

## **Mid Devon District Council**

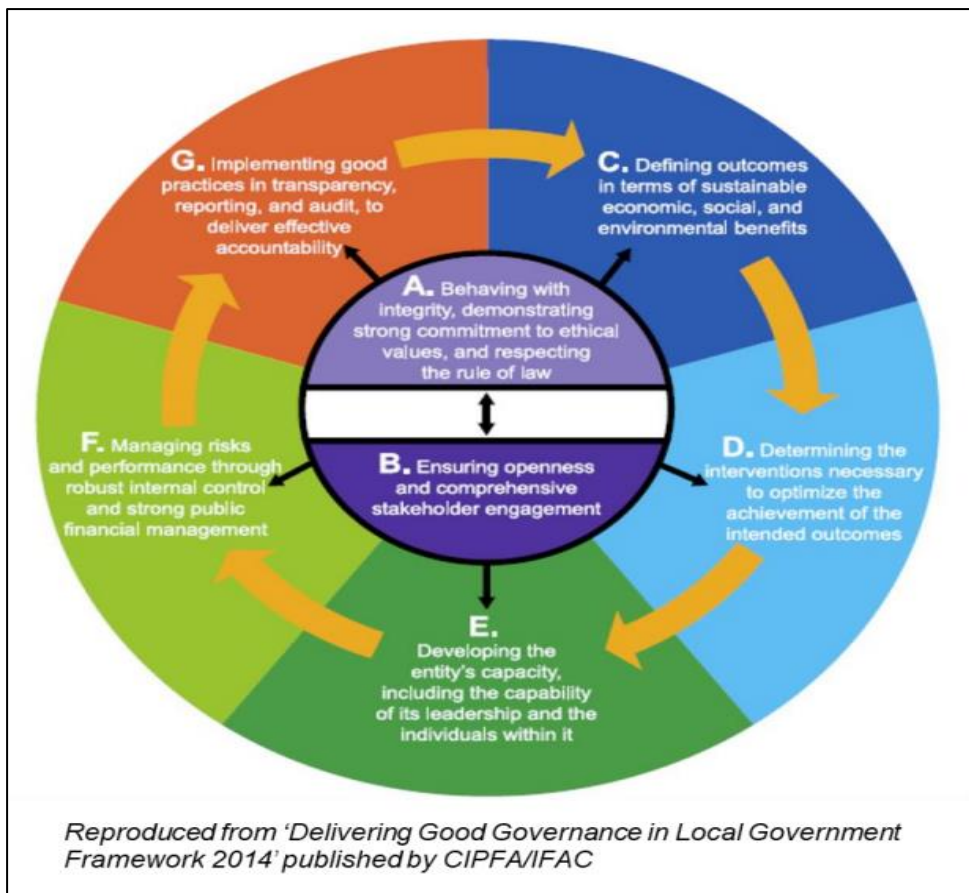
### **Annual Governance Statement 2023/24**

**SUBJECT TO CONSIDERATION AND APPROVAL BY THE AUDIT COMMITTEE  
SUBJECT TO REVIEW AND SIGNING BY THE LEADER AND CHIEF EXECUTIVE**

#### **1. Introduction**

- 1.1. The governance framework generally refers to the culture, values, systems, and processes by which an organisation is directed, controlled and held to account. The Council's governance framework aims to ensure that in conducting its business it operates in a lawful, open, inclusive and honest manner, makes sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively, maintains effective arrangements for the management of risk and secures continuous improvement in the way that it operates. Additionally, an effective governance framework enables the Council to monitor the achievement of its corporate objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 1.2. 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, known as the Annual Governance Statement (AGS), reporting on the review with any published Statement of Accounts.
- 1.3. 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.
- 1.4. 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 financial year 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. Effectiveness of the Governance Framework**

- 2.1. The effectiveness of the governance framework is reviewed by the Deputy Chief Executive (s151), supported by the Senior Leadership Team. The review considered the following areas:
  - a) Adherence to the 2016 CIPFA / SOLACE framework, Delivering Good Governance in Local Government. Our self-assessment against the Code is included at **Appendix B**
  - b) The work of Internal Audit and their assurance opinion on the adequacy and effectiveness on the Council's internal control environment for the year to date., See section 6 below.
  - c) The external Auditors, Grant Thornton, concluded their 2022/23 accounts audit and their Value for Money conclusion report for 2022/23 to Audit Committee in April 2024. See section 6 below.

- d) The role played by Members, as accountable democratically elected representatives, in providing community leadership, delivering clear policy and financial direction, scrutinising decisions as well as fulfilling regulatory and quasi-judicial duties. **Appendix C** details the key governance impacts of Members' work.
- e) The work of the Senior Leadership Team who have responsibility for the development and maintenance of the control and governance environment. In particular:
  - 2.1.1. The Monitoring Officer has monitored the Council's compliance with the law and considers that, overall, high standards of conduct have been maintained by both officers and members. The Monitoring Officer has managed any amendments to the Constitution and has ensured the decision-making process has been transparent.
  - 2.1.2. The Council's Section 151 Officer has had in place an appropriate internal control framework that has ensured financial transactions have been properly accounted for and ensured financial implications are considered in the delivery of corporate objectives and overseen the effectiveness of the overarching strategic financial processes (e.g., budget setting, financial planning, revenue and capital expenditure monitoring, treasury management).
- f) As part of their business-as-usual operations, Service Managers frequently review and amend their risk registers. The Corporate Risk Register was reported to every Audit Committee during 2023/24. The Audit Committee also considered the effectiveness of the risk management framework in March 2022 and approved a revised Risk Management Policy to be applied from 2023/24.
- g) The provision of regular management and performance information, to Cabinet, Scrutiny and Policy Development Committees.
- h) The ongoing review throughout the year of policies and procedures that underpin the delivery of services alongside new initiatives introduced to enhance governance and/or service delivery.

### **3. Significant operational event's in 2023/24**

- 3.1. The District Election held in May 2023 saw a significant swing political control, moving from no overall control to a heavily dominant Liberal Democrat administration. This has helped stable decision making and enable focus on the council's financial position as previously covered.
- 3.2. The senior management structure of the organisation downsized in order to prioritise expenditure on service delivery. Both the top-tier and second tier management teams have had a post removed in the last year, reducing the Council's senior management to 9 officers (from 11).
- 3.3. On 6 September 2023, Mid Devon District Council agreed to "soft close" the Council's subsidiary company, 3 Rivers Developments Ltd (3Rivers), with all assets being realised and a commitment to paying all contractors, suppliers and tradesmen in full.
- 3.4. The 2022/23 Value for Money opinion was considered by the Audit Committee on 26 March 2024. It identified two significant weaknesses in arrangements:
  - The first was in relation to governance and the impact that debate on the 3 Rivers Developments Limited's business plan and the impact that had on the 2023/24 budget setting process; and
  - The second was in relation to the council not exercising its shareholder role effectively.

Given the closure of 3Rivers, these weaknesses no longer exist.

No significant weaknesses were noted in relation to financial sustainability.

### **4. CIPFA Financial Management Code**

- 4.1. 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.

4.2. 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.

## 5. Risk Management

5.1. 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 2023.

5.2. 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 2024 were: -

Ref	Risk Name	Risk Owner	Risk Rating
CR1a	Culm Garden Village – Loss of Capacity Funding	Adrian Welsh	25
CR1b	Culm Garden Village – Delay / impact to project arising from infrastructure delays	Adrian Welsh	20
CR2	Cyber Security	Brian Trebilcock	20
CR3	Failure to meet Climate Change Commitments by 2030	Paul Deal	15
CR4	Homes for Ukraine Scheme	Simon Newcombe	9
CR5	Information Security	Lisa Lewis	8
CR7	Financial Sustainability	Paul Deal	16
CR8	Quality of Planning Committee Decisions	Angharad Williams	12
CR9	3 Rivers – Delivery of closedown plan	Paul Deal	8
CR9a	Reputational Impact of 3 Rivers	Stephen Walford	8
CR10	Cullompton Town Centre Relief Road	Adrian Welsh	25
CR11	Cost of Living Crisis	Dean Emery	16
CR12	Housing Crisis	Simon Newcombe	12
CR13	Operation of a Waste Management Service	Matthew Page	8
CR14	Workforce Shortage	Matthew Page	6
CR15	Corporate Property Fire Safety	Stephen Walford	9
CR16	Building Control Service Viability	Andrew Howard	9
CR17	Severe Weather Emergency Recovery	Simon Newcombe	12

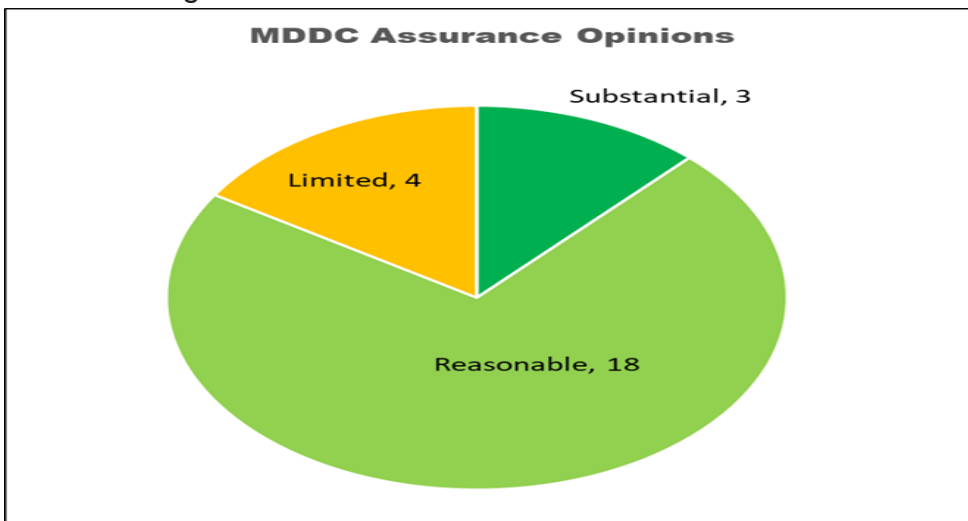
↑ Risk Severity ↓	5	5	10	15	20 CR1b; CR2	25 CR1a; CR10
	4	4	8 CR9; CR13	12 CR8; CR12; CR17	16 CR7; CR11	20
	3	3	6 CR14	9 CR4; CR15; CR16	12	15 CR3
	2	2	4	6	8 CR5; CR9a	10
	1	1	2	3	4	5
		1	2	3	4	5
		↓ Risk Likelihood →				

## 6. Independent Assurance Reports

### 6.1. Internal Audit Reports

6.1.1. 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.

6.1.2. Overall, based on work performed during 2023/24 and DAP’s experience from previous years audit, the Head of Internal Audit’s Opinion is “Reasonable Assurance” on the adequacy and effectiveness of the internal control framework, underpinned by the following assurance levels on these service areas:



No area reviewed was classified as having ‘no’ assurance.

Substantial assurance	Reasonable assurance	Limited assurance
Housing Benefits	Main Accounting System	Exe Valley Leisure Centre
Waste & Recycling	Creditors	Information Governance – Follow up
Street Care	Debt Recovery	Void Management (General Fund)
	Climate Change	Building Control
	Contract Management	
	Income Management	
	Council Tax and Business Rates (NDR)	
	Trade Waste	
	Cyber Security – follow up	
	Member Allowances	
	Community Engagement and Consultation	
	Corporate Health & Safety	
	Performance Management	
	Travel and Subsistence	
	Emergency Planning	
	Voids Management (HRA)	
	Housing Options	
	Housing Property (Health & Safety)	
	Tiverton Pannier Market	
	Safeguarding	

This year's mix of opinions compares to the 5 Substantial, 19 Reasonable and 5 Limited Assurance audit opinions provided for 2022/23.

- 6.1.3. 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) Exe Valley Leisure Centre: Following changes in key staff, the completion and audit trail related to statutory Health & Safety checks needs improvement. Also, maintenance was too heavily focused on reactive maintenance and impact of asset availability.
  - b) Voids Management – General Fund: Clarity is required on the underlying reasons for holding these commercial properties, considering whether value or benefits from these properties outweigh the risk and cost of owning them. The lack of strategy, purpose and sufficient resource for managing these properties results in this Limited Assurance Opinion.
  - c) Building Control: The main issues related to having sufficient building control officers, which has been addressed.



- d) Information Management Follow Up: Although progress has been made against the previous recommendations, the departure of the Data Protection Officer has delayed the reassessment of some areas.

6.1.4. In addition, progress has been made in the following areas that were previously given a limited assurance opinion:

- e) Cyber Security, Response and Recovery: High priority recommendations were made in relation to offsite backup facility, incident response testing and the need for formal testing of backups arrangements. Sufficient work has been undertaken to allow DAP to increase their opinion to Reasonable Assurance. However, the limited capacity of the ICT team results in risk related to effective support to business areas.
- f) 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. Work continues to implement new asset management systems and condition surveys to enable the move to planned maintenance following failed attempts to recruit a surveyor. Therefore, the follow up audit has been postponed.
- g) 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. Following the recruitment of a new Resilience Officer and the improves they are making, DAP have increased their opinion to Reasonable Assurance.

6.1.5. At the year end, there were a total of 70 recommendations outstanding; 1 High, 41 Medium, 19 Low and 9 are opportunities.

6.1.6. 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.

## 6.2. External Audit

6.2.1. Grant Thornton (GT), the Council's External Auditors provided their Annual Audit Report for the 2022/23 financial year on 30 April 2024. The report confirmed that they had not identified any significant adjustments to the financial statements. However, within the Value for Money report weaknesses, two significant weaknesses in arrangements were identified:

1. The first was in relation to governance and the impact that debate on 3Rivers Development Limited's business plan and the impact that this had on the 2023/24 Budget setting process, and
2. The second was in relation to the Council not exercising its shareholder role effectively.

No significant weaknesses were noted in relation to the financial sustainability.

- 6.3. There were no external inspections undertaken during the year.

## **7. Monitoring Actions**

- 7.1. It is important that we monitor progress against previous years Annual Governance Statements, ensuring that the actions we set are achieved.
- 7.2. During the year regular reports were provided to the Audit Committee in this regard. The updated 2022/23 Annual Governance Statement was approved, alongside the 2022/23 Accounts.
- 7.3. The Action Plan arising from this years review is shown at **Appendix A**.

## **8. Conclusion**

- 8.1. 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.
- 8.2. 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 2023/24 financial year.
- 8.3. 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.

## **9. Approval**

- 9.1. The undersigned are satisfied that the assessment is accurate and indicates that appropriate governance arrangements are in place at Mid Devon District Council.

- 9.2. 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 Leader of the Council**

Cllr Luke Taylor

Date

**Approved by the Chief Executive**

Stephen Walford

Date

**Appendix A**

**Action Plan for issues arising from the 2023/24 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"> <li>a) Exe Valley Leisure Centre</li> <li>b) Voids Management – General Fund</li> <li>c) Repairs and Maintenance – follow up</li> <li>d) Emergency Planning and Business Continuity – follow up</li> <li>e) Information Management – follow up</li> </ul>	<ul style="list-style-type: none"> <li>(a) Head of: Revenues, Benefits, Corporate Recovery, Corporate Fraud, Welfare &amp; Leisure</li> <li>(b) Head of Finance, Property and Climate Resilience</li> <li>(c) Head of Finance, Property and Climate Resilience</li> <li>(d) Head of Housing and Health</li> <li>(e) Hea of Digital Transformation &amp; Customer Engagement</li> </ul>	As per the individual internal audit reports

**Appendix B****Self Assessment against the 2016 CIPFA / SOLACE Framework.****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
<b>Behaving with integrity</b>	
<ul style="list-style-type: none"> <li>We operate an appraisal scheme for all staff to identify development and skills needs and assess performance.</li> </ul>	This is now being monitored via the Learning Management System on-line
<ul style="list-style-type: none"> <li>We have Codes of Conduct for Staff</li> </ul>	Officers code of conduct The <a href="#">Code of Conduct for Councillors</a> 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"> <li>We provide new Members and staff with induction training on appointment.</li> </ul>	New Councillors Induction Programme Staff Induction Policy Following the District Election in May 2023, a new Councillor Induction Programme was developed and delivered. 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"> <li>Our constitution sets out how the Council and committee meetings operate.</li> </ul>	<a href="#">Constitution</a>
<ul style="list-style-type: none"> <li>Declarations of interest made at meetings are published with minutes and on our website.</li> </ul>	For members, this is recorded against each individual members website record.
<ul style="list-style-type: none"> <li>We have Registers of Interests (ROI) and gifts &amp; hospitality for Members and Staff.</li> </ul>	<a href="#">Your Councillors - MIDDEVON.GOV.UK</a> Each Council has their own ROI available via the above link. Gifts & Hospitality and Declarations are audited periodically by Internal Audit.

How We Meet these Principles	Where You Can See Governance in action
<ul style="list-style-type: none"> <li>• Our Whistleblowing policy was reviewed in March 2021.</li> </ul>	<a href="#">Whistleblowing policy</a>
<ul style="list-style-type: none"> <li>• We have a clear complaints procedure on our website and an up-to-date Customer Care Policy.</li> </ul>	<a href="#">Complaints Procedure</a> <a href="#">Customer Care Policy</a> A staff survey was undertaken in autumn 2023 to help identify if staff had any concerns or issues. An action plan to address the matters raised has been developed and is being implemented.
<ul style="list-style-type: none"> <li>• We take the Health and Safety of our Staff extremely seriously.</li> </ul>	We hold regular internal Health and Safety Committee meetings
<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<a href="#">Member Development Policy</a>
<ul style="list-style-type: none"> <li>• We operate a protocol to govern the relationship between Members and officers that ensures access to appropriate information.</li> </ul>	<a href="#">Protocol on Member/Officer Relations</a> In the Constitution – Part 5 – Codes and Protocols See the Constitution
<b>Demonstrating strong commitment to ethical values</b>	

How We Meet these Principles	Where You Can See Governance in action
<p>The Council has the following documents which are relevant:</p> <ul style="list-style-type: none"> <li>• Officers' Code of Conduct</li> <li>• Members' Code of Conduct</li> <li>• Protocol on Member/Officer Relations</li> <li>• Guidance for Members and staff on hospitality and gifts</li> <li>• Protocol of good practice for councillors dealing in planning matters</li> <li>• Staff Charter to communicate expected values and behaviours.</li> <li>• Financial regulations</li> </ul>	<p>All of these are considered within our Constitution</p> <ul style="list-style-type: none"> <li>• <a href="#">Cllrs code of conduct</a></li> <li>• <a href="#">Staff Charter</a></li> <li>• Our <a href="#">Financial Regulations</a> were updated in February 2024.</li> </ul>
<b>Respecting the rule of law</b>	
<ul style="list-style-type: none"> <li>• The Constitution is under continuous review any significant changes are taken through the Standards Committee.</li> </ul>	<a href="#">Constitution</a>
<ul style="list-style-type: none"> <li>• We ensure we comply with Statutory Provisions.</li> </ul>	Adherence to legislation is confirmed in each audit review undertaken
<ul style="list-style-type: none"> <li>• Compliance with CIPFA's <i>Statement on the Role of the Chief Financial Officer in Local Government</i> (CIPFA, 2015)</li> </ul>	<a href="#">The role of the Chief Financial Officer in local government</a>
<ul style="list-style-type: none"> <li>• We have effective and up-to-date anti-fraud and corruption policies and procedures</li> </ul>	See our <a href="#">Fraud and Corruption</a> pages
<ul style="list-style-type: none"> <li>• 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.</li> </ul>	The Council has its own internal legal function, but also commissions legal advice externally where it does not have the expertise or capacity internally.

<b>How We Meet these Principles</b>	<b>Where You Can See Governance in action</b>
<ul style="list-style-type: none"><li>• 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.</li></ul>	The Director of Legal, HR & Governance (Monitoring Officer) is a qualified solicitor.



**Principle B: Ensuring openness and comprehensive stakeholder engagement**

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

<ul style="list-style-type: none"> <li>We have an active Tenant involvement group – Tenants Together which produces regular newsletters</li> </ul>	Tenants Survey
<ul style="list-style-type: none"> <li>We have a Customer Engagement Officer to assist us in our work.</li> </ul>	Customer Engagement Officer – HS25
<ul style="list-style-type: none"> <li>Mid Devon Gypsy and Travelling Showpeople Forum established</li> </ul>	The Forum will usually take place twice a year, to enable the travelling community to find out more about planning, housing, and other matters in Mid Devon.

### 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
<b>Defining outcomes</b>	
<ul style="list-style-type: none"> <li>We have an agreed Corporate Plan for 2020-2024</li> </ul>	<p>The <a href="#">Corporate Plan for 2020-2024</a> was recommended to Council for adoption by Cabinet and was duly adopted on 26 February 2020.</p> <p>It had a <a href="#">Mid Term Review</a> and the updated Corporate Plan was approved by Cabinet on 12 July 2022.</p> <p>Corporate plan priorities and targets are cascaded throughout the Council.</p> <p>The draft <a href="#">Corporate Plan 2024 – 2028</a> was provisionally agreed by Cabinet on 4 June 2024 – subject to consideration and feedback from the various Policy Development Groups.</p>
<b>Sustainable economic, social, and environmental benefits</b>	
<ul style="list-style-type: none"> <li>We have a capital asset management group which aims to maximise the return on our capital assets</li> </ul>	<a href="#">Asset Management &amp; Capital Strategy Plan</a>
<ul style="list-style-type: none"> <li>Optimising sustainability and taking a long-term view</li> </ul>	<a href="#">10 Year Management Plan for Open Spaces</a> <a href="#">Medium Term Financial Plan</a>
<ul style="list-style-type: none"> <li>We treat everyone fairly and equally.</li> </ul>	<a href="#">Equality and Diversity</a>

	The Equality Forum is chaired by the Corporate Performance and Improvement Manager and meets quarterly - check
<ul style="list-style-type: none"> <li>Climate Change Declaration made at Full Council on 26 June 2019</li> </ul>	<p><a href="#">The Climate Change Strategy and Action Plan were approved by Cabinet on 1 October 2020</a></p> <p><a href="#">Climate And Sustainability Update</a></p> <p><a href="#">Mid Devon Air Quality Supplementary Planning Document (SPD)</a></p> <p><a href="#">Non-Statutory Interim Planning Policy Statement: Climate Emergency</a></p> <p>Regular progress reports are provided to the Environment Policy Development Group.</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
<b>Determining interventions</b>	
<ul style="list-style-type: none"> <li>Our governance structure is based on Leader and Cabinet, with Policy Development Groups (PDGs) and Scrutiny Committee providing robust challenge.</li> </ul>	The Councils governance system has been the subject of debate at a number of meetings over the last couple of years.
<ul style="list-style-type: none"> <li>There is a 'call in' process for Scrutiny Committee, and reviews of performance are undertaken by the PDGs.</li> </ul>	Committee Report Procedure
<ul style="list-style-type: none"> <li>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</li> </ul>	Three different Business Plans presented to Cabinet, Audit Committee and Scrutiny between October 2022 – February 2023. All were ultimately rejected.
<b>Planning interventions</b>	
<ul style="list-style-type: none"> <li>We have a calendar of dates for aid our development; supporting plans and reports</li> </ul>	<a href="#">Issue - items at meetings - Schedule of Meetings 2023 - 2024 - MIDDEVON.GOV.UK</a>

are prepared for members, with reporting dates strictly adhered to.	
<ul style="list-style-type: none"> <li>We publish details of consultations and petitions on our website.</li> </ul>	<a href="#">Consultation &amp; Involvement</a>
<ul style="list-style-type: none"> <li>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</li> </ul>	Regular reports on progress against the Corporate Plan including a set of agreed standard measures to Councillors and staff.
<b>Optimising achievement of intended outcomes</b>	
<ul style="list-style-type: none"> <li>We have a financial strategy in place. Finances are controlled via an annual budget and medium-term financial plans</li> </ul>	<a href="#">Medium Term Financial Plan</a>
<ul style="list-style-type: none"> <li>Our budget setting and review process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> </ul>	<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"> <li>Risk management and performance monitoring are key measures to support interventions.</li> </ul>	Financial information is now regularly included in performance and risk reports
<ul style="list-style-type: none"> <li>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.</li> </ul>	<p><a href="#">Audit Committee</a> 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 to account for any correcting action that may be required</p> <p>Recommendations are tracked to completion to confirm control weaknesses are resolved.</p>

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

<b>How We Meet these Principles</b>	<b>Where You Can See Governance in action</b>
<b>Developing the entity's capacity</b>	
<ul style="list-style-type: none"> <li>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.</li> </ul>	<a href="#">Staff Charter</a>
<ul style="list-style-type: none"> <li>All Managers have attended our Management Training Programme</li> </ul>	<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 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>
<b>Developing the capability of the entity's leadership and other individuals</b>	
<ul style="list-style-type: none"> <li>We provide all staff with job descriptions; these clearly set out their duties and</li> </ul>	<p>The current economic situation is likely to continue to cause 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.</p>

document the personal qualities and attributes required for each post.	
<ul style="list-style-type: none"> <li>We operate an appraisal scheme for all staff. This identifies development and skills needs and helps us assess performance.</li> </ul>	The annual appraisal process is completed through the Learning Management System – The Learning Hub - and follows a corporate process.
<ul style="list-style-type: none"> <li>We operate a protocol to govern the relationship between Members and officers which ensures good access to appropriate information.</li> </ul>	<a href="#">Constitution</a>
<ul style="list-style-type: none"> <li>We treat everyone fairly and equally.</li> </ul>	<a href="#">Equality, Diversity and Inclusion</a>
<ul style="list-style-type: none"> <li>We take the Health and Safety of our Staff extremely seriously.</li> </ul>	We hold regular internal Health and Safety Committee meetings
<ul style="list-style-type: none"> <li>We provide new Members with induction training on appointment.</li> </ul>	New Councillors Induction Programme Following the District Election in May 2023, a new Councillor Induction Programme was developed and delivered.
<ul style="list-style-type: none"> <li>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.</li> </ul>	Member Development Policy
<ul style="list-style-type: none"> <li>The Chief Executive has an annual appraisal and is set performance targets by the Cabinet.</li> </ul>	The Chief Executive has an annual appraisal by the Leader of the Council, with the Head of People, Performance and Waste in attendance.

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

<b>How We Meet these Principles</b>	<b>Where You Can See Governance in action</b>
<b>Managing risk</b>	
<ul style="list-style-type: none"> <li>All reports to our Committees include a risk assessment; this is as part of the required components of our report template.</li> </ul>	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"> <li>Our Risk Management Policy was reviewed and approved by our Audit Committee.</li> </ul>	<a href="#">Risk Management Policy (March 2023)</a>
<ul style="list-style-type: none"> <li>Risks are identified and recorded on our risk register; these are allocated to appropriate named managers.</li> </ul>	<a href="#">Risk Report example</a> (April 2023)
<ul style="list-style-type: none"> <li>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)).</li> </ul>	The Audit Committee received regular reports on the content of the corporate risk register to review and challenged the content.
<ul style="list-style-type: none"> <li>Our internal auditors (DAP) deliver a risk based internal audit service, providing assurance on control effectiveness against risks to delivery of business objectives.</li> </ul>	<a href="#">Devon Audit Partnership</a> The internal annual audit report and opinion supports this (see annual report presented to June 2023 Audit Committee).
<b>Managing performance</b>	
<ul style="list-style-type: none"> <li>Our Performance has been mapped to the Corporate Plan; all our Aims have performance measures.</li> </ul>	Performance is monitored through Cabinet, PDG and Scrutiny processes. (See <a href="#">April 2024 Cabinet Report</a> as an example).
<ul style="list-style-type: none"> <li>Benchmarking information is included where available; a Council –wide subscription to 'LG Inform Plus' is</li> </ul>	Performance is monitored through Cabinet, PDG and Scrutiny and Audit processes. (See <a href="#">April 2024 Cabinet Report</a> as an example).

improving the use of benchmarking and is regularly promoted at Corporate Manager Team meetings.	
<ul style="list-style-type: none"> <li>We have a calendar of dates for public meetings, and internally for submitting, publishing and distributing timely reports</li> </ul>	<a href="#">2023/24 Schedule of meetings</a>
<ul style="list-style-type: none"> <li>All agenda and minutes of Scrutiny Committee are published on our websites, including recordings of the meetings.</li> </ul>	<a href="#">Meetings, agendas, and minutes - MIDDEVON.GOV.UK</a>
<ul style="list-style-type: none"> <li>With regards 3 Rivers, the Managing Director attends meetings as required by the Council and provides information regarding 3 Rivers activities as reasonably requested.</li> </ul>	Whilst still operational, the Managing Director attended frequent meeting with senior officers and members.
<ul style="list-style-type: none"> <li>Performance and Risk Reports are provided to PDGs, Cabinet, Audit and Scrutiny Committees.</li> </ul>	Performance is monitored through Cabinet, PDG and Scrutiny and Audit processes. (See <a href="#">April 2024 Cabinet Report</a> as an example).
<ul style="list-style-type: none"> <li>Our Leadership Team is committed to the performance framework.</li> </ul>	Performance is monitored through Cabinet, PDG and Scrutiny and Audit processes. (See <a href="#">April 2024 Cabinet Report</a> as an example).
<b>Robust internal control</b>	
<ul style="list-style-type: none"> <li>Our Risk Management Policy is regularly reviewed and approved by Audit Committee.</li> </ul>	<a href="#">Risk Management Policy</a> (March 2023)
<ul style="list-style-type: none"> <li>We have effective and up-to-date anti-fraud and corruption policies and procedures</li> </ul>	<a href="#">Anti Fraud, Bribery and Corruption and Whistleblowing policies</a>



<ul style="list-style-type: none"> <li>We have entered a partnership to provide our Internal Audit Service via Devon Audit Partnership.</li> </ul>	<a href="#">Devon Audit Partnership</a> The internal annual audit report and opinion supports this (see annual report presented to June 2023 Audit Committee).
<ul style="list-style-type: none"> <li>Our Audit Committee attend training offered internally and externally</li> </ul>	Update training provided in Summer 2023
<b>Managing data</b>	
<ul style="list-style-type: none"> <li>We have Data Protection and Information Security Policies in place.</li> </ul>	Please see our <a href="#">website</a> .
<ul style="list-style-type: none"> <li>We have mandatory Data Protection and Information Security training for all staff, Members and contractors (with access to our computer network)</li> </ul>	Learning Management System – The Learning Hub
<ul style="list-style-type: none"> <li>We check performance information as part of every audit we do.</li> </ul>	DAP review and report relevant performance within their audit reports.
<b>Strong public financial management</b>	
<ul style="list-style-type: none"> <li>We publish a Medium-Term Financial Strategy covering 5 years each year.</li> </ul>	<a href="#">Medium Term Financial Plan</a>
<ul style="list-style-type: none"> <li>We publish Monitoring Reports from July to February each year</li> </ul>	Item 66 - <a href="#">Agenda for Cabinet on Tuesday, 14th November, 2023, 5.15 pm - MIDDEVON.GOV.UK</a>
<ul style="list-style-type: none"> <li>The budget book is published on the website</li> </ul>	<a href="#">Budgets - MIDDEVON.GOV.UK</a>

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

<b>How We Meet these Principles</b>	<b>Where You Can See Governance in action</b>
<b>Implementing good practice in transparency</b>	
<ul style="list-style-type: none"> <li>We publish our Statement of Accounts on our website.</li> </ul>	<a href="#">Statement of Accounts</a> Our 2022/23 statement of accounts was presented to, and agreed by, our Audit Committee on 30 April 2024 by our <a href="#">External Auditors</a> .
<b>Implementing good practices in reporting</b>	
<ul style="list-style-type: none"> <li>We report regularly on our performance to PDGs, Cabinet, Audit and Scrutiny Committees</li> </ul>	Performance is monitored through Cabinet, PDG and Scrutiny and Audit processes. See <a href="#">April 2023 Cabinet Report</a> as an example).
<ul style="list-style-type: none"> <li>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.</li> </ul>	<a href="#">Annual Governance Statement</a>
<b>Assurance and effective accountability</b>	
<ul style="list-style-type: none"> <li>Our Internal Audit provider (Devon Audit Partnership (DAP)) comply with the CIPFA Statement on the Role of the Head of Internal audit.</li> </ul>	<a href="#">The Role of the Head of Internal Audit CIPFA</a>
<ul style="list-style-type: none"> <li>DAP have completed our annual self-assessment against the Public Sector Internal Audit Standards which has been externally validated. Our Internal Audit provider (Devon Audit Partnership (DAP)) comply with the CIPFA Statement on the Role of the Head of Internal audit</li> </ul>	<a href="#">Devon Audit Partnership External Validation of DAP</a>

**The Member Governance Framework**

The Council operates and discharges its function via the Constitution which establishes the roles and responsibilities for Members of the Cabinet, Scrutiny Committee, Audit Committee and other Regulatory Committees.

In summary, the core functions of the main committees are described below.

Full Council

- a. Received minutes of all other committees of the Council, including their annual reports
- b. Responded to regular questions from the public on a wide variety of issues.
- c. Approve the Constitution, key plans and strategies which together form the policy framework.
- d. Approved the annual budget including setting the annual Precept, Capital Programme and Prudential Indicators within the Treasury Management reports.
- e. Appoint to, and received updates from, members who represent the Council on outside bodies.
- f. Confirming the appointment of the Head of Paid Service; Chief Finance Officer and the Monitoring Officer and the taking of any disciplinary action against the these Officers.

Cabinet

Cabinet carry out the role of the Executive as required by the Council's constitution. It is the main decision-making body. In terms of reviewing and monitoring the governance framework during 2023/24 Cabinet has:

- a) Received regular reports throughout the year on the Council's financial position, including the Medium Term Financial Strategy for 2023/24, the budget for 2023/24 and recommended to Council its approval.
- b) Reviewed and approved key strategies and policies through the year.
- c) Exercise all of the local authority functions that are not the responsibility of any other part of the Council, by law or under the constitution.
- d) May delegate executive functions to:
  - I. A Committee of the Cabinet (comprising executive members only);
  - II. An individual Cabinet Member;
  - III. A joint committee;
  - IV. Another local authority or the executive of another local authority;
  - V. A delegated Officer

### Scrutiny

In terms of reviewing and monitoring the governance framework during 2023/24 the Scrutiny Committee has:

- a) Reviewed proposed strategy or policy documents and provided constructive comments to Cabinet.
- b) Received regular reports during the year on council performance.
- c) Received reports from each Cabinet Portfolio regarding their work over the last year.
- d) Received reports / updates on Complaints and Compliments, Whistleblowing, Regulation of Investigatory Powers Act (RIPA) and the staffing establishment,
- e) Received various motions put to the council.
- f) Reviewed and provided comment to Cabinet, on the draft budget for 2024/25 and medium-term financial strategy 2024/25 – 2028/29.
- g) Called in the decisions of Cabinet where members of the Committee have evidence which suggests that the Cabinet did not take the decision in accordance with their principles.
- h) Delivered a lessons learnt report on the experience of operating a Special Purpose Vehicle.
- i) Been kept properly informed of the Cabinet work programme and so allowed the Committee to fulfil its role of holding the Executive to account.

### AUDIT COMMITTEE

The Audit Committee is responsible for providing effective assurance on the adequacy of the governance framework. In terms of reviewing the governance framework, the Audit Committee has:

- a) Received regular reports on the content of the corporate risk register to review and challenged the content.
- b) Reviewed and approved the annual Statement of Accounts
- c) Reviewed the Council's Annual Governance Statement, to confirm the content accurately reflects the council's governance framework.
- d) Received regular reports on the work carried out by the Council's External Auditors.
- e) Received regular reports on the work of Internal Audit. This has allowed the committee to monitor their work and ensure the service is able to substantially deliver the audit plan.
- f) Received the Annual Report of the Internal Audit Manager. This provides the committee with the Audit Managers opinion on the effectiveness of the Council's internal control framework.