

ANNUAL GOVERNANCE STATEMENT FOR NEW FOREST NATIONAL PARK AUTHORITY

1. Scope of responsibility

- 1.1 New Forest National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.2 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.
- 1.3 In discharging this overall responsibility, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of the Authority's functions and which includes arrangements for the management of risk.
- 1.4 On 18 May 2006, the Authority approved and adopted a Code of Corporate Governance, which is consistent with the guidance issued by CIPFA/Solace. A review of compliance with the Code is carried out on an annual basis by the Chief Executive, Monitoring Officer and Chief Finance Officer. A copy of the Code is published on the Authority's website and can be obtained from Member Services. This statement explains how the Authority has complied with the Code and also meets the requirements of Regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture 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 priorities and to consider whether these priorities have led to the delivery of appropriate, cost-effective services.

- 2.2 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.
- 2.3 The system of internal control is based on an ongoing process designed to identify and prioritise the risk to the achievement of the Authority's aims, objectives and policies, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.4 The system of internal control has been in place within the Authority for the year ended 31 March 2008 and up to the date of approval of the annual report and Statement of Accounts.

3. Community focus

- 3.1 Through carrying out its general statutory duties and responsibilities in connection with the two national park purposes, the Authority seeks to work for and with the local community to foster the social and economic wellbeing of communities within the National Park.
- 3.2 Through the publication of its annual accounts for the year 2007-2008, the Authority provides for explicit accountability to stakeholders for its performance, effectiveness in the delivery of services, and the sustainable use of resources.
- 3.3 The Authority sets out its high level priorities and objectives for the National Park in a national park management plan. The Strategy for the New Forest 2003 was adopted as the interim National Park Management Plan in May 2005. During 2007-2008 the Authority has been preparing the successor document – the National Park Plan – which will combine both the new national park management plan and the Local Development Framework Core Strategy. Following extensive community engagement throughout the autumn and winter of 2007/2008, a consultation draft of the National Park Plan will issue in summer 2008.
- 3.4 The Authority's annual Corporate Plan translates the aim and objectives from the Management Plan into priority objectives, actions and operational and service targets for the Authority's own work. The Corporate Plan for 2007-2008 was published at the end of June 2007 and was reviewed quarterly by the Management Board and by the Resources and Performance Committee on 28 August 2007. The Plan presents an objective and understandable account and assessment of the Authority's activities, alongside the separate reports of its financial position and performance.

- 3.5 The Authority has been subject to a full and independent audit of the financial management arrangements in place for 2007–2008. Reports issued by external auditors are considered by the Authority's Resources and Performance Committee.
- 3.6 The Authority has developed and maintained a range of relationships and arrangements with other agencies in the public, private and voluntary sectors, to ensure that they are able to engage with and contribute to the work of the Authority.
- 3.7 The Authority has appointed member representatives on the Court of Verderers, the Hampshire and Isle of Wight Local Government Association and its Improvement Board, the Central Hampshire and New Forest Leaders' Group, New Forest District Local Strategic Partnership, North Solent Shoreline Management Plan – Members' Group and the South East England Regional Assembly. Reports from the New Forest Access Forum and New Forest Consultative Panel are received regularly at meetings of the Authority, and considered by members. Partnership arrangements have been developed with the Ninth Centenary Trust for joint delivery of interpretation facilities in Lyndhurst, and with the Forestry Commission, Hampshire County Council and the National Trust for the provision of community rangers. The governance arrangements for the partnership with the Ninth Centenary Trust have been considered and approved by the Authority.
- 3.8 The Authority has adopted a Statement of Community Involvement, detailing how interested persons can participate in consultation on planning policies and applications within the National Park. Between October 2007 and March 2008 the Authority organised nine events, entitled 'New Forest, New Chapter' with community representatives on the development of policies for the National Park Plan and Recreation Management Strategy, which involved over 100 individuals from over 70 organisations.
- 3.9 The Authority has adopted and maintained a complaints procedure to enable complaints about the Authority's activities to be considered and responded to. Information on how to use the complaints procedure is available via a complaints leaflet and the Authority's website. Information on complaints received is considered by the Authority's Management Board, Resources and Performance Committee and Standards Committee. Lessons for service improvement are identified wherever practicable.

4. Service delivery arrangements

- 4.1 The Authority aims to be clearly accountable for the effective delivery of services, through setting targets and measuring performance.
- 4.2 The Authority has adopted an appropriate management structure to deliver economic, efficient and effective services. Lead management responsibility for each service is allocated to the Chief Executive, a Director or Head of Unit, and management of services generally is overseen by the Authority's Management Board. Business Plans are developed for each service, and performance reviewed against targets specified.
- 4.3 A review of the provision of the Authority's financial services, including Chief Finance Officer, strategic financial advice, internal audit and accounting systems was completed and new arrangements were put in place initially on 1 January 2008 and in full on 15 May 2008 with some elements on a trial basis. An internal review of the Authority's planning enforcement and compliance procedures was completed and new staff arrangements put in place.
- 4.4 Management information is produced to assist with the measurement of performance. Budgetary control reports are reviewed monthly by the Management Board and on a regular basis by Resources and Performance Committee. The Chief Executive reports to the Authority on the development and performance of the Authority overall.

5. Structures and processes

- 5.1 The Authority has adopted arrangements to define the responsibilities of members and officers to ensure clarity and accountability in its business. A protocol on member and officer relations has been adopted, and training provided for members and officers.
- 5.2 Major strategic plans and policies receive consideration by members. Comprehensive scheme of delegation to officers has been approved by members, and makes clear that the role of officers is to implement and give effect to strategies and policies approved by the Authority.
- 5.3 In 2007-2008 the Authority held eight full meetings of the Authority, all of which were open to members of the press and public to attend (save for individual items of a sensitive nature properly considered in confidential session). Agendas and minutes of meetings are available for inspection by the public both at the Authority's offices and via the Authority's website.
- 5.4 The Authority has maintained arrangements to ensure that its dealings are lawful and comply with financial regulations. The Authority

continues to receive legal services from Hampshire County Council's Legal Practice under a service level agreement. The Legal Practice is Lexcel-accredited with the Law Society, confirming compliance with best practice requirements, and was most recently subject to independent inspection in December 2007. Solicitors consider all reports considered by members, and are present at meetings to give advice to members as required.

- 5.5 Until December 2007, financial advice and financial accounting services were provided by New forest District Council. With effect from January 2008, the Authority has appointed Hampshire County Council to provide the services of Chief Finance Officer, and provision of strategic financial advice and internal audit. New Forest District Council continues to provide accountancy services on a trial basis.
- 5.6 There have been a number of informal briefing and training sessions for members on various aspects of their responsibilities and developing policies.
- 5.7 The Authority has designated the roles of statutory officers. Lindsay Cornish, as Chief Executive, is National Park Officer and Head of Paid Service. Kevin Gardner, Head of Legal Practice with Hampshire County Council, is Monitoring Officer. Paul Carey-Kent, Deputy County Treasurer with Hampshire County Council, is Chief Finance Officer.

6. Risk management and internal control

- 6.1 The Authority has established a systematic strategy, framework and processes for managing risk. A risk register is maintained, and reviewed on a monthly basis by the Management Board, and at meetings of the Resources and Performance Committee. This enables relevant risks to be identified and evaluated, with consideration given to appropriate mitigation strategies. The Financial Strategy and Budgets for 2008-2009 were subject to a specific risk assessment by the Chief Finance Officer.
- 6.2 Business continuity plans have been developed but have yet to be subject to a 'live test'.
- 6.3 As indicated above, solicitors consider all reports considered by members, and are present at meetings to give advice to members as required. This assists in ensuring that the Authority discharges its functions in accordance with the law. In 2007-2008 no formal reports by the Monitoring Officer, further to S.5 Local Government and Housing Act 1989, were necessary.
- 6.4 Members have a key role in providing assurance that the Authority's funds are used economically, efficiently and effectively in accordance with agreed policies. The financial strategy and budget is agreed

annually by the Authority following scrutiny by, and budget monitoring reports are considered at meetings of, the Resources and Performance Committee. The Authority's accounts are subject to external audit on an annual basis and reported to the Authority at a public meeting.

- 6.5 Internal audit coverage was provided under a service level agreement by New Forest District Council's Internal Audit Service. The Authority's external auditors, the Audit Commission, review the appropriateness of internal audit arrangements and accordingly place reliance on the work done. The coverage in 2007/2008 concentrated on review of the main financial systems, ie general ledger, bank reconciliations, treasury management, accounts payable and payroll. No significant control weaknesses were identified.
- 6.6 The Authority has included the functions of an Audit Committee within the terms of reference of the Resources and Performance Committee.

7. Standards of Conduct

- 7.1 The Authority adopted a revised members' Code of Conduct in September 2007, and training for members on its implications was provided by the Monitoring Officer. Following detailed scrutiny by Standards Committee in December 2007, the Authority has also revised its Local Protocol for Members and Officers Dealing with Planning Matters, and Protocol on Member and Officer Relations, to reflect the provisions of the revised Code.
- 7.2 All member meetings of the Authority commence with an item regarding declaration of personal and prejudicial interests, with signed records of interests declared kept with the minutes of the meeting. A Register of Members' Interests is maintained, in accordance with the Local Government Act 2000.
- 7.3 The Authority has also adopted policies on Anti-fraud and Corruption and Whistleblowing. Standing Orders on Contracts and Financial Regulations are in place.
- 7.4 A Staff Code of Conduct is in place.

8. Action plan

- 8.1 The Authority will be carrying out a Peer Review of its governance and associated arrangements (following completion of two years as a fully operational authority) during late summer/autumn 2008, which is intended to lead to the development of a 'continuing development /improvement plan'.

8.2 The Authority will also be reviewing the provision of Legal Services during 2008, as the arrangements agreed with Hampshire County Council for the provision of this service are due to expire in 2009.

9. Significant governance issues

9.1 No significant governance issues have been identified.

9.2 We propose over the coming year to implement the above 'action plan' to further enhance our governance arrangements. We are satisfied that these steps will address any need for improvement arising from the two reviews and we will monitor implementation and operation as part of our next annual review.

Signed:

Chairman

Signed:

Chief Executive

Date:

2008