

Annual Governance Statement (2016/17)

This gives the results of our yearly assessment of how well we are managing and controlling risks, achieving our aims and meeting the responsibilities we have by law.

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.

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.

In England, the Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement 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 for 2016/2017. In preparing and publishing this Statement, we therefore meet these statutory requirements.

Delivering Good Governance in Local Government: Framework (2016) is an update to the 2007 publication and 2016/2017 is the first financial year for which this framework applies. 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.

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 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.

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The review of internal controls provides assurance that the Statement of Accounts gives a true and fair view of the authority's financial position at the reporting date and its financial performance during the year.

The governance framework has been in place for the whole of the year ended 31 March 2017 and up to the date of approval of the Statement of Accounts. 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 below in the Action Plan.

The Policy Development Groups 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 throughout the year.

During the year progress against the previous year's AGS action Plan is taken to every Audit Committee so that the action points can be monitored, all the action points from the 2015/16 AGS Action Plan have been completed at this time.

Overall the authority has a robust Governance Framework and is not afraid to subject itself and its decisions to scrutiny or Peer review, this enable the Council to have assurance that its governance arrangements are sound but also treated as a live and evolving framework which can respond to the environment it finds itself in.

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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
<p>Behaving with integrity</p> <ul style="list-style-type: none"> • We operate an appraisal scheme for all staff to identify development and skills needs and assess performance. • We provide new Members and staff with induction training on appointment. • We have Codes of Conduct for Members and Staff • Declarations of interest made at meetings are published with minutes and on our website. • We have registers of interests and gifts & hospitality for Members and Staff • Our Whistleblowing policy was extensively rewritten this year and reviewed by Scrutiny before being approved by the Audit Committee on 21 March 2017. • We have a clear complaints procedure on our website and an up-to-date 	<p>Staff Induction Policy</p> <p>Your Councillors - MIDDEVON.GOV.UK</p> <p>Fraud, Money Laundering and Whistleblowing - All Documents</p> <p>Complaints Procedure</p> <p>Customer Care Policy</p>	<p style="text-align: center;"></p> <p>Reassessment for The South West Charter for Member Development took place in April of this year by the Chief Executive and Head of Learning at South West Councils, alongside a Councillor from Bristol City Council.</p> <p>Gifts & Hospitality and Declarations are audited regularly by Internal Audit</p> <p>Adherence to legislation is confirmed in each audit undertaken</p> <p style="text-align: center;"></p> <p>A peer review of the standards regime was carried out which identified various improvements were necessary.</p> <p>Staff Charter to communicate expected values and behaviours.</p> <p>We don't include ethics awareness in the staff induction training at present</p>

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<p>Customer Care Policy.</p> <ul style="list-style-type: none">• We take the Health and Safety of our Staff extremely seriously.• 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.• We operate a protocol to govern the relationship between Members and officers that ensures access to appropriate information. <p>Demonstrating strong commitment to ethical values</p> <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 on hospitality and gifts• Protocol of good practice for councillors dealing in planning matters <p>Financial regulations</p>	<p>Member Development Policy</p> <p>Convention on Member/Officer Relations</p>	
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Respecting the rule of law

- The constitution is under constant review.
- We ensure we comply with Statutory Provisions
- Compliance with CIPFA's *Statement on the Role of the Chief Financial Officer in Local Government* (CIPFA, 2015)
- We have effective and up-to-date anti-fraud and corruption policies and procedures
- 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.
- 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.

[The role of the Chief Financial Officer in local government](#)

[Fraud, Money Laundering and Whistleblowing - All Documents](#)

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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
<p>Openness</p> <ul style="list-style-type: none"> We publish agendas and minutes for all our meetings on our website. We publish key decisions on the website We have a FOI publication scheme We have a standard report template We have a calendar of dates for submitting, publishing and distributing timely reports. <p>Engaging comprehensively with institutional stakeholders</p> <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 <p>Engaging with individual citizens and service users effectively</p> <ul style="list-style-type: none"> We publish details of consultations and 	<p>Browse Meetings, 2017 - MIDDEVON.GOV.UK</p> <p>Forthcoming Decisions</p> <p>Publication Scheme - MIDDEVON.GOV.UK</p> <p>Report template</p> <p>Committee Report Procedure - All Documents</p> <p>Consultation & Involvement</p>	<p style="text-align: center;"></p> <p>We publish recordings of all our meetings on the website.</p> <p style="text-align: center;"></p> <p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity is a problem.</p>

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<p>petitions on our website</p> <ul style="list-style-type: none">• We have policies for communication and Social Media• We have an active Tenant involvement group – Tenants Together which produces regular newsletters	<p>Communication strategy</p> <p>Housing4U</p>	
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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
<p>Determining interventions</p> <ul style="list-style-type: none"> • Our governance structure is based on the strong leader and Cabinet with Policy Development Groups and Scrutiny Committee providing robust challenge <p>Planning interventions</p> <ul style="list-style-type: none"> • Calendar of dates for developing and submitting plans and reports that are adhered to. • We publish details of consultations and petitions on our website. • KPIs have been established and approved for each service element and included in the service plan and are reported upon regularly <p>Optimising achievement of intended outcomes</p> <ul style="list-style-type: none"> • budgeting medium term 	<p>Committee Report Procedure - All Documents</p> <p>Consultation & Involvement</p>	<p style="text-align: center;"></p> <p>Regular reports on progress against the Corporate Plan including a set of agreed standard measures</p> <p style="text-align: center;"></p> <p>Service plans demonstrate consideration of 'social value' Evidence that budgets, plans and objectives are aligned</p> <p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity is a problem.</p>

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<ul style="list-style-type: none">• financial strategy• process is all-inclusive, taking into account the full cost of operations over the medium and longer term	<p>medium term financial strategy</p> <p>“You said we did“</p>	
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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
<p>Developing the entity's capacity</p> <ul style="list-style-type: none"> We are committed to improving staff welfare which should reduce our sickness absence which is a direct cost to the Council. <p>Developing the capability of the entity's leadership and other individuals</p> <ul style="list-style-type: none"> We provide all staff with job descriptions setting out their duties clearly and document the personal qualities and attributes required for each post. We operate an appraisal scheme for all staff to identify development and skills needs and assess performance. We operate a protocol to govern the relationship between Members and officers that ensures access to appropriate information. We treat everyone fairly and equally. 	<p>We have signed up to gaining Wellbeing charter status mental health first aid training took place on 27 March.</p> <p>Management Training Programme</p> <p>Convention on Member/Officer Relations</p>	<p style="text-align: center;"></p> <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 annually.</p> <p>All employees receive annual appraisals which include an assessment of future training and development needs.</p> <p style="text-align: center;"></p> <p>The current economic situation is likely to continue to see a reduction in the number of staff employed by the Authority. We have identified that this presents a potential risk to our ability to retain the skills and experience needed. Measures</p>

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<ul style="list-style-type: none">• We take the Health and Safety of our Staff extremely seriously.• We provide new Members with induction training on appointment.• 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.• The Corporate Peer Challenge report identified the extent to which we have radically-improved and confirms that we are in a strong position to address future challenges.• The Head of Paid Service has an annual appraisal and is set performance targets by the Cabinet	<p>Equality and Diversity</p> <p>Member Development Policy</p>	<p>are being implemented to combat this risk.</p> <p>The Peer challenge identified a number of recommendations that the council could consider to drive future performance.</p>
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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
<p>Managing risk</p> <ul style="list-style-type: none"> All reports which go to Committee include a risk assessment as part of the required components on our report Template. Our Risk & Opportunity Management Strategy was reviewed and approved by Audit Committee on 21 March 2017. Risks on our risk register are allocated to individual managers who are named on reports. <p>Managing performance</p> <ul style="list-style-type: none"> Our Performance has been mapped to the Corporate Plan; all our Aims have performance measures. Benchmarking information is included where available Calendar of dates for submitting, publishing and distributing timely reports that are adhered to. All agenda and minutes of Scrutiny 	<p>Report Template</p> <p>Risk & Opportunity Management Strategy</p> <p>Committee Report Procedure - All Documents</p> <p>Meetings, agendas, and minutes -</p>	<p style="text-align: center;"></p> <p>The Leader's annual report to scrutiny for 2016/17 was mapped against the Corporate Plan priorities to make the link easier to see.</p> <p>Publication of agendas and minutes of meetings was 100 % on time.</p> <p>We have recently entered into Internal audit management arrangements with Devon Audit Partnership which will further strengthen the effectiveness of our Internal audit Service</p> <p style="text-align: center;"></p> <p>It was identified that reporting too many low level risks was distracting attention from more critical risks.</p> <p>More benchmarking information is needed and stronger links between financial and performance monitoring.</p> <p>A gap analysis against the GDPR has</p>

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<p>Managing data</p> <ul style="list-style-type: none">• We have Data Protection and Information Security Policies in place.• We have mandatory Data Protection and Information Security training for all staff, Members and contractors (with access to our computer network)• We are currently reviewing our arrangements in order to ensure compliance with the General Data Protection Regulations• We have a Data Quality Policy in place.• We check performance information as part of every audit we do. <p>Strong public financial management</p> <ul style="list-style-type: none">• We publish a Medium Term Financial Strategy covering 5 years each year.• We publish Monitoring Reports from July to February each year• The budget book is published on the	<p>Policies & Strategies - Home</p> <p>We have a GDPR project Working Group</p> <p>Policies & Strategies - Home</p> <p>medium term financial strategy</p> <p>Budgets - MIDDEVON.GOV.UK</p>	
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website		
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<ul style="list-style-type: none">• We completed our annual self-assessment against the Public Sector Internal Audit Standards• We invited an external team from other local councils to Mid Devon to investigate, explore and analyse the way we operate. This review was headed by the Local Government Association as part of their sector-led improvement programme and is something that all councils participate in every 4-5 years.	Internal Audit Checklist v PSIAS 2017	
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Annual Governance Statement 2016-17 Action Plan			
Issues Identified	Action to be taken	By whom	When
1. A peer review of the standards regime was carried out which identified various improvements were necessary.	Subject to the amendment of some wording the Code of Conduct for Councillors and Co-opted Members was recommended to Full Council for Approval.	Standards Committee 4 April	26 April 2017
2. The Peer challenge identified a number of recommendations that the council could consider to drive future performance.	Report to Scrutiny outlining how the council intends to take these recommendations on board.	Chief Executive	August 2017
3. It was identified that reporting too many low level risks was distracting attention from more critical risks.	Reporting criteria changed on SPAR to report only risks scoring over 10.	Internal Audit Team Leader	April 2017
4. More benchmarking information is needed and stronger links between financial and performance monitoring.	Link between finance and performance to be reinforced in Service Business Plans for 2018/19.	Director of Corporate Assets and Resources	September 2017
5. Service plans demonstrate consideration of 'social value'. Evidence that budgets, plans			

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and objectives are aligned.			
6. Corporate plan priorities and targets are still not effectively cascaded throughout the Council.	Leadership Team have commenced 6 monthly Q & A sessions for all staff and also Chat with the Chief	Leadership Team	12 April 2017
7. Staff Charter to communicate expected values and behaviours	Issue a staff charter to all staff for their agreement	Director of Business Transformation and Corporate Affairs	August 2017
8. We don't include ethics awareness in the staff induction training at present	Include ethics training in the new induction process	Director of Business Transformation and Corporate Affairs	July 2017
9. The current economic situation is likely to continue to see a reduction in the number of staff employed by the Authority. We have identified that this presents a potential risk to our ability to retain the skills and experience needed. Measures are being implemented to combat this risk.	Aspiring Managers Scheme Skills Audit	Director of Business Transformation and Corporate Affairs	12 month programme Launched April 2017

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<p>10. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity is a problem.</p> <p>11. We need processes for dealing with competing demands on the budget from the community</p>	<p>The gap has been recognised and a post has been approved</p>	<p>Communication & Engagement Manager</p>	<p>December 2017</p>
<p>12. We have some matters to address where we assessed Internal Audit as “P” i.e. Partial Compliance.</p>	<p>Address areas with “P” assessment via Quality Assurance Improvement Plan (QAIP)</p>	<p>DAP Audit Manager</p>	<p>September 2018</p>
<p>13. A gap analysis against the GDPR has identified areas which need improvement</p>	<p>Ensure we have all necessary data sharing agreements in place</p> <p>Ensure we have done information audits on our “top 10”</p> <p>Roll out training to all staff and Members</p>	<p>Data Protection Officer</p>	<p>May 2018</p>
<p>14. We need to arrange Public Sector Equality duty training</p>	<p>Programme of awareness and training</p>	<p>Internal audit Team Leader</p>	<p>Members 16 May 2017</p> <p>SOF 28 June</p>