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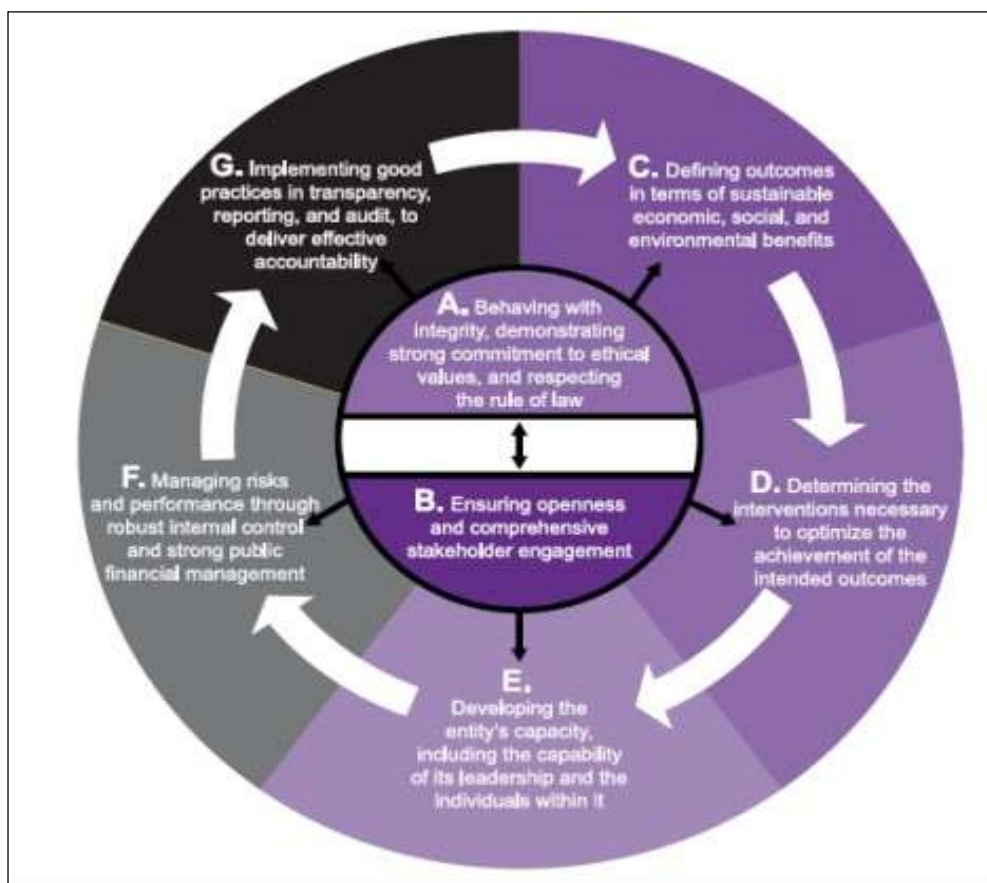
ANNUAL GOVERNANCE STATEMENT
2024-25

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1.0 Introduction and purpose of Annual Governance Statement

- 1.1 The Annual Governance Statement sets out how the York and North Yorkshire Combined Authority (Y&NYCA) meets its governance standards detailed in the Code of Corporate Governance. It also describes how it meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement to accompany the Annual Accounts.
- 1.2 The Annual Governance Statement is a document which looks back retrospectively over the past year, self-assesses the Authority's governance arrangements and looks forward as to areas where focus should be given in relation to governance over the coming year.
- 1.3 Y&NYCA's corporate governance framework is structured around the seven good governance principles set out in the 2016 CIPFA guidance, which is set out below. This statement has been developed with reference to the January 2025 addendum covering the annual review of governance and the annual governance statement.



- 1.4 Alignment of the Authority's governance activities with these principles is considered at Appendix 1.

2.0 Legislative, strategic and policy context

- 2.1 The Y&NYCA was established on 20 December 2023 by the York and North Yorkshire Combined Authority Order 2023 (the Order) and prior to the election of the Mayor of York and North Yorkshire comprised four Members, being the Leaders and Deputy Leaders of the Constituent Councils.
- 2.2 The Mayor took up office on 7 May 2024 and will remain in office until May 2028. The Mayor is the Chair and fifth Member of the Combined Authority.
- 2.3 The Mayor appointed a Deputy Mayor who would deputise across the Combined Authority in his absence (Councillor Kilbane) and made a further Deputy Mayor appointment for Policing and Crime (Jo Coles) who has substantial delegated authority covering YNYCA's activities across policing & crime and fire & rescue. The Mayor allocated portfolio responsibilities for transport to Councillor Kilbane of City of York Council and housing to Councillor Les of North Yorkshire Council.
- 2.4 In accordance with the Order, each Member of the Combined Authority has also nominated two Members who will act as substitute Members of the Combined Authority in their absence.
- 2.5 In addition, the Order provides that the Chair of the Business Board will sit as a non-voting Member of the Combined Authority. The Business Board was formed in October 2024 and the Chair of the Board was appointed at their first meeting which took place in November 2024.
- 2.6 Listed below is the current Combined Authority structure:

Member	Representing	Substitute
Mayor David Skaith (from 7 May 2024)	Y&NYCA Mayor	Councillor Peter Kilbane appointed Deputy Mayor
Councillor Claire Douglas (Lead Member)	Leader of City of York Council	Councillor Jenny Kent Councillor Katie Lomas
Councillor Carl Les OBE (Lead Member)	Leader of North Yorkshire Council	Councillor Michael Harrison Councillor Simon Myers
Councillor Gareth Dadd	Deputy Leader of North Yorkshire Council	Councillor Janet Sanderson Councillor Annabel Wilkinson

Member	Representing	Substitute
Councillor Pete Kilbane	Y&NYCA Deputy Mayor Deputy Leader of City of York Council	Councillor Katie Lomas Councillor Jenny Kent
Jo Coles (from 8 July 2024)	Y&NYCA Deputy Mayor for Policing and Crime (with fire and rescue delegations)	N/A
Jennifer Wood (Chair of Business Board)(from November 2024)	Business Board (non-Voting)	N/A

- 2.7 The Combined Authority Members and the Mayor each have one vote, and matters are decided by a simple majority vote of the Members present and voting at that meeting. Such majority must include the Mayor, or the Deputy Mayor acting in the place of the Mayor. No Member has a casting vote.
- 2.8 No business can be transacted at a meeting of a Combined Authority unless the Mayor (or Deputy Mayor acting in the place of the Mayor) and at least one Member appointed by each Constituent Council is present. In the event that a vote is tied on any matter, it is deemed not to have been carried.
- 2.9 There are additional voting requirements in relation to matters concerning the Mayor's budget, certain financial, transport, housing and land matters and approval of the Combined Authority's constitution.
- 2.10 The Constitution for the Authority sets out the Authority's governance arrangements. It sets out the powers and functions of the Combined Authority, including matters reserved to the Mayor and the Combined Authority, financial procedures, contract standing orders, Member Codes of Conduct, the scheme of delegation to officers and arrangements for the operation of the Committees of the Combined Authority.
- 2.11 The Office for Police, Fire, Crime and Commissioning and the Fire and Rescue Authority and Service integrated into the Combined Authority on 7 May 2024. This led to the abolition of the role of the Police, Fire and Crime Commissioner. The governance arrangements were reviewed and updated in light of this, shown below:

- 2.12 The Combined Authority is led by the Mayor and supported by several committees and boards to ensure decisions are made fairly, transparently and in the public interest.
- 2.13 **Overview and Scrutiny Committee** – this is a regulatory Committee with twelve Councillors from the Constituent Authorities as Members. The Committee provides a check and balance and scrutinises the decisions made by the Mayor and the Combined Authority, especially on big issues affecting the whole region. This is important as the Committee helps to make sure that decisions are working for local people.
- 2.14 **Audit and Governance Committee** – this is another regulatory Committee with eight Members, who are Councillors from the two Constituent Authorities. In addition, an Independent Member and Independent Person (Standards) have been appointed to support the Committee. This Committee ensures that public money is spent properly and that the Combined Authority follows legislation and rules in the area of Audit and Governance. They also monitor and deal with the ethical behaviour of all Members of the Combined Authority, including the Mayor. The Committee also supports constitutional development by reviewing proposed changes and advising on governance implications.
- 2.15 **Business Board** – this is an advisory Board which brings together local business leaders and public officials to help grow the economy in York and north Yorkshire. The Business Board held its first meeting on 22 November 2024. The Board helps the Combined Authority by shaping strategy and policy to unlock the region's economic potential, it supports funding bids to the Government for economic development. It also brings in business voices to influence decisions and policies and plays an important role in engaging with businesses locally, nationally and internationally to understand their needs, promoting the region to attract investment and support growth.



- 2.16 **Police, Fire and Crime Panel** – this Panel comprises Councillors from across City of York and North Yorkshire Councils, whose role is to oversee how the Mayor (or Deputy Mayor for Policing, Fire and Crime) handles policing and fire services. This is supported by Officers from North Yorkshire Council.
- 2.17 **Joint Independent Audit Committee (Police and Crime)** – this Committee is made up of independent Audit and Governance experts who meet four times a year to check the finances and risks for North Yorkshire Police. They report their findings to the main Audit and Governance Committee of the Combined Authority.
- 2.18 **Independent Audit Committee (Fire and Rescue)** – this Committee is made up of independent Audit and Governance experts who meet four times a year to check the finances and risks for North Yorkshire Fire and Rescue Service. They report their findings to the main Audit and Governance Committee of the Combined Authority.

Economic Framework

- 2.19 In July 2024, following the Mayor taking up office, the Combined Authority updated its economic framework. The framework outlines a shared set of priorities for the region and incorporates the Mayor's vision to put communities at the heart of what the Combined Authority delivers. The framework is set out below:



3.0 Scope of responsibility

- 3.1 The Y&NYCA's Code of Corporate Governance sets out how the Combined Authority operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The Code of Corporate Governance can be found in Part 7 (Section E) of the Constitution [YNCAConstitutionRevisionNumber11April2025.pdf](#).
- 3.2 The Annual Governance Statement demonstrates how the Y&NYCA is delivering its services in the right way in a timely, inclusive and accountable manner and will be certified by the Y&NYCA Chief Executive and the Mayor, after consideration of the draft by the Y&NYCA Audit and Governance Committee. Y&NYCA'S external auditor reviews the Annual Governance Statement as part of the assessment of their value for money responsibilities.
- 3.3 The Y&NYCA's governance framework comprises the legislative requirements, principles, management systems and processes – including the Constitution and associated protocols – and cultures and values through which the Combined Authority exercises its leadership, fulfils its functions and by which it is held accountable for its decisions and activities.
- 3.4 The Y&NYCA Audit and Governance Committee is responsible for overseeing the effective operation of the systems of governance including risk management, internal control and treasury management. It is a legal requirement for the Y&NYCA to have an Audit and Governance Committee as this also ensures a high standard of openness and transparency.
- 3.5 The Audit and Governance Committee oversees all aspects of the Combined Authority including Mayoral functions. In addition to this, North Yorkshire Police has established a Joint Independent Audit Committee (JIAC) and North Yorkshire Fire and Rescue Service has established an Independent Audit Committee (IAC). These Committees oversee the control environment of the Chief Constable and Chief Fire Officer and the policing and crime and fire and rescue functions of the Combined Authority, performing the function of an Audit Committee.
- 3.6 These Committees assist the Mayor in discharging their statutory responsibilities to hold the Chief Constable and Chief Fire Officer to account and to help deliver an effective police and fire service. To minimise duplication and bureaucracy and to maximise value for money, shared internal audit arrangements are in place to support the Mayor and the Chief Constable/Chief Fire Officer. Going forward, the Combined Authority Audit and Governance Committee will receive the minutes and annual reports of the JIAC and IAC for scrutiny, starting with the annual reports for 2024–25.

4.0 Governance Review Activity 2024 25

- 4.1 The CIPFA/Solace guidance—specifically the Delivering Good Governance in Local Government Framework and its 2025 addendum requires Authorities to undertake a comprehensive review of their governance arrangements each year.

- 4.2 The 2024/25 review has produced a summary of the Authority's governance arrangements as they pertain to the seven core principles of the guidance (Appendix 1).
- 4.3 The summary considers how the Authority's arrangements meet the requirements of the guidance and identifies areas of focus for 2025/26 alongside any areas of significant weaknesses that should be addressed as a priority.
- 4.4 The annual governance review process has drawn on a range of internal and external sources of assurance, including internal and external audit activity, statutory officer reviews, service area returns, and engagement with external service providers
- 4.5 The review has also considered progress against the areas of focus identified in 2023/24 (Appendix 2) identifies any significant areas of weakness in control and governance identified and specifies actions and progress in addressing them (Appendix 3).
- 4.6 The outcomes of this work have been used to develop the Authority's areas for focus for 2025/26 which are summarised below.

5.0 Areas for focus in 2025/26

- 5.1 The Combined Authority has identified a series of targeted governance priorities for 2025/26, aligned to the seven principles set out in the CIPFA/SOLACE "Delivering Good Governance in Local Government" Framework. These include workstreams to consolidate structures established during the inaugural year, further integrate devolved functions, and respond to evolving strategic, legislative and resource pressures.
- 5.2 The table below outlines the planned areas of focus aligned to each governance principle:

Good Governance Principle	Area of Focus	Lead Officer
A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	Completion of the ongoing Constitution review, focusing on governance arrangements for newly integrated service areas (Fire, Policing, and Transport).	Monitoring Officer
	Development of strengthened governance and communication arrangements across CA delivery areas to ensure role clarity, accountability, and statutory compliance.	Monitoring Officer

Good Governance Principle	Area of Focus	Lead Officer
	Design and delivery of a dedicated session on evolving roles of members and officers to maintain effective, ethical, and transparent working relationships.	Monitoring Officer
B – Ensuring openness and comprehensive stakeholder engagement	Ongoing expansion of engagement tools (e.g. website and Modgov) and centralisation of public transparency information across delivery areas.	Monitoring Officer
C – Defining outcomes in terms of sustainable economic, social, and environmental benefits	Development of a refreshed Corporate Plan integrating recent national policy changes (e.g., Summer 2025 Comprehensive Spending Review) and better aligning Policing and Fire delivery streams.	Chief Executive
	Development of YNYCA's Local Evaluation Framework to assess the medium- and long-term impact of programme interventions and inform future strategic planning.	Section 73 Officer/Director of Economy
D – Determining the interventions necessary to optimise the achievement of intended outcomes	Development of a long-term strategic investment framework to guide delivery priorities and inform investment strategy across thematic areas.	Director of Economy
E – Developing the entity's capacity, including the capability of its leadership and workforce	Development and implementation of a Workforce Plan for the Authority.	Head of HR
	Formal assignment of portfolio responsibilities to Members, with built-in support and oversight mechanisms.	Monitoring Officer
F – Managing risks and performance through robust internal control and strong public financial management	Enhancement of risk monitoring and reporting mechanisms to develop cross-organisation consistency across all delivery streams.	Section 73 Officer
	Consolidation of information governance processes across delivery streams.	Monitoring Officer

Good Governance Principle	Area of Focus	Lead Officer
	Further development of financial systems, planning, and reporting structures, particularly year-end reporting mechanisms, in line with recommendations made by Forvis Mazars (Feb 2025).	Section 73 Officer
G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Integration of learning from audits and public feedback into reporting cycles, ensuring audit recommendations are tracked and progress is monitored.	Section 73 Officer / Monitoring Officer

5.3 In parallel to these forward-facing actions, the 2024/25 governance review has also highlighted a number of significant control and assurance weaknesses requiring close monitoring and focused remedial action. These are summarised below, with further detail set out in Appendix 3:

Theme	Summary of Weakness	Planned Response
Financial Management & Reporting	Delayed production of 2023/24 and 2024/25 draft accounts alongside a disclaimed audit outcome for 2023/24 due to insufficient audit evidence and resourcing challenges.	Further strengthening of finance team resources, phased system integration, and structured closedown planning for 2024/25 and 2025/26.
Medium-Term Financial Planning	Absence of a Medium-Term Financial Strategy (MTFS) in 2023/24 created uncertainty in long-term fiscal planning.	Initial medium-term view approved alongside budget in February 2025; a full MTFS is now under development post-Spending Review.
Risk & Performance Management	Early months of operation lacked approved Risk Management Policy and formalised performance monitoring arrangements.	Risk Framework adopted; performance framework in development alongside Corporate Plan.
Information Governance	Routine monitoring identified gaps in FOI compliance, breach handling, and clarity of DPO responsibilities.	Information Governance Group launched (June 2025); compliance plan initiated and IG service scope review planned.
Internal Audit Scope & Coverage	Internal audit opinion for 2024/25 expected to carry scope limitations, due to the first-year nature of all systems and the	Ongoing activity to embed assurance processes, clarify audit readiness

	limited breadth of assurance possible.	expectations, and increase evidence availability.
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- 5.4 These issues do not suggest a systemic failure of governance. However, they highlight specific areas where greater consistency, capacity and consolidation are required to support the Combined Authority's continued development. Targeted actions to address each of these points have been incorporated into governance and delivery plans for the year ahead, and progress will be tracked through internal reporting and oversight.

6.0 Summary of progress and review of effectiveness

- 6.1 2024/25 marked the foundational year of the York and North Yorkshire Combined Authority's operation, following its formal establishment in December 2023 and the election of the Mayor in May 2024. The Authority launched rapidly without a preceding shadow running period, meaning that governance, service integration, and operational delivery commenced concurrently. Governance structures and controls have therefore been developed alongside day-to-day operational activity during this transitional phase.
- 6.2 Despite the inherent challenges of this approach, significant progress has been made in establishing the fundamental components of an effective governance framework. These include the adoption of the Constitution, appointment of statutory officers, formation of oversight committees, approval of a refreshed risk management framework, and mobilisation of core financial planning and assurance processes. Strategic documents such as the Economic Framework, Local Growth Plan, Fire and Rescue Plan, and Police and Crime Plan have been developed and embedded into delivery structures. In parallel, measures to enhance transparency, decision-making and public accountability have been advanced through policy development, stakeholder consultation, and internal coordination.
- 6.3 Nonetheless, the Authority recognises that it remains in an early stage of maturity. A compressed implementation timeline, resourcing pressures, and the complexity of integrating newly devolved services have all shaped the pace and depth of governance development. These transitional challenges have been most evident in areas such as internal audit delivery, information governance maturity, risk and performance management, and year-end financial reporting.
- 6.4 As part of its 2024/25 assurance process, the internal audit service has indicated that its year-end opinion will reflect scope limitations. This position arises not only due to capacity and timing constraints, but also from the inherent context of a first operational year in which all audit areas represented new and developing systems, processes and control environments. It was not practical or proportionate to achieve the breadth of coverage typically required to support a full audit opinion. This does not reflect the identification of material internal control failures, but highlights the evolving nature of the audit environment.

Work is ongoing across the Authority to support audit preparedness, strengthen assurance ownership, and embed consistent disciplines as part of organisational development.

- 6.5 Taking these factors into account, the governance arrangements in place during 2024/25 are considered appropriate for the Combined Authority's stage of development. Despite the absence of a preparatory phase, the Authority has demonstrated a clear commitment to transparency, accountability and continuous improvement. With core frameworks now established and areas for further focus identified, the Combined Authority is well-positioned to consolidate progress and continue to strengthen its governance in the year ahead.

Signed by:

(David Skaith, Mayor of York and North Yorkshire Combined Authority)

Signed by:

(James Farrar, Chief Executive on behalf of Members and Senior Officers of York and North Yorkshire Combined Authority)

Date: [] 2025

A - Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values, and Respecting the Rule of Law

Local authorities should uphold integrity, transparency, and ethical standards in decision-making and service delivery. They must comply with legal requirements and promote a culture of accountability.

Governance Framework

YNYCA remains committed to upholding strong governance principles. A dedicated Constitution Working Group was convened in November 2024 to support a structured review and refresh of the Constitution in light of evolving statutory responsibilities and organisational needs. Since May 2024, regular constitutional amendments have been made, considered by the Audit and Governance Committee and formally approved by the Combined Authority, demonstrating an agile response to new functional demands, including the integration of policing, fire, and transport responsibilities. These updates aim to align the governance framework with the practical realities of operating a mayoral combined authority and ensure clarity in decision-making pathways.

Ethical Standards

The Audit and Governance Committee is responsible for Standards activity and plays a central role in maintaining high standards of member conduct. In 2024–25, an Independent Member and an Independent Person were successfully appointed to reinforce transparency and impartiality in conduct matters. A Code of Conduct for both officers and members is in place and is subject to regular review to ensure alignment with the Localism Act 2011 and best practice.

Policies & Procedures

A suite of key policies is maintained to promote integrity and manage risk:

The Whistleblowing Policy was updated in June 2025, ensuring clear channels for raising concerns and protecting individuals from detriment.

The Anti-Fraud and Corruption Policy underwent review in April 2025, reinforcing controls and expectations around ethical financial practice.

The Complaints Procedures were refreshed in June 2025 to align with relevant national guidance, making processes for citizens and service users more transparent and accessible.

Ongoing training and internal communication ensure officers and members remain familiar with these procedures and how to act when concerns arise.

Transparency & Accountability

The Combined Authority promotes openness and accountability through several mechanisms. All members are required to complete annual declarations of interest, and declarations are also actively recorded and published and sought before committee and board meetings. The Monitoring Officer plays a critical statutory role

Appendix 1 – CIPFA SOLACE – Good Governance Principles

in ensuring that all Combined Authority decisions comply with relevant legislation, constitutional requirements, and principles of good governance. Legal and governance advice is routinely sought to ensure decisions remain both lawful and robust.

Areas of Focus for 2025/26

Completion of the ongoing Constitution review, with a particular focus on governance arrangements across newly integrated service areas such as Fire, Policing and Transport.

Development of strengthened governance and communication arrangements between CA delivery areas ensuring role clarity, decision-making accountability, and statutory compliance.

Design and delivery of a dedicated session on the evolving roles of members and officers, recognising the importance of clarity of role in maintaining effective, ethical and transparent working relationships

B - Ensuring Openness and Comprehensive Stakeholder Engagement

Authorities should communicate openly, involve stakeholders in decision-making, and ensure public participation in governance processes to build trust and accountability.

Public Accessibility

All meetings of the Combined Authority and its committees are live streamed, ensuring real-time public access to deliberations and decisions. In addition the Deputy Mayor for Policing Fire and Crime has held eight online public scrutiny meetings which discussed key thematic issues relevant to the services and allowed the public the opportunity to partake in Q&A sessions.

Agendas, reports, and decision records are published online, with improved navigability and searchability following the rollout of the Mod-Gov system. After some initial teething troubles (now resolved) which meant email alerts were not getting to all subscribers, this enhanced digital infrastructure has increased transparency and accessibility

All key decisions are proactively published, with confidentiality applied only where clearly justified by legal or commercial sensitivity.

Formal consultation is embedded into major policy development processes, Including the Draft Local Growth Plan, Police and Crime Plan, Fire and Rescue Plan and Mayoral Precepts ensuring residents and communities have early opportunities to influence proposals.

Formal governance structures support scrutiny and accountability, with transparent records of decision rationale and outcomes.

Partnership Engagement

The Business Board provides a structured mechanism for engaging the region's business community, offering direct input into economic strategy.

Strong links with the VCSE sector are maintained through both formal groups and open forums, supporting inclusive growth and community resilience.

Officers and Members actively engage with local communities through events, forums, and targeted outreach to ensure local voices inform Combined Authority priorities.

Areas of Focus 2025/26

Ongoing expansion of engagement tools (e.g. website and Modgov) and centralisation of public transparency information across delivery areas.

C - Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits

Governance should focus on achieving long-term benefits for communities, balancing economic growth, social well-being, and environmental sustainability.

Strategic Vision

The Combined Authority's Economic Framework was refreshed during the year and sets the Authority's strategic direction following election of the Mayor. Its three core ambitions, - Transition to a Carbon Negative Economy, - Deliver Good Economic Growth and - Increase Opportunities for All with Healthy and Thriving Communities at the centre ensure that strategic focus places long-term sustainable community outcomes at the centre of decision-making.

The Fire and Rescue Plan 2025–2029 and the Police and Crime Plan 2025–2029 were also both developed and formally adopted to direct strategies into the future. Each sets out a vision, priorities, and performance expectations to guide service delivery, accountability, and investment over the four-year period. Together, they articulate the Mayor's strategic direction for community safety, prevention, and resilience.

Governance & Monitoring

The CA's Interim Corporate Plan Approved in March 2024 defined a clear delivery roadmap for 2024/25, aligning operational focus with the Authority's strategic aims. This will be refreshed in 2025/26 to reflect outcomes from the 2025 Comprehensive Spending Review and respond to national policy evolution.

Consultation and Impact Assessments

Programmes and interventions are co-designed with local authority partners and appropriate community stakeholders, ensuring that delivery reflects local need. Targeted engagement and impact assessments guide resources where they will make the greatest place-based difference.

A key intervention by the Mayor was to opt for a £24 precept rise to stabilise reserves and enable essential investment in the Fire and Service following a public consultation and significant concerns that the financial position of the Fire and Rescue service could adversely impact performance and ultimately public safety

Areas of focus 2025/26:

Development of a refreshed Corporate Plan that reflects the region's long-term ambition, recent changes to national policy context (including the Summer 2025 Comprehensive Spending Review) and better integrates Policing and Fire delivery streams into the overall corporate vision

Development of YNYCA's Local Evaluation Framework to ensure medium- and long-term impacts of programme interventions are measured and fed into future strategic planning.

D - Determining the Interventions Necessary to Optimize the Achievement of Intended Outcomes

Authorities should make informed decisions based on evidence, risk assessment, and stakeholder input to ensure effective service delivery and resource allocation

Evidence-Based Policymaking

The Authority's interventions are rooted in a robust evidence base. The refreshed Economic Framework underpins strategy formation, while decisions are shaped through a combination of data, insight, and partner engagement.

Investment Planning & Scrutiny

Budget-setting is aligned to strategic themes and underpinned by strong governance. All investments—whether project-based or thematic—undergo business case appraisal, scrutiny, and Combined Authority approval to ensure value and alignment with intended outcomes.

Asset management and efficiency

The Fire and Rescue Service regularly updates a Productivity and Efficiency strategy to underpin decision-making. During the year the first stock condition survey in over a decade was completed, and being used to shape Investment proposals to assure the Mayor of long-term value and service readiness.

Areas of focus 2025/26:

Development of a long-term strategic investment framework to guide delivery priorities and inform investment strategy across thematic areas

E - Developing the Entity's Capacity, Including the Capability of Its Leadership and Workforce

Governance should support leadership development, workforce training, and organisational capacity-building to enhance service effectiveness and resilience.

Leadership Development

Members are supported through regular updates and strategic briefings to ensure effective oversight of the CA strategic pipeline, with a growing focus on aligning political leadership with delivery responsibilities.

Organisational Development

A clear staff and member induction and onboarding offer ensures all internal stakeholders understand the Authority's purpose, delivery priorities, and ways of working. Cross-organisational development sessions are held for staff to help build shared identity and strengthen understanding and capability across teams.

A Target Operating Model is also being developed to formalise consistent practices and clarify resource structures.

Workforce Training & Performance

Staff development is supported through structured appraisal, performance management objective setting and feedback mechanisms, to drive continuous improvement and alignment with strategic goals.

Areas of focus 2025/26:

Development and implementation of a Workforce Plan for the Authority

Formally assign portfolio responsibilities to Members and build in support and oversight mechanisms.

F - Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management

Authorities must implement risk management strategies, maintain financial integrity, and ensure effective internal controls to safeguard public resources.

Audit & Risk Oversight

During the year the Authority undertook a review of risk management arrangements leading to a refresh of its risk management framework which was approved by the CA in June 2025. The updated Framework provides structured oversight of corporate and programme-level risks.

Risk updates are made at each Audit and Governance to ensure that issues are escalated and addressed, with governance supporting accountability and financial resilience.

Data & Information Governance

The Authority's information governance arrangements currently operate independently across each key delivery area, with aggregation and central monitoring undertaken on the CA's behalf by Veritau. Processes continue to be developed and are maturing to meet evolving legislative and organisational demands.

Internal audit Fire

Internal control arrangements showed improvement across 2024/25, with four of six internal audit reviews achieving positive assurance. Notably, financial planning was graded "Substantial Assurance"—a significant step forward. While internal audit follow-up remains an area requiring focused oversight, governance forums such as the Risk and Assurance Board are in place to drive compliance and hold officers accountable for delivery.

Financial reporting and governance

2024/24 was a year of significant change for the Authority's financial management. During the year the Authority recruited its Director of Resources and resourced its finance function through a service level agreement with North Yorkshire Council. Delays in securing resource led to challenges in production of the year- end financial statements and ultimately delayed year- end financial reporting. This meant that the Combined Authority's audit could not be completed due to inability to produce evidence and secure audit resource within statutory timescales.

During the year steps have been taken to increase resourcing levels and a structured plan was developed for year end financial reporting the added complexity for 2024/25 of consolidation of organisational data across the separate finance teams supporting General Budgets, Police, and Fire and Rescue continue

Appendix 1 – CIPFA SOLACE – Good Governance Principles

to pose challenges in production of year end financial data, and ongoing team and systems integration will be a key area of focus for 2025/26

All budget streams have continued regular financial update reporting through the Authority's governance structure to ensure proper monitoring and governance of financial performance

Areas of focus 2025/26:

Enhancement of risk monitoring and reporting mechanisms to develop cross organisation consistency across all delivery streams

Consolidating Information governance processes across delivery streams

Further development of financial systems, planning and reporting structures, in particular year end reporting mechanisms in line with recommendations made by Forvis Mazars in February 2025 (Appendix 3)

G - Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

Governance should promote transparency, regular reporting, and independent audit processes to ensure accountability and continuous improvement.

Public Reporting

The Authority publishes regular updates on finance, performance, and decision-making to support transparency and maintain public confidence. Reporting is aligned to statutory expectations and supports scrutiny by internal and external stakeholders.

Audit Oversight & External Compliance

Internal and external audit findings are routinely tracked and integrated into improvement plans. The Audit and Governance Committee alongside the Independent audit committees for Policing and Fire (JIAC and IAC respectively) play a vital role in ensuring follow-up, with actions linked to wider governance assurance.

Stakeholder Engagement

Strategic plans and investment priorities are informed by public consultation, including on policing, fire, and local growth. Feedback is shaping policy content and delivery priorities.

HMICFRS feedback - Fire and Rescue Service

HMICFRS inspected the Service during late 2024/early 2025. Key improvements included significant progress since the last inspection in 2021/2022, where the FRS had been rated “inadequate” in two areas, they now have six areas where they are rated “good” and five areas where they are rated “adequate”, with no causes for concern identified. Improvement areas were reduced from 24 to seven. The HMICFRS determined that the FRS is now seen as a confident, community-focussed organisation and recognised as a partner of choice in the region.

Areas of focus 2025/26:

Integrate learning from audits and public into reporting cycles and ensure that audit recommendations are followed up and progress is monitored

Appendix 2- Previously identified areas of focus

In its 2023/24 Annual Governance Statement the Authority identified several areas of focus for 2024/25 in developing its governance arrangements. In addition, separate annual governance statements were prepared for Policing and Fire & Rescue prior to transition into the Authority. Monitoring of these areas of focus have been carried into the Combined Authority

Progress against these areas of focus is presented below

Good Governance Principle	Area	Action	Lead Officer	Progress
A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	General Budgets	Appointment of Independent Person onto Audit and Governance Committee to ensure that Member Code of Conduct regime can operate in a legal and robust manner.	Interim Deputy Monitoring Officer	Complete
	General Budgets	Audit and Governance Committee review of Officer Code of Conduct and Member Code of Conduct and associated procedure documents.	Interim Deputy Monitoring Officer	This is an ongoing annual review, which will next be conducted during 2025/26
	General Budgets	Audit and Governance Committee review of Code of Corporate Governance, declarations of interest and gifts and hospitality.	Interim Deputy Monitoring Officer Director of Resources Governance and Assurance Manager	This is an ongoing annual review, which will next be conducted during 2025/26 All declarations are recorded and Gifts and hospitality registers updated quarterly

Good Governance Principle	Area	Action	Lead Officer	Progress
B - Ensuring openness and comprehensive stakeholder engagement	General Budgets	Embed the Skills and Accountability Task Group and the Business Board within the Combined Authority Governance Structure.	Interim Deputy Monitoring Officer Governance and Assurance Manager	The Skills and Accountability Task Group has now been brought to a close The first meeting of the York and North Yorkshire Business Board took place on Friday, 22 November 2024. Meetings are regularly scheduled on an ongoing basis
	Police Fund	Review and refresh the Chief Constables / Mayor's memorandum of understanding.	Monitoring Officer	The MOU has been reviewed, agreed and awaiting signatories. To be carried forward to 2025/26
C – Defining outcomes in terms of sustainable economic, social and environmental benefits	General Budgets	Development of Mayoral priorities and embed into Combined Authority framework/priorities and ensure that there is a full understanding across the Combined Authority reporting system.	Chief Executive	Key strategies have been developed, in particular, the Local Economic Framework was updated in July and October 2024 to reflect Mayoral priorities The York and North Yorkshire Local Growth Plan has also since been developed and consulted upon and is due for final approval in Summer 2025
D – Determining the interventions necessary to optimize the achievement of the intended outcomes	General Budgets	Ensure that the appropriate governance and decision-making structure is in place to meet the new responsibilities of the Combined Authority, including the transition of Police and Crime and Fire and Rescue functions.	Interim Deputy Monitoring Officer	Part 9 of the constitution was created and implemented alongside the transition of Policing and Fire and Rescue activities ensuring appropriate governance and structures are in place Regular updates to the constitution have been made to reflect changing circumstances and an internal constitution working group has been set up to lead on future constitutional developments

Good Governance Principle	Area	Action	Lead Officer	Progress
	Police Fund	Ensure joint corporate governance sections relating to North Yorkshire Police activity undergo an annual review (or as frequently as deemed necessary) after the first year of the Combined Authority.	Monitoring Officer	Completed initial review, further reviews will take place on a regular basis
	NYFRS	Address actions raised in the Internal Audit report on Estates Management, including the development of an Estates Strategy and improvements in record-keeping and planning.	Assistant Chief Officer	A new Joint Police and Fire Estates Strategy was approved in March 2025, with publication scheduled for May 2025. Fire stock condition surveys completed, informing budgeted deliverables. A new Buildings Maintenance contract is being tendered for improved service efficiency.
E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it	General Budgets	Recruitment of statutory officers and leadership team and ensure that they have the resources to be able to deliver against the priorities of the Combined Authority.	Chief Executive Head of Assurance	All statutory officers and leadership team members are now in place An internal review is also planned for 2025/26 to develop a workforce plan for the authority in order to ensure that wider resourcing is fit to meet the developing requirements of the combined Authority
	General Budgets	Continue the transition work with the Police and Crime and Fire and Rescue functions into the Combined Authority, in particular regularisation of governance arrangements across the organisation	Interim Deputy Monitoring Officer	The introduction of Part 9 of the constitution ensures appropriate governance is applied across the organisation Further developments in integrating governance will be made in line with wider operational integration. Relevant statutory officers of the CA attend the Strategic Oversight Board—Policing and Fire’s key decision-making body—to ensure decisions are made and understood in the wider Combined Authority context.

Good Governance Principle	Area	Action	Lead Officer	Progress
F – Managing risks and performance through robust internal control and strong public financial management	General Budgets	Development of internal audit arrangements, including Police and Crime and Fire and Rescue function integration.	Interim Deputy Monitoring Officer Director of Resources	YNYCA has developed a structured audit framework, with Veritau as the primary internal audit provider, executing a risk-based audit programme, reviewed at least annually to align with Public Sector Internal Audit Standards (PSIAS) RSM also provides specific external assurance, in relation to Policing and Fire activities,
	NYFRS	Ensure the Risk and Assurance Board oversees implementation of all internal report actions and holds owners accountable. Implement a Check and Challenge process for wider organizational support.	Deputy Chief Fire Officer	The Risk and Assurance Board continues active oversight. Senior Responsible Officers have been appointed for accountability. A structured review framework is now in place, supporting sustainable delivery of improvements.
	NYFRS	Improve Supplier Payments Process, ensuring financial controls, purchase orders, and receipting processes comply with regulations. Strengthen central oversight.	Finance Lead PFC/ Head of Support services Collaboration Finance	Progress made, but some actions remain outstanding. Transition to the Police Finance System in 2025/26 is expected to resolve key control deficiencies, improving oversight and compliance.
	NYFRS	Strengthen Asset Management processes in relation to asset maintenance and replacement to align operational practices with management expectations. Ensure clarity in documentation and control frameworks.	Assistant Chief Officer	Some actions completed, others require further coordination due to extensive work involved. A new Equipment Officer is due to start imminently, with a clear action plan in place. Next review at the Risk & Assurance Meeting on 6 May 2025.

Good Governance Principle	Area	Action	Lead Officer	Progress
G – Implementing good practices in transparency, reporting and audit, to deliver effective accountability	General Budgets	Review of Constitution of Combined Authority.	Interim Deputy Monitoring Officer	<p>To support this objective, the Audit and Governance Committee established a working group to consider the ongoing development of the constitution, assess proposed amendments and provide recommendations to the Committee</p> <p>The committee receives regular progress updates at each meeting and also considers any specific changes to the constitution needed to meet the changing demands of the CA</p>
	General Budgets	Embed the Overview and Scrutiny and Audit and Governance Committee arrangements (including integration with IAC and JIAC)	<p>Interim Deputy Monitoring Officer</p> <p>Director of Resources</p> <p>Governance and Assurance Manager</p>	<p>Both committees are established and operated through 2024/25.</p> <p>The Audit and Governance Committee held its first meeting on 16 July 2024 and met on three further occasions through the year</p> <p>The overview and Scrutiny Committee first met in March 2024 and has had three further meetings during 2024/25</p> <p>Work is ongoing to develop relationships and to further develop the flow of information between The Internal Governance Committee IAC and JIAC</p>

Appendix 3- Areas of Significant Weakness

Weaknesses identified through the 2023/24 financial statements audit process

The External Auditors, Forvis Mazars, issued a disclaimer of opinion on the financial statements for the two months to March 2025 as resourcing constraints both within the CA and Auditors led to insufficient audit evidence being gathered before the statutory publication deadline.

Additionally, they identified three significant areas of weaknesses in the Authority's arrangements, which are summarised below:

1 Absence of a Medium-Term Financial Strategy (MTFS)

The auditors noted that the Authority did not have a Medium-Term Financial Strategy (MTFS) in place during the reporting period. They commented that without an MTFS, there was no structured approach to financial planning, creating uncertainty in long-term resource allocation, investment decisions, and fiscal sustainability. This gap presents a risk that the Authority may not effectively manage funding challenges or align financial decisions with strategic priorities.

2 Weaknesses in Risk and Performance Management Arrangements

Forvis Mazars identified that the Authority ****lacked formal risk management and performance monitoring frameworks**** during its initial months of operation. Specifically, the ****Risk Management Policy**** had not been approved, preventing a structured approach to identifying and mitigating operational risks. Additionally, ****no performance reporting mechanisms were in place****, limiting the Authority's ability to track delivery against objectives and assess efficiency.

3 Financial Management and Governance Deficiencies

The auditors noted that the Authority failed to publish its financial statements within statutory deadlines and encountered quality control issues in the draft financial statements, these deficiencies were attributed to capacity constraints within the finance team and gaps in governance and scrutiny arrangements, which hindered the reliability and compliance of financial disclosures.

A number of recommendations were made in relation to these weaknesses and progress is summarised overpage, noting that recommendations were made following completion of the audit in February 2025 (two months before the reporting period end):

Area of Risk/Weakness and Recommendations	Progress
<p>Financial Management</p> <ul style="list-style-type: none"> - Ensure the finance team has the capacity and capability to produce reliable and fully supported annual financial statements, including Group accounts. - Establish and adhere to a detailed accounts closedown plan to support production of its annual financial statements in line with statutory timescales. 	<p>Capacity has been boosted by the establishment of the CA's head of finance post and a detailed financial statements production plan was developed engaging resource across Police, Fire & Rescue and General budgets with additional support through third party service level agreements</p> <p>Despite the detailed closedown action plan being prepared, the 2024/25 draft Statement of Accounts was not published by the statutory 30 June deadline. This was primarily due to the complexity of the first year of consolidating data from three legacy financial systems (General Fund, Policing, Fire)</p> <p>A statutory notice was issued, and work is ongoing to complete the statements and assurance checks and also to strengthen year-end processes into 2025/26.</p>
<ul style="list-style-type: none"> - Define and formalise governance and scrutiny arrangements for Group financial reporting. 	<p>Draft accounts will be presented to the Authority Audit and Governance Committee in accordance with the constitution at the first meeting following the draft publication date</p> <p>Agreement of wider scrutiny arrangements (including Audit feedback is pending confirmation of auditor availability to resource the Audit (expected July 2025)</p> <p>An informal briefing has been given to A&G members making them aware of this situation and further updates will be given as more information is available and the plan is developed</p>

<p>- Integrate financial planning arrangements into corporate and service planning processes.</p>	<p>Financial planning processes were developed for 2025/26 budget setting and will be developed further in the current year and will be developed alongside the wider development of the Authority's Corporate and Service Plans which are also in a developmental stage.</p> <p>Initial work has already been undertaken to ensure alignment of committee timings across Policing/ Fire for the purpose of precepting and budget approval</p>
<p>Medium-Term Financial Strategy</p>	
<p>- Promptly develop and monitor a Medium-Term Financial Strategy (MTFS) that aligns with strategic objectives.</p>	<p>The budget presented to and approved by the Combined Authority in February 2025 including a high-level medium term view of the CA's financial position indicating that based on current committed activity levels sufficient reserves were available to accommodate the CA's existing plans into the medium term</p> <p>In addition, quarterly budget monitoring is being undertaken to confirm that the CA is operating within the planned financial envelope</p> <p>Now that Government has announced its plans in relation to local government funding through the summer 2025 spending review, corporate and investment strategies are being developed in consultation with CA members</p> <p>The resulting plans for resourcing and delivery will educate a more detailed Medium term financial plan that will be developed in the near future</p>

<p>- Regularly update and monitor the MTFS to ensure decisions are based on the most current financial information.</p>	<p>See note above</p>
<p>Risk and Performance Management Arrangements</p>	
<p>- Establish a Risk Management Policy and framework, ensuring it integrates Police and Fire functions.</p>	<p>A risk management policy and framework has been developed for the “General Budgets” activities of the CA, this has been scrutinised by Audit and Governance committee and approved by the Combined Authority Nest steps are to increase integration of risk management processes and behaviours across all aspects of the CA, noting that policing and fire have well established processes and controls</p>
<p>- Develop a Performance Management framework with clearly defined key performance measures and indicators linked to the Authority’s strategic objectives and plans.</p>	<p>The development of the performance management framework runs alongside development of the overall corporate plan and strategic aims. A full performance review has been undertaken of programme delivery and Corporate Plan deliverables for 20024/25 and a dedicated performance manager has been recruited into the Authority in June 2025 to lead on the development of the overarching performance management framework</p>

Other Significant Weaknesses Identified During 2024/25 – Information Governance and Internal Assurance

As part of its arrangements for monitoring the effectiveness of governance, the Authority draws upon a range of internal assurance sources. During 2024/25, routine oversight activity carried out by Veritau in its role supporting information governance and risk management functions identified several areas where the Authority’s arrangements remain immature or underdeveloped. This work—reported to the Audit and Governance Committee in April 2025—did not reveal widespread non-compliance but highlighted key limitations that require attention to support long-term organisational resilience and transparency:

- **Information Security and FOI Compliance:** The Authority recorded 29 information security incidents during the year, most resulting from misdirected correspondence or procedural lapses. The Freedom of Information (FOI) compliance rate stood at 74%, below the 90% benchmark.
- **Policy and Framework Gaps:** The information governance framework remains at an early stage of development. A number of core policies are either absent, out of date, or inconsistently applied. Operational roles—particularly relating to the delivery and assurance function of the Data Protection Officer—require greater clarity.

In parallel, under its separate capacity as provider of internal audit services, Veritau has indicated that its year-end opinion for 2024/25 will be issued with *scope limitations*. This reflects both the volume of new and developing systems in place during the Authority’s first operational year, and the practical constraint that it was not possible to obtain the breadth of coverage typically required to support a full audit assurance opinion. This does not indicate the presence of control failure, but underscores the need for continued development of internal assurance mechanisms and evidence availability to support future assurance conclusions.

Action Taken and Planned

In direct response to these identified weaknesses, the Authority has taken several steps:

- An **Information Governance Group** has been launched, with its first meeting held on 2 June 2025. The group brings together senior representatives from across the Authority and is tasked with driving improvement, monitoring compliance, and supporting a cohesive organisational approach to information risk. Initial priorities include breach reporting, FOI performance, policy harmonisation, and training.
- The Authority will also conduct a **review of the scope and specification of information governance services**, considering how best to draw on wider capabilities (including Fire and Policing) to deliver an integrated and proportionate governance model.

- To strengthen its internal assurance base, the Combined Authority will continue to work closely with Veritau to develop the scope, reach, and effectiveness of internal audit services through 2025/26. This will include ensuring organisational audit readiness, and that audit findings can be based on a growing body of embedded processes, documentation and assurance mapping.