

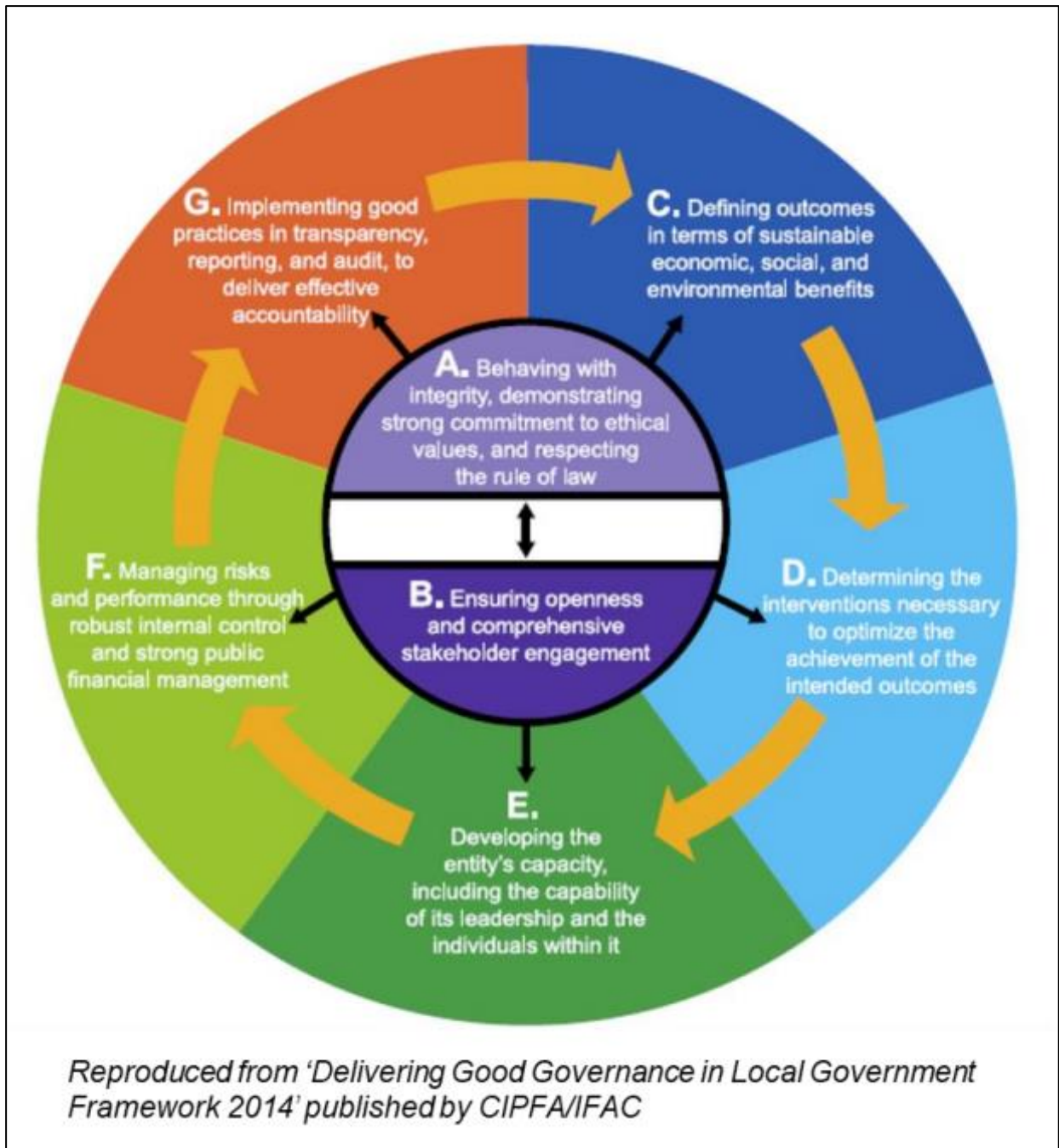
Mid Devon District Council

Annual Governance Statement 2022/23

1. Introduction

- 1.1. The following report provides members and senior officers with the results of our yearly assessment of how well we are identifying, assessing, managing, and controlling risks, achieving our aims, and meeting the responsibilities we have by law.
- 1.2. We are responsible for making sure that we:
 - carry out our business in line with the law and proper standards;
 - protect public money and account for it properly; and
 - use public money economically, efficiently and effectively.
- 1.3. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015, require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control, and to include a statement reporting on the review with any published Statement of Accounts. Regulation 6(1) (b) of the Accounts and Audit Regulations 2015 require that for a local authority in England the statement is an Annual Governance Statement (AGS).
- 1.4. In England, the Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement (AGS) must be “prepared in accordance with proper practices in relation to accounts”. Therefore, for a local authority in England this requires the statement to be in accordance with Delivering Good Governance in Local Government: Framework (2016) and the CIPFA/LASAAC Code of Practice on Local Authority Accounting. In preparing and publishing this Statement, we therefore meet these statutory requirements.
- 1.5. The framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. We have assessed our approaches below, against the following principles: -
 - A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - B: Ensuring openness and comprehensive stakeholder engagement
 - C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

- D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F: Managing risks and performance through robust internal control and strong public financial management
- G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability



- 1.6. 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. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Mid Devon District Council's (MDDC) policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised. It ensures they are managed efficiently, effectively and economically.
- 1.7. The review of internal controls provides assurance that supports the Statement of Accounts assessment on a true and fair view of the Authority's financial position at the reporting date and its financial performance during the year.
- 1.8. It should be noted that the governance framework needs to have operated for the entire 2022/23 financial year ending 31 March 2023, and up to the approval date of the Statement of Accounts. It is recognised that, during the year, new risks and challenges will present that management need to address. MDDC continually seeks to improve its governance arrangements and evidence of continued "best practice" is found within the governance review below. Arrangements are reviewed on a continual basis and where weaknesses have been found they are addressed as is demonstrated in the Action Plan (**Appendix A**).
- 1.9. In terms of governance arrangements, the Policy Development Groups (PDGs) are asked to feedback areas of concern to Cabinet; the Scrutiny Committee can, and does, challenge Cabinet decisions; and the Audit Committee can and does challenge management over areas of concern identified in audit reports (internal and external) throughout the year.
- 1.10. The more significant areas where improvements are required are highlighted in the Action Plan accompanying this AGS. The Action Plan (at **Appendix A**) includes reference to the lead officers for each action and the target date for completion.

2. Significant operational event's in 2022/23

- 2.1. The 2021/22 Annual Governance Statement remains in draft as the Accounts for that year have not yet been audited. The 2021/22 Accounts were approved at the January Audit Committee subject to the outcome of the independent audit of the Council's subsidiary company's accounts (3 Rivers Developments Ltd – (3Rivers)). This has subsequently completed with no amendments required. The Value for Money opinion has also now been completed and was considered by the Audit Committee on 27 June. No significantly governance issues have been identified.

- 2.2. The delay in the audit of the accounts for 3Rivers was due to the rejection of three different versions of the company's proposed Business Plan. This gave rise to questions over the going concern of the company. However sufficient approval was given to enable the company to continue to fully complete its live projects, mitigating that nervousness for 2021/22.
- 2.3. Linking to this, there was a significant change in political control of the organisation. Following an initial approval of the third 3Rivers Business Plan, the Conservative members of the Cabinet resigned when it became clear the Leader intended to remove them. There was a brief period where the Leader was unable to form a Cabinet and thus the Council had no executive governance in place. This resulted in the cancelling of a scheduled Cabinet meeting on the grounds of iniquity. Subsequently, a call for a vote of no confidence in the Leader was added to the agenda of the meeting of Council on 22 February, and immediately prior to that meeting the Leader resigned. On 22 February, a new leader was appointed, who subsequently formed a new Cabinet.
- 2.4. The 22 February Full Council meeting was also the meeting where the proposed 2023/24 budget was set for approval. The budget was rejected due to the financial implications included in relation to 3Rivers. In the following extra-ordinary Cabinet and Full Council meetings, the 3River Business Plan was subsequently rejected and removed from the budget to be replaced by a draw from General Reserves, which were to be replenished during the year.

3. CIPFA Financial Management Code



- 3.1. In December 2019, CIPFA introduced their Financial Management Code (FM Code) to reflect exceptional financial circumstances faced by local authorities. Previous CIPFA work had revealed fundamental weaknesses in financial management at some councils (not Mid Devon), particularly in relation to organisations that may be unable to maintain services in the future. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Each local authority must demonstrate that the requirements of the code are being satisfied. Demonstrating this compliance with the FM Code is a collective responsibility of Elected Members, the Chief Finance Officer (S151) and their professional colleagues in the Leadership Team.
- 3.2. Local authorities have been required to apply the requirements of the FM Code with effect from 1 April 2020. CIPFA considered that the implementation date of April 2020 should indicate the commencement of a shadow year and that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the code.

3.3. The Authority has carried out a self-assessment against the 17 Standards of the FM code and has identified no areas of concern with regard to compliance with the FM Code.**Risk Management**

4.1. The risk management system and process of the Council continue to be developed and refined. Our aim is to promptly identify and score new and current challenges and risks, so that we have good visibility of these, and to ensure that the action we take to limit exposure is recorded, understood and communicated. The Committee reviewed and agreed the Annual Risk Management Policy covering the financial year in March 2022.

4.2. The Audit Committee provide oversight over the risk management process, ensuring that the Council gives due regard to the risks identified. As expected, the higher risks to the Council change over time, and so it is important to consider the most recent report prepared by managers and considered by members. However, and as context for the risks affecting the Council at time of writing this report, key corporate risks as at 31 March 2023 were: -

Ref	Risk Name	Risk Owner	Risk Rating
CR1	Culm Garden Village	Adrian Welsh	16
CR2	Cyber Security	Brian Trebilcock	20
CR3	Failure to meet Climate Change Commitments by 2030	Andrew Busby	15
CR4	Homes for Ukraine Scheme	Simon Newcombe	9
CR5	Information Security	Giovanni Wallace	12
CR6	National shortage of chlorine and other chemicals	Lee Chester	4
CR7	Financial Sustainability	Paul Deal	25
CR8	Quality of Planning Committee Decisions	Angharad Williams	16
CR9	SPV – 3 Rivers – Failure of the Company	Paul Deal	25
CR10	Cullompton Town Centre Relief Road	Adrian Welsh	25

 Risk Severity	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
	Risk Likelihood					
						

5. Independent Assurance Reports

5.1. Internal Audit Reports

5.1.1. Our internal audit plan is designed to review those areas carrying the greatest risk and those areas where we require independent assurance. During the year the work of Internal Audit (via Devon Audit Partnership (DAP)) is reported to the Audit Committee. From the work completed, there are some areas that we consider it is appropriate to refer to in this Annual Governance Statement. These areas were: -

- a) Cyber Security, Response and Recovery:- DAP provided a Limited Assurance opinion overall. High priority recommendations were made in relation to offsite backup facility, incident response pla testing and the need for formal testing of backups arrangements.
- b) Repairs and Maintenance: DAP found the service to be too heavily focused on reactive maintenance. and does not have an effective system to manage repairs, supported by a range of key performance measures. The audit trail related to Statutory checks also needs improvement.
- c) Emergency Planning and Business Continuity. The Council currently lacks any operational resource or role dedicated to either emergency planning or business continuity following departures in 2022. This has meant that managers are

covering both strategic and operational risk in this area. Recruitment is underway.

- 5.1.2. Overall, DAP gave a Reasonable Assurance for 2022/23, underpinned by the following assurance levels on these service areas:

Substantial assurance	Reasonable assurance	Limited assurance	No assurance
Housing Rents	Housing Benefits (carried forward from previous year)	Repairs and Maintenance	
Treasury Management	Payroll	Cyber Security	
Car Parking Operations	Waste & Recycling		
Local Land Charges	Climate Change		
	Grounds Management		
	Customer Care and Complaints		
	Capital Asset Management		
	Risk Management		
	Main Accounting		
	Income Collection		
	Cemeteries		
	Housing Benefits		
	Equality and Diversity		

In addition, DAP also undertook a follow up audit on Housing Care Services - Alarm Income and systems which had previously received limited assurance. DAP identify good progress to address weaknesses and have moved it from a Limited to Reasonable Assurance.

DAP also certified the Test and Trace Support Payment Scheme

- 5.1.3. At the year end, there were a total of 54 recommendations outstanding; 4 High (3 overdue), 37 Medium (10 overdue) and 13 Low (4 overdue).
- 5.1.4. DAP's Counter Fraud Resilience and Assessment report, which it completed on all Devon District partners in support of the Councils Counter Fraud processes and capability, found improvement moving towards an ever-stronger assurance position. The benchmarking against best practice exercise is encouraging and supports the

opinion that the Council is committed to reducing fraud losses to the minimum level possible.

5.2. External Audit

- 5.2.1. Grant Thornton (GT), the Council's External Auditors provided their Annual Audit Report for the 2021/22 financial year on 27 June 2023. The report confirmed that they had not identified any significant value for money weaknesses, although five opportunities for improvement were made (compared to 13 the previous year). These were:

Financial Sustainability

1. The Council develops a process to identify and track key medium-term savings initiatives to help manage the ongoing risk of fund gaps;
2. When identifying salary underspends in its financial reporting the Council should be clearer whether the financial underspend has led to any reduction in quality or service level.

Improving Economy, Efficiency and Effectiveness

3. The Council should consider including more performance indicators that capture operational and customer focused issues;
4. The Council should map its assurance framework for key contracts;
5. The Council maps its key partnerships systematically and sets out their aims, objectives and financial commitments.

- 5.2.2. GT were satisfied that the Council had clear systems and processes to maintain appropriate standards of governance in 2021/22. They did not identify any areas of significant weakness in the Council's governance arrangements with regards to decision making, managing risk, setting ethical standards and internal controls.

- 5.2.3. However GT observed the ineffective decision making in respect of approving the 3Rivers Business Plan, as highlighted in Section 2, raising concerns about the Council's ability to take timely decisions. This will be reviewed in the 2022/23 Value for Money Assessment.

5.3. External Inspections

- 5.3.1. During March 2022, the Council has its latest Peer Review. It found "Mid Devon District Council (MDDC) is a good Council. It has shown real leadership of place and should be proud of the way it has supported residents and businesses throughout the last two years in responding to the pandemic.". It also contained an action plan to address the nine recommendations that arose from the peer review process. On 3 January 2023, the follow up report to Cabinet provided a progress update on these recommendations showing many of the

issues have been or are being addressed, with significant positive feedback from the visiting team reflecting on the Council's willingness to embrace the learning and improvement side of the peer review process.

- 5.3.2. The Corporate Plan mid-point review went to each of the Council's policy development groups (PDGs) as well as to the scrutiny committee. This went back to Cabinet in July for approval (with no further recommendations being required to Council).

6. Monitoring Actions

- 6.1. It is important that we monitor progress against previous years Annual Governance Statements, ensuring that the actions we set are achieved.
- 6.2. During the year regular reports were provided to the Audit Committee in this regard. The updates 2021/22 Annual Governance Statement was approved, alongside the 2021/22 Accounts.
- 6.3. The Action Plan arising from this years review is shown at **Appendix A**.

7. Conclusion

- 7.1. Overall it is considered that the Authority has a robust Governance Framework and welcomes scrutiny as it further enables the Council to be assured that its governance arrangements are sound but also treated as a live and evolving framework which can adapt and respond to changes in the environment in which it operates.
- 7.2. Following a review of the sources of assurance and evidence to support this AGS, it is our opinion that the Council's control environment operated effectively and provided an adequate level of control over identified risks in the 2022/23 financial year.
- 7.3. As always, we continue to look for ways of how we can improve. There are agreed action plans in place resulting from our Internal Audit, External Audit and Independent Assessment process – progress on these reports is provided to the Audit Committee on a regular basis.

8. Approval

- 8.1. The undersigned are satisfied that the assessment is accurate and indicates that appropriate governance arrangements are in place at Mid Devon District Council.
- 8.2. We will ensure that steps to address matters raised in the assessment to further enhance our governance arrangements will be taken over the coming year

Approved by the Chair of Audit Committee

Cllr Lance Kennedy

Date

Approved by the Leader of the Council

Cllr Luke Taylor

Date

Approved by the Chief Executive

Stephen Walford

Date

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
Behaving with integrity		
<ul style="list-style-type: none"> We operate an appraisal scheme for all staff to identify development and skills needs and assess performance. 	This is now being monitored via the Learning Management System on-line	
<ul style="list-style-type: none"> We have Codes of Conduct for Staff 	Cllrs code of conduct	The Code of Conduct for Councillors and Co-opted Members was approved by Full Council. Members Code of Conduct training is carried out by the Monitoring Officer.
<ul style="list-style-type: none"> We provide new Members and staff with induction training on appointment. 	New Councillors Induction Programme Staff Induction Policy	With the District Election in May 2023, a new Councillor Induction Programme has been developed. New staff members are required to complete a comprehensive suite of courses related to H&S and other related areas such as manual handling.
<ul style="list-style-type: none"> Our constitution sets out how the Council and committee meetings operate. 	Constitution	
<ul style="list-style-type: none"> Declarations of interest made at meetings are published with minutes and on our website. 	For members, this is recorded against each individual members website record.	
<ul style="list-style-type: none"> We have Registers of Interests (ROI) and gifts & hospitality for Members and Staff. 	Your Councillors - MIDDEVON.GOV.UK Each Council has their own ROI available via the above link.	Gifts & Hospitality and Declarations are audited periodically by Internal Audit.

<ul style="list-style-type: none"> • Our Whistleblowing policy was reviewed in March 2021. 	Whistleblowing policy	
<ul style="list-style-type: none"> • We have a clear complaints procedure on our website and an up-to-date Customer Care Policy. 	Complaints Procedure Customer Care Policy	The last staff survey was undertaken in September / October 2021 to help identify if staff had any concerns or issues. The next staff survey is planned for autumn 2023.
<ul style="list-style-type: none"> • We take the Health and Safety of our Staff extremely seriously. 	We hold regular Health and Safety meetings	
<ul style="list-style-type: none"> • We evaluate the training needs of Members and run briefings on key topics to ensure they have the knowledge and information to make effective decisions. 	Member Development Policy	
<ul style="list-style-type: none"> • We operate a protocol to govern the relationship between Members and officers that ensures access to appropriate information. 	Protocol on Member/Officer Relations In the Constitution – Part 5 – Codes and Protocols See the Constitution	
Demonstrating strong commitment to ethical values		

<p>The Council has the following documents which are relevant:</p> <ul style="list-style-type: none"> • Officers' Code of Conduct • Members' Code of Conduct • Protocol on Member/Officer Relations • Guidance for Members and staff on hospitality and gifts • Protocol of good practice for councillors dealing in planning matters • Staff Charter to communicate expected values and behaviours. • Financial regulations 	<p>All of these are considered within our Constitution</p> <p>Staff Charter</p> <p>Our Financial Regulations were updated in March 2022.</p>	
<p>Respecting the rule of law</p>		
<ul style="list-style-type: none"> • The Constitution is under continuous review any significant changes are taken through the Standards Committee. 	<p>Constitution</p>	
<ul style="list-style-type: none"> • We ensure we comply with Statutory Provisions. 		<p>Adherence to legislation is confirmed in each audit review undertaken</p>
<ul style="list-style-type: none"> • Compliance with CIPFA's <i>Statement on the Role of the Chief Financial Officer in Local Government</i> (CIPFA, 2015) 	<p>The role of the Chief Financial Officer in local government</p>	
<ul style="list-style-type: none"> • We have effective and up-to-date anti-fraud and corruption policies and procedures 	<p>See our Fraud and Corruption pages</p>	

<ul style="list-style-type: none">• Legal advice is given either as a stand-alone piece of advice or in relation to a case on which Legal Services are instructed to advise.		
<ul style="list-style-type: none">• We recognised the importance of having effective arrangements in place for the Monitoring Officer function by updating and strengthening the role of the Monitoring Officer in the Council and recruiting a suitably qualified person for the post.		

Principle B: Ensuring openness and comprehensive stakeholder engagement

How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
Openness		
<ul style="list-style-type: none"> We publish agendas and minutes for all our meetings on our website. 	Browse Meetings, MIDDEVON.GOV.UK	We publish recordings of all our meetings on the website (with the exception of Part 2 business and in certain other limited circumstances on an exceptional basis).
<ul style="list-style-type: none"> We publish key decisions on the website 	Forthcoming Decisions	
<ul style="list-style-type: none"> We have a FOI publication scheme 	Publication Scheme - MIDDEVON.GOV.UK	
<ul style="list-style-type: none"> We have a calendar of dates for submitting, publishing and distributing timely reports. 	2023/24 Schedule of meetings	
<ul style="list-style-type: none"> Procurements are competed through Pro Contract, and details of all our contracts are held on that system. 		The DAP Internal Audit report on procurement provided a 'Reasonable Assurance' opinion.
Engaging comprehensively with institutional stakeholders		
<ul style="list-style-type: none"> We meet with our local colleges of FE and key local employers to discuss how the Council can support their work 	Community Engagement Strategy and Media and Social Media Policy were recommended for approval by Community PDG on 23 March 2021	DAP reviewed the new Engagement Strategy and Policy and confirmed it mitigates the risk of inappropriate use of Social Media by officers.
Engaging with individual citizens and service users effectively		
<ul style="list-style-type: none"> We publish details of consultations and petitions on our website 	Consultation & Involvement	

<ul style="list-style-type: none"> • We have a strategy and policies for communication and Social Media 	Communication strategy	
<ul style="list-style-type: none"> • We have an active Tenant involvement group – Tenants Together which produces regular newsletters 	Tenants Survey	
<ul style="list-style-type: none"> • We have a Customer Engagement Officer to assist us in our work. 	Customer Engagement Officer – HS25	
<ul style="list-style-type: none"> • Mid Devon Gypsy and Traveller Forum established 		

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
Defining outcomes		
<ul style="list-style-type: none"> We have an agreed Corporate Plan for 2020-2024 	<p>The Corporate Plan for 2020-2024 was recommended to Council for adoption by Cabinet and was duly adopted on 26 February 2020.</p> <p>It had a Mid Term Review and the updated Corporate Plan was approved by Cabinet on 12 July 2023.</p>	<p>Regular reports on progress against the Corporate Plan including a set of agreed standard measures</p> <p>Corporate plan priorities and targets are cascaded throughout the Council</p>
Sustainable economic, social, and environmental benefits		
<ul style="list-style-type: none"> We have a capital asset management group which aims to maximise the return on our capital assets 	Asset Management & Capital Strategy Plan	
<ul style="list-style-type: none"> Optimising sustainability and taking a long-term view 	10 Year Management Plan for Open Spaces Medium Term Financial Plan	
<ul style="list-style-type: none"> We treat everyone fairly and equally. 	Equality and Diversity	<p>The Equality Forum was reformed in 2022/23 as the Equality, Diversity and Inclusion Group. It is chaired by the Corporate Performance and Improvement Manager and began meeting quarterly from Winter 2022. It met in December 2022 and February 2023.</p>

<ul style="list-style-type: none">Climate Change Declaration made at Full Council on 26 June 2019	<p>The Climate Change Strategy and Action Plan were approved by Cabinet on 1 October 2020 Climate And Sustainability Update Mid Devon Air Quality Supplementary Planning Document (SPD) Non-Statutory Interim Planning Policy Statement: Climate Emergency</p>	<p>Assurance on Climate Change work was provided in the DAP report in February 2021, which provided a 'Reasonable Assurance' opinion.</p>
---	--	---

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
Determining interventions		
<ul style="list-style-type: none"> Our governance structure is based on Leader and Cabinet, with Policy Development Groups (PDGs) and Scrutiny Committee providing robust challenge. 	<p>Our Executive arrangements were reviewed in 2020/21 with a decision made by Council in March 2021 to continue the current arrangements. A motion was made to 22 February Full Council to change from the Cabinet system of governance to a modernised committee system to be implemented from the Annual meeting of 2024. The motion was carried.</p>	
<ul style="list-style-type: none"> There is a 'call in' process for Scrutiny Committee, and reviews of performance are undertaken by the PDGs. 	<p>Committee Report Procedure</p>	
<ul style="list-style-type: none"> 3 Rivers (a separate company, but key to delivering MDDC's plans) is required to prepare a Business Plan. The Business Plan covers a period of 5 years and is updated annually 	<p>Three different Business Plans presented to Cabinet, Audit Committee and Scrutiny between October 2022 – February 2023. All were ultimately rejected.</p>	<p>The 2021 Governance Action Plan for 3 Rivers Developments has been largely completed; A new independent options appraisal of the company has been commissioned.</p>
Planning interventions		
<ul style="list-style-type: none"> We have a Calendar of dates for aid our development; supporting plans and reports are prepared for members, with reporting dates strictly adhered to. 		

<ul style="list-style-type: none"> We publish details of consultations and petitions on our website. 	Consultation & Involvement	
<ul style="list-style-type: none"> Key Performance Indicators have been established and approved for each service element; these are included in our service plan and are reported upon regularly to Committees 		Regular reports on progress against the Corporate Plan including a set of agreed standard measures to Councillors and staff.
Optimising achievement of intended outcomes		
<ul style="list-style-type: none"> We have a financial strategy in place. Finances are controlled via an annual budget and medium-term financial plans 	Medium Term Financial Plan	
<ul style="list-style-type: none"> Our budget setting and review process is all-inclusive, taking into account the full cost of operations over the medium and longer term 		<p>The budget and any options are taken through Cabinet, Scrutiny and the four Policy Development Groups.</p> <p>The Resident's survey includes a section on the upcoming Budget.</p>
<ul style="list-style-type: none"> Risk management and performance monitoring are key measures to support interventions. 		Financial information is now regularly included in performance and risk reports
<ul style="list-style-type: none"> The Audit Committee is supported by independent reports – for example Internal Audit assurance reports provided by Internal Audit (DAP), and the External Auditors' annual opinion on the statement of accounts. 	<p>Audit Committee meetings are held in a public forum</p> <p>The plans of work for both Internal and External Audit are considered and approved by the Committee.</p> <p>The Committee receives regular update reports from both sets of Auditors and will hold management</p>	Internal Audit progress reports show areas reviewed, give an assurance opinion and any key actions arising. Recommendations are tracked to completion to confirm control weaknesses are resolved.

	<p>to account for any correcting action that may be required</p>	<p>Action to implement internal audit recommendations was validated by a DAP report in March 2021</p> <p>External Auditors report on the Statement of Accounts, including a commentary on Value for Money arrangements for the Council. They also certify grant claims such as Housing Benefits.</p>
--	--	--

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
Developing the entity's capacity		
<ul style="list-style-type: none"> We are committed to improving staff welfare; this in turn can have a positive effect on reducing our sickness absence, which is a direct cost to the Council. 		
<ul style="list-style-type: none"> All Managers have attended our Management Training Programme 	<p>A programme of training and briefing sessions for elected Members has been agreed to ensure Members remain up to date with current issues, are clear about their roles, and have sufficient information to make informed decisions.</p> <p>The qualifications, skills, behaviours and personal attributes required by staff in their roles are identified and documented, and reviewed regularly.</p>	<p>Members have signed up to the Developing Your Leadership Potential Programme being run as part of a shared Member development service with other Devon and Somerset Authorities.</p> <p>The new Workforce Data Report is presented to Leadership Team monthly and monitors key information about staff including turnover and vacancies by Directorate</p> <p>New staff members are required to complete a comprehensive suite of courses related to this and other related areas such as manual handling. There is a system to manage staff refresher training in these core modules.</p>
Developing the capability of the entity's leadership and other individuals		
<ul style="list-style-type: none"> We provide all staff with job descriptions; these clearly set out their duties and 		<p>The current economic situation is likely to continue to cause a reduction in the number of</p>

document the personal qualities and attributes required for each post.		staff employed by the Authority. We have identified that this presents a potential risk to our ability to retain the skills and experience needed.
<ul style="list-style-type: none"> We operate an appraisal scheme for all staff. This identifies development and skills needs and helps us assess performance. 		
<ul style="list-style-type: none"> We operate a protocol to govern the relationship between Members and officers which ensures good access to appropriate information. 	Constitution	
<ul style="list-style-type: none"> We treat everyone fairly and equally. 	Equality and Diversity	
<ul style="list-style-type: none"> We take the Health and Safety of our Staff extremely seriously. 		
<ul style="list-style-type: none"> We provide new Members with induction training on appointment. 	New Councillors Induction Programme	With the District Election in May 2023, a new Councillor Induction Programme has been developed.
<ul style="list-style-type: none"> We evaluate the training needs of Members and run briefings on key topics to ensure they have the knowledge and information to make effective decisions. 	Member Development Policy	
<ul style="list-style-type: none"> The Head of Paid Service has an annual appraisal and is set performance targets by the Cabinet. 		

Principle F: Managing risks and performance through robust internal control and strong public financial management

How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
Managing risk		
<ul style="list-style-type: none"> All reports to our Committees include a risk assessment; this is as part of the required components of our report template. 	Report Template	The Leader's annual report to Scrutiny is mapped against the Corporate Plan priorities to make the link easier to see.
<ul style="list-style-type: none"> Our Risk & Opportunity Management Strategy was reviewed and approved by our Audit Committee. 	Risk & Opportunity Management Strategy	
<ul style="list-style-type: none"> Risks are identified and recorded on our risk register; these are allocated to appropriate named managers. 	Risk Report example (April 2023)	
<ul style="list-style-type: none"> The Audit Committee actively monitors risks and controls at their meetings in accordance with guidance (i.e. Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)). 		
<ul style="list-style-type: none"> Our internal auditors (DAP) deliver a risk based internal audit service, providing assurance on control effectiveness against risks to delivery of business objectives. 	Devon Audit Partnership	The internal annual audit report and opinion supports this (see annual report presented to June 2023 Audit Committee).
Managing performance		
<ul style="list-style-type: none"> Our Performance has been mapped to the Corporate Plan; all our Aims have performance measures. 		
<ul style="list-style-type: none"> Benchmarking information is included where available; a Council –wide 	Performance is monitored through Cabinet, PDG and Scrutiny and	

subscription to 'LG Inform Plus' is improving the use of benchmarking and is regularly promoted at Group Manager Team meetings.	Audit processes. See April 2023 Cabinet Report as an example).	
<ul style="list-style-type: none"> We set a calendar of dates for submitting, publishing and distributing reports and this is adhered to. 	2023/24 Schedule of meetings	
<ul style="list-style-type: none"> All agenda and minutes of Scrutiny Committee are published on our websites, including recordings of the meetings. 	Meetings, agendas, and minutes - MIDDEVON.GOV.UK	
<ul style="list-style-type: none"> With regards 3 Rivers, the Managing Director attends meetings as required by the Council and provides information regarding 3 Rivers activities as reasonably requested. 		
<ul style="list-style-type: none"> Performance and Risk Reports are provided to PDGs, Cabinet, Audit and Scrutiny Committees. 		
<ul style="list-style-type: none"> Our Leadership Team is committed to the performance framework. 		
Robust internal control		
<ul style="list-style-type: none"> Our Risk & Opportunity Management Strategy is regularly reviewed and approved by Audit Committee. 	Risk & Opportunity Management Strategy	
<ul style="list-style-type: none"> We have effective and up-to-date anti-fraud and corruption policies and procedures 	Anti Fraud, Bribery and Corruption and Whistleblowing policies	

<ul style="list-style-type: none"> We have entered a partnership to provide our Internal Audit Service via Devon Audit Partnership. 	Devon Audit Partnership	The internal annual audit report and opinion supports this (see annual report presented to June 2023 Audit Committee).
<ul style="list-style-type: none"> Our Audit Committee attend training offered internally and externally 	Update training provided in Summer 2022	
Managing data		
<ul style="list-style-type: none"> We have Data Protection and Information Security Policies in place. 	Please see our website .	
<ul style="list-style-type: none"> We have mandatory Data Protection and Information Security training for all staff, Members and contractors (with access to our computer network) 	Learning Management System – The Learning Hub	
<ul style="list-style-type: none"> We have a Data Quality Policy in place. 		
<ul style="list-style-type: none"> We check performance information as part of every audit we do. 		
Strong public financial management		
<ul style="list-style-type: none"> We publish a Medium-Term Financial Strategy covering 5 years each year. 	Medium Term Financial Plan	
<ul style="list-style-type: none"> We publish Monitoring Reports from July to February each year 		
<ul style="list-style-type: none"> The budget book is published on the website 	Budgets - MIDDEVON.GOV.UK	

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
Implementing good practice in transparency		
<ul style="list-style-type: none"> We publish our Statement of Accounts on our website. 	Statement of Accounts Our statement of accounts was presented to, and agreed by, our Audit Cttee.	The Accounts for 2021/22 were signed off as a true and fair statement by our External Auditors in January 2023.
Implementing good practices in reporting		
<ul style="list-style-type: none"> We report regularly on our performance to PDGs, Cabinet, Audit and Scrutiny Committees 	Performance is monitored through Cabinet, PDG and Scrutiny and Audit processes. See April 2023 Cabinet Report as an example).	
<ul style="list-style-type: none"> We publish our Annual Governance Statement and Action Plan on our website and take Progress reports on the Action Plan to every audit Committee meeting. 	Annual Governance Statement	
Assurance and effective accountability		
<ul style="list-style-type: none"> Our Internal Audit provider (Devon Audit Partnership (DAP)) comply with the CIPFA Statement on the Role of the Head of Internal audit. 	The Role of the Head of Internal Audit CIPFA	
<ul style="list-style-type: none"> DAP have We completed our annual self-assessment against the Public Sector Internal Audit Standards which has been externally validated. Our Internal Audit 	Devon Audit Partnership	External Validation of DAP

provider (Devon Audit Partnership (DAP)) comply with the CIPFA Statement on the Role of the Head of Internal audit		
--	--	--

Appendix A

Actions arising from the 2021/22 Annual Governance Statement process

Ref	Action Arrising	Responsible Officer	Date
1	<p>Ensure the agreed action in Internal Audit reports are fully completed. This includes the following internal audit reviews where Limited assurance was provided: -</p> <ul style="list-style-type: none"> a) Cyber Security, Response and Recovery b) Repairs and Maintenance c) Emergency Planning and Business Continuity. 	<p>(a) Corporate Manager for Digital Transformation & Customer Engagement</p> <p>(b) Corporate Manager for Finance, Property and Climate Change</p> <p>(c) Corporate Manager for Public Health, Regulation and Housing</p>	As per the individual internal audit reports
2	<p>Ensure that the actions arising from our External Audit review are fully completed. This includes: -</p> <ul style="list-style-type: none"> a) Arrange for 3Rivers to have an independent audit of their annual accounts 	Simpkins Edwards has been appointed and has completed the audit of the 2022/23 Accounts	During 2022/23