints scheme which was reviewed and improved in 2009. The Corporate Management Team directed improvements in customer care which, with the improved process, has seen the number of complaints reduce from 53 in 2008/09, to 22 in 2010/11 and to 21 in 2011/12 with significant improvements in response time.

### **Risk Register and Mitigation Process**

The Authority operates a risk register which is stored in Ffynnon. Risks are identified by members and the Corporate Management Team, who will also consider risks identified by the public or partner organisations if forthcoming. Risks are also identified through external and internal audit. The CMT review the Risk Register on a monthly basis and make recommendations to the Audit and Scrutiny Committee with appropriate scores on severity and impact.

The Internal Audit Opinion on Internal Control produced in May 2011 advised that the internal audit work should be risk based to ensure that maximum benefit is gained from the limited resources available. As advised above this has now been addressed through the criteria set for the appointment of new internal auditors. It also advised that the internal audit programme should include corporate risks, requiring the Authority's Risk Register to actively reflect those areas that threaten the effective delivery of the Authority's services.

### **Scrutiny Project**

In 2010/11 the Authority received a grant from the Welsh Government's Scrutiny Development Fund to work with the Pembrokeshire Coast National Park Authority on a project to develop a Scrutiny process for National Park Authorities.

The project included two pilot scrutiny reviews led by members, looking into the effectiveness of the Sustainable Development Fund in encouraging low carbon communities, and the maintenance and use of the rights of way networks in both Park Authority areas. The recommendations from both reviews were approved by the respective authorities and has resulted in prioritised, resourced actions for the current financial year.

The project has now been completed and the Brecon Beacons National Park Authority has approved a scrutiny process comprising two scrutiny reviews per annum linked to improvement objectives, which will give members and the public additional assurance that services are being reviewed and improved. It will also provide evidence on performance for the Wales Audit Office. Scrutiny Panels will be set up for each scrutiny review based on members' skills, experience and ability to commit time. The project has encouraged partnership working through members observing scrutiny committees in other local authorities, including an English authority and has highlighted potential for further joint working. Each panel will include an external representative from a partner organisation and also an officer from a different directorate, in order to build in objectivity and as a training opportunity. From 2013 the public will be invited to 'vote' on which improvement objectives should be the subject of scrutiny. A communications strategy will be developed for each scrutiny review to ensure that the public are able to contribute views and evidence, and all existing forums with the public will be used to publicise this.

The scrutiny process will be complemented by officer presentations to Audit and Scrutiny Committee on those improvement objectives that are not subject to scrutiny. A format for these reports has been devised and agreed by members.

### **Delivery of Development Management Service**

Following the Wales Audit Office report in May 2009 on the Authority's planning service, a Further Improvement Plan (renamed the Continuous Improvement Plan) was prepared to address the issues raised. Progress is continuing to be made on this plan, which is reported to the Authority. The Authority has continued to embed a wide range of improvements to the service over the last three years, including validation best practice and pre-application planning advice, and continued to review the staffing structure. The performance figures have reflected the improved service with the 8 week figure and the Authority has achieved the Welsh Government target of 65% in this financial year. Complaints in relation to planning have reduced from 46 in 2008/09 to 13 in 2011/12.

### **Deloitte Internal Audit Service**

As part of the Authority's corporate business cycle the Audit and Scrutiny Committee draws up an internal audit programme with guidance from the Authority's internal auditors. The audit process uses the standard CIPFA auditing

guidelines and other best practices with the aim of identifying potential weaknesses in controls. Each of these potential weaknesses is then assessed jointly with the auditors to consider the likely risk and scale of impact, and the alternative controls and potential improvements within the resources of the Authority. The remit for Deloitte will ensure that the external and internal audit programmes are better aligned to avoid duplication of effort both for auditors and the Authority.

### Internal Audit Opinion on Internal Control 2011/12

A report has been produced by Powys Internal Audit with the objective of supporting the Annual Governance Statement by giving an opinion on the level of internal control based on the internal work outlined below.

Audit Area	Date Released	Weakness identified			Assurance level
		Fundamental	Significant	Merits Attention	
Tea Rooms Follow Up	03/05/11	0	1	7	Qualified
Visitor Centre	02/06/11	0	4	3	Qualified
Business Continuity Follow Up	13/07/11	0	0	0	High
Staff Appraisal, Performance & Training	14/07/11	0	0	5	High
Car Parking	29/09/11	0	4	1	Qualified
Bank Reconciliation, Cash & Treasury Management	29/09/11	0	3	3	Qualified
Officers Code of Conduct	09/11/11	0	0	5	Qualified
Creditors & Welsh Purchasing Card Scheme	27/02/12	0	6	2	Limited

Powys Internal Audit noted that actions plans have been drawn up by the responsible officers and that the Audit and Scrutiny Committee recognise the importance of implementing audit recommendations by receiving regular reports until all actions are completed. No follow up work has been recommended in light of the fact that no fundamental weaknesses were identified.

Based on the Internal Audit work undertaken in the year and the positive findings of the fundamental systems reviews, it is the opinion of Powys Internal Audit that:

**Brecon Beacons National Park Authority has demonstrated that there were Satisfactory (bordering on High) levels of internal control for the financial year 2011-2012, i.e. there were no fundamental breakdowns in control resulting in material discrepancy.**

## Principle 5

### Developing the capacity and capability of Members and officers to be effective

The Authority has the following processes in place to develop the capacity and capability of Members:

#### **Member Induction and Continuing Development Programme**

The Authority recently reviewed and approved its Member Development Strategy for the next four years which sets out the framework for ensuring that members acquire or develop knowledge and skills to carry out their roles and have the opportunity to review this. The induction and development programme was also reviewed and updated this year prior to the local government elections, and comprises five stages delivered over a four year period, with progress reviewed annually on an individual basis through Personal Development Interviews (PDIs) carried out by the Chairmen of the Authority and its main committees. Commitment to development events is very good, with average attendance at training events at 67%. While this is lower than last year, this is the fourth year of the electoral cycle. A comprehensive programme is in place for the significant number of new members taking up their posts in June 2012.

This year Members and officers have acquired new and/or additional skills as part of the Scrutiny Project which will form a sound foundation for implementation of the scrutiny process.

#### **Wales Advanced Charter for Member Support and Development**

This year the Authority became only the second local authority in Wales to achieve the Advanced Charter for Member Support and Development. The Assessment Panel commented on the way in which the Authority had further improved its support for members:

“The commitment of members and officers alike to the authority’s approach to member support and development, evidenced in the report following the award of the Basic Level Charter, has clearly been further embedded and strengthened and has continued to underpin the subsequent substantial achievements that have been made following the award of the Basic level charter in 2009.”

They also noted:

“The authority is demonstrating an approach to member support and development which is mature, comprehensive and embedded in organisational strategy. In addition the submission was detailed and clearly owned by senior members and officers in the authority.”

#### **Performance Management**

A robust staff performance management system is in place with all managers required to set objectives for their staff and carry out quarterly performance

reviews which includes a review of budget management for relevant staff. The internal audit carried out this year on staff appraisals elicited a 'high assurance'. To comply with the Authority's Corporate Business Cycle all objectives are entered on Ffynnon and quarterly performance exception reports are made to Audit and Scrutiny Committee. As part of the Authority's aim to improve performance reporting and in response to Wales Audit Office recommendations (see section IV below) the lead officers for all improvement objectives will be reporting on progress to the Audit and Scrutiny Committee. A template for this report has been drafted by the Chairman of the committee and a test report on the education service given to the committee for comments on the content and the format.

### **Investors in People**

The Authority has recently been reassessed for and achieved the Investors in People Award. The report noted:

*"In terms of Investors in People the Authority has matured, gained confidence and is a much more professional organisation. The performance driven approach is developing a culture of continuous improvement where new initiatives are being introduced and people encouraged to develop to enhance the quality service. The Authority clearly continues to embrace the Principles and the spirit of the IIP Framework with some notable areas of good practice that go beyond the core Standard."*

### **Principle 6**

#### **Engaging with local people and other stakeholders to ensure robust public accountability**

The Authority has carried out major consultation exercises with communities and stakeholders on its National Park Management Plan and emerging Local Development Plan, which has informed the development of policies to support Park purposes.

The Community Council Charter has been out to consultation and the final draft has been well received by community councils. The Chief Executive and other senior officers, together with the Chairman or Deputy Chairman of the Authority and the local member, are continuing to visit each community council in the Park to listen to any concerns and give advice about National Park issues. These are proving to be very effective in improving communication and the reputation of the Authority.

The Authority has two area advisory fora comprising representatives from user groups, statutory bodies and community councils which meet twice a year based on a shared agenda. These have been used as sounding boards for new initiatives such as scrutiny, and for one of the scrutiny pilot reviews a meeting was used as a focus group to gather evidence on the maintenance of the rights of way network.

The public speaking scheme which enables the public to address the Authority and its committees is well established and is used regularly, particularly for planning issues. It is also reviewed regularly, with changes about to be made to reflect Ombudsman's guidance in respect of members of the Authority speaking under the scheme.

The Authority has just received a grant from the Welsh Government's Information Office for an eighteen month pilot scheme to webcast Authority, Planning and Audit and Scrutiny Committee meetings. Supported by a capital bid to replace an aging PA system this will provide the technology to give 'live' access to the public, improving accessibility and promoting openness and transparency in all decision making. As only the second authority in Wales to do this, we will be monitoring uptake and feedback on the new process.

#### IV. Significant Governance Issues and Internal Audit Actions

We are satisfied that these steps outlined below will address the need for improvements that were identified in the Wales Audit Office and the Internal Audit reports and will monitor their implementation and operation as part of our next Annual Governance Statement.

Governance/Internal Audit Issues Identified	Action to be Taken
<p><b>Identified by WAO Annual Improvement Plan (Published Jan 2012 relating to 2010/11)</b></p>	
<p><b>P1</b> Improve the Authority's ability to monitor and evaluate improvement by:</p> <ul style="list-style-type: none"> <li>• ensuring the proposed reporting structure focuses on progress on priorities, rather than just on service performance; and</li> <li>• being clear about the anticipated benefits of its activities, and assessing the extent to which those have been achieved.</li> </ul>	<p>Results Based Accountability has now been embedded as the process used to develop improvement objectives that focus on outcomes. From 1 April 2012 progress against one of these objectives will be reported in detail to the Audit and Scrutiny Committee at each meeting. Two will be the subject of detailed scrutiny reviews under the new agreed scrutiny process.</p>
<p><b>P2</b> Build on the improvements made to its internal arrangements so as to focus on and deliver measurable outcomes for the Park and people.</p>	<p>All Improvement Objectives are now prepared in an outcome focussed manner. Once the objectives have been agreed, a scorecard approach, based on RBA methodology, is adopted for each objective to identify:</p> <ul style="list-style-type: none"> <li>• Why we are focusing on this outcome</li> <li>• What success will look like</li> <li>• What we do</li> <li>• How well we do it</li> <li>• Is anyone better off</li> </ul>
<p><b>P3</b> Ensure that, in future, forward-</p>	<p>Following a decision to revert to</p>

<p>looking improvement plans are published much earlier after the start of the financial year.</p>	<p>producing two separate documents, the draft Business Improvement Plan was presented to the Audit and Scrutiny Committee on 9 March 2012 and the Authority on 30 March 2012 for approval. Following further feedback from Wales Audit Office this was approved by the Authority on 30 April 2012. Consideration will be given as to how this can be published more widely.</p>
<p><b>Identified by the Internal Audit Opinion on Internal Controls</b></p>	
<p>The planning process for internal audit work should be risk based to ensure that maximum benefit is gained from the limited resources available. Whilst there are certain areas such as the key financial systems and cash rich activities that will be done in a rolling cycle, the remainder of the plan should consider corporate risks. Therefore, it is important that the Authority's Risk Register actively reflects those areas that threaten the effective delivery of the Authority's services.</p>	<p>This recommended approach has been taken by the Authority's newly appointed Internal Auditors, Deloitte, and a detailed assessment carried out to determine areas which constitute a risk to effective service delivery or good governance.</p>
<p>In the increasingly challenging financial climate, it is essential that the National Park Authority is able to demonstrate that it can deliver services in an economic, efficient and effective manner. Therefore, it should ensure that it has effective performance management frameworks in place that are supported by meaningful measures to demonstrate value for money for all of the Authority's Services.</p>	<p>The Authority is confident that it has robust performance management frameworks in place and will ensure compliance with these. Members have stated their intention for the Authority to take a more commercial approach to its business, evidenced by the restructuring of the Countryside Directorate and the appointment of a Commercial Manager and an External Funding Officer. The Authority will continue to ensure value for money for all its services through its budget monitoring and procurement process. The Authority will seek to enhance the link between resource allocation/budget reporting and the achievement of its objectives. A more objective-driven approach to the</p>

	allocation of resources will be developed as part of the 2013/14 -2015/16 budget-setting process.
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SIGNED \_\_\_\_\_  
Chairman

DATED \_\_\_\_\_

SIGNED \_\_\_\_\_  
Chief Executive

DATE \_\_\_\_\_

SIGNED \_\_\_\_\_  
Section 151 Officer

DATE \_\_\_\_\_

DRAFT