

## **Mid Devon District Council**

### **Annual Governance Statement 2021/22**

#### 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.

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 for 2020/21. 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

H: Operational and Governance matters due to the Covid 19 Pandemic

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 Account 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 2021/22 financial year ending 31 March 2022, and up to 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 (PDG's) 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 Covid 19

2.1 The Authority has, of course, been significantly affected by the Coronavirus pandemic and has played a most important part in responding to the resulting risks and the measures introduced by the UK Government. A separate section has been included within this statement (see section H: Operational and Governance matters due to the Covid 19 Pandemic) to specifically address the Authority's Coronavirus response, any resultant governance changes, and new areas of risk.

## 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. The first full year of compliance with the FM Code has therefore been 2021/22.

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. No significant issues or concerns have been raised by internal or external audit.

## 4 Elections

4.1 During 2021/22 the Council operated local elections. There was an additional need to ensure the health, safety and welfare of both voters and those staff supporting the election process, as the Covid pandemic continued.

## 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 Risk Management Strategy in March 2022.

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 risks in 2021/22 included: -

- Climate Change Declaration
- Coronavirus Pandemic - in particular the risk to MDDC's ability to conduct business as usual.
- Cyber Security - which potentially could lead to breaches of confidential information, damaged or corrupted data and ultimately Denial of Service.
- Economic Strategy - failure to deliver projects/outcomes in our Economic Strategy.
- Funding - insufficient resources (including funding) to deliver growth aspirations of Corporate Plan.
- Homelessness - supporting an increased homeless population
- Overall Funding Availability- this risk concerns changes to Revenue Support Grant, Business Rates, New Homes Bonus and other funding streams.

- 3 Rivers Developments Ltd - failure of the company is a potential risk, dependent upon economic factors and the company's success in the marketplace commercially.

## 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. 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 plan testing and the need for formal testing of backups arrangements.
- b) Procurement:- MDDC has outsourced procurement to Devon County Council. At the time of the DAP follow-up audit one High and Five Medium priorities recommendations from February 21 had yet to be implemented.
- c) Care Services, Alarm Income and systems:- DAP provided a Limited opinion overall. Issues were raised in respect of tracking of fault resolution, tracking of equipment, the absence of management information and engagement with the supplier. The weaknesses identified required attention, given the health risk to customers.
- d) DAP also noted that, overall, there were a number of overdue High and Medium recommendations. This has recently improved (a slight decrease from 33 in July 21 to 23 in March 22), and officers have pledged to the Audit Committee that action will be taken to reduce further.

DAP is to provided a Reasonable Assurance for 2021/22, underpinned by the 3 Substantial, 16 Reasonable and 2 Limited Assurance opinions.

### 6.2 External Audit

6.2.1 Grant Thornton (GT), the Council's External Auditors provided their annual report for the previous financial year on 9<sup>th</sup> March 2022. The report confirmed that they had not identified any significant value for money weaknesses, although 13 opportunities for improvement were made.

6.2.2 GT were satisfied that the Council had appropriate arrangements in place to manage financial resilience risks but did identify some improvement opportunities including ensuring consistency between the 3 Rivers business plan and the budget.

6.2.3 In terms of Governance, GT again did not identify any areas of significant weakness, but did make improvement recommendations which included strengthening the corporate and 3 Rivers risk registers, and the need to closely monitor the financial performance of 3 Rivers.

## 6.3 External Inspections

6.3.1 In February 2022 the Council had a Peer Review, these external Peers spent a significant amount of time reviewing how the Council is operated and have come up with a number of recommendations in order to improve certain aspects. The full report, its recommendations and the associated action plan were considered at a meeting of the Council's Cabinet in June 2022.

6.3.2 The report includes a mix of aspects, approaches or projects that have been a success, alongside the highlighting of those areas that have either proved challenging in recent times, or are likely to benefit the council if it can find ways to address them in future, resulting in nine specific recommendations that will aid the council's continued improvement. However, the opening remarks are worth highlighting:

*'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.'*

6.3.3 A draft action plan tackling these nine recommendations with varying timescales was approved by Cabinet, who also requested regular progress updates. Some actions, such as the mid-term reset of the Corporate Plan have been approved by Cabinet, or are being implemented such as the use of external support to ensure a culture of respect, along with the recent recruitment of a new Corporate Performance and Improvement officer to undertake a review of corporate performance reporting.

## 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 update report provided to the March 2022 Committee confirmed that all actions have been commenced and the majority completed. It was noted that one action was not yet due for completion and another action was being looked at by a working group. These are not restated in this report, but will continue to be taken forward and progress reported.

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 and / or Peer review; such scrutiny 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 2021/22 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.

Approved by the Leader of the Council



Pr Cllr Bob Deed

Date 24/1/23

Approved by the Chief Executive



Stephen Walford

Date 24/1/23

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><b>Behaving with integrity</b></p> <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> <li>• We have a code of conduct for Councillors</li> <li>• We have Codes of Conduct for Staff</li> <li>• We provide new Members and staff with induction training on appointment.</li> <li>• Our constitution sets out how the Council and committee meetings operate.</li> <li>• Declarations of interest made at meetings are published with minutes and on our website.</li> </ul>	<p>This is now being monitored via the Learning Management System on-line</p> <p><u>Cllrs code of conduct</u></p> <p><u>New Councillors Induction Programme</u></p> <p><u>Staff Induction Policy</u></p> <p><u>Constitution</u></p> <p><u>Your Councillors - MIDDEVON.GOV.UK</u></p> <p>For members, this is recorded against each individual members website record.</p>	<p>The Code of Conduct for Councillors and Co-opted Members was approved by Full Council.</p> <p>Members Code of Conduct training is carried out by the Monitoring Officer.</p> <p>New staff members are required to complete a comprehensive suite of courses related to H&amp;S and other related areas such as manual handling.</p>

<ul style="list-style-type: none"> <li>• We have registers of interests and gifts &amp; hospitality for Members and Staff.</li> <li>• Our Whistleblowing policy was reviewed in March 2021.</li> <li>• We have a clear complaints procedure on our website and an up-to-date Customer Care Policy.</li> <li>• We take the Health and Safety of our Staff extremely seriously.</li> <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> <li>• We operate a protocol to govern the relationship between Members and officers that ensures access to appropriate information.</li> </ul> <p><b>Demonstrating strong commitment to ethical values</b></p> <p>The Council has the following documents which are relevant:</p>	<p><u>Whistleblowing policy</u></p> <p><u>Complaints Procedure</u></p> <p><u>Customer Care Policy</u></p> <p><u>Member Development Policy</u></p> <p><u>Protocol on Member/Officer Relations - In the Constitution – Part 5 – Codes and Protocols See the Constitution</u></p>	<p>Gifts &amp; Hospitality and Declarations are audited periodically by Internal Audit. Adherence to legislation is confirmed in each audit review undertaken</p> <p>A staff survey was issued Q4 of 2021/22 to help identify if staff had any concerns or issues.</p>
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<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><b>Respecting the rule of law</b></p> <ul style="list-style-type: none"> <li>• The Constitution is under continuous review any significant changes are taken through the Standards Committee.</li> <li>• We ensure we comply with Statutory Provisions.</li> <li>• Compliance with CIPFA's <i>Statement on the Role of the Chief Financial Officer in Local Government</i> (CIPFA, 2015)</li> </ul>	<p>All of these are considered within our <u>Constitution</u></p> <p><u>Staff Charter</u></p> <p>Our <u>Financial Regulations</u> were updated in March 2022.</p> <p><u>Constitution</u></p> <p><u>The role of the Chief Financial Officer in local government</u></p>	
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<ul style="list-style-type: none"><li>• We have effective and up-to-date anti-fraud and corruption policies and procedures</li><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><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>	<p>See our <a href="#">Fraud and Corruption</a> pages</p>	
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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><b>Openness</b></p> <ul style="list-style-type: none"> <li>• We publish agendas and minutes for all our meetings on our website.</li> <li>• We publish key decisions on the website</li> <li>• We have a FOI publication scheme</li> <li>• We have a calendar of dates for submitting, publishing and distributing timely reports.</li> <li>• Procurements are competed through Pro Contract, and details of all our contracts are held on that system.</li> </ul> <p><b>Engaging comprehensively with institutional stakeholders</b></p> <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>	<p><u><a href="#">Browse Meetings</a></u>, <u><a href="#">MIDDEVON.GOV.UK</a></u></p> <p><u><a href="#">Forthcoming Decisions</a></u></p> <p><u><a href="#">Publication Scheme - MIDDEVON.GOV.UK</a></u></p> <p><u><a href="#">Community Engagement Strategy and Media and Social Media Policy were recommended for approval by Community PDG on 23 March 2021</a></u></p>	<p>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).</p> <p>We are committed to working in partnership and will consult other agencies as and when necessary.</p> <p>The DAP Internal Audit report on procurement provided a 'Reasonable Assurance' opinion. That said, several recommendations still need implementation, partly due to the transfer of procurement support to Devon County Council.</p> <p>DAP reviewed the new Engagement Strategy and Policy and confirmed it mitigates the risk of inappropriate use of Social Media by officers.</p>

<p><b>Engaging with individual citizens and service users effectively</b></p> <ul style="list-style-type: none"> <li>• We publish details of consultations and petitions on our website</li> <li>• We have a strategy and policies for communication and Social Media</li> <li>• We have an active Tenant involvement group – Tenants Together which produces regular newsletters</li> <li>• We have a Customer Engagement Officer to assist us in our work.</li> <li>• Mid Devon Gypsy and Traveller Forum established</li> </ul>	<p><u>Consultation &amp; Involvement</u></p> <p><u>Communication strategy</u></p> <p><u>Tenants Survey</u></p> <p><u>Customer Engagement Officer – HS25</u></p>	
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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
<p><b>Defining outcomes</b></p> <ul style="list-style-type: none"> <li>We have a new focus for the Corporate Plan 2020-2024: Sustainability</li> <li>We have an agreed Corporate Plan for 2020-2024</li> </ul> <p><b>Sustainable economic, social, and environmental benefits</b></p> <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> <li>Optimising sustainability and taking a long-term view</li> <li>We treat everyone fairly and equally.</li> <li>Climate Change Declaration made at Full Council on 26 June 2019</li> </ul>	<p>The new Corporate Plan for 2020-2024 was recommended to Council for adoption by Cabinet and was duly adopted on 26 February 2020</p> <p><u>Asset Management &amp; Capital Plan</u> – see item 340</p> <p><u>10-year design plan for open spaces</u></p> <p>Medium Term Financial strategy</p> <p><u>Equality and Diversity</u></p> <p><u>The Climate Change Strategy and Action Plan</u> were approved by Cabinet on 1 October 2020</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> <p>There were 3 meetings of the Equality forum during 2020/21 (need to update for 21/22).</p> <p>Assurance on Climate Change work was provided in the DAP report in February</p>

		2021, which provided a 'Reasonable Assurance' opinion.
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<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>		
<b>How We Meet these Principles</b>	<b>Where You Can See Governance in action</b>	<b>Assurance Received and Issues Identified</b>
<p><b>Determining interventions</b></p> <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> <li>There is a 'call in' process for Scrutiny Committee, and reviews of performance are undertaken by the PDGs.</li> <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> <p><b>Planning interventions</b></p>	<p>Our Executive arrangements were reviewed in 2020/21 with a decision made by Council in March 2021 to continue the current arrangements.</p> <p><u>Committee Report Procedure</u></p> <p><u>Business Plan</u> presented to Audit Committee Nov 2021</p>	<p>The governance Action Plan for 3 Rivers Developments has been largely completed; 32 of the 33 recommendations have been enacted upon.</p>

<ul style="list-style-type: none"> <li>• We have a Calendar of dates for aid our development; supporting plans and reports are prepared for members, with reporting dates strictly adhered to.</li> <li>• We publish details of consultations and petitions on our website.</li> <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> <p><b>Optimising achievement of intended outcomes</b></p> <ul style="list-style-type: none"> <li>• Finances are controlled via an annual budget and medium-term financial plans</li> <li>• We have a financial strategy in place</li> <li>• Our budget setting and review process is all-inclusive, taking into account the</li> </ul>	<p><u>Consultation &amp; Involvement</u></p>	<p>Regular reports on progress against the Corporate Plan including a set of agreed standard measures to Councillors and staff.</p>
<ul style="list-style-type: none"> <li>• The process for aligning service budgets, plans and objectives has recently been reviewed we believe that this is now more effective</li> <li>• Financial information is now regularly included in performance and risk reports</li> </ul>	<p><u>Medium Term Financial Plan</u></p>	<p>The process for aligning service budgets, plans and objectives has recently been reviewed we believe that this is now more effective</p> <p>Financial information is now regularly included in performance and risk reports</p>

<p>full cost of operations over the medium and longer term</p> <ul style="list-style-type: none"> <li>• Risk management and performance monitoring are key measures to support interventions.</li> <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><u>Audit Committee</u> 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>Internal Audit progress reports showing areas reviewed, assurance opinion and key actions arising. Recommendations are tracked to completion to confirm control weaknesses are resolved.</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.</p>
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<b>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>		
<b>How We Meet these Principles</b>	<b>Where You Can See Governance in action</b>	<b>Assurance Received and Issues Identified</b>
<p><b>Developing the entity's capacity</b></p> <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> <li>All Managers have attended our Management Training Programme</li> </ul> <p><b>Developing the capability of the entity's leadership and other individuals</b></p> <ul style="list-style-type: none"> <li>We provide all staff with job descriptions; these clearly set out their duties and document the personal</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 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>

<p>qualities and attributes required for each post.</p> <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> <li>• We operate a protocol to govern the relationship between Members and officers which ensures good access to appropriate information.</li> <li>• We treat everyone fairly and equally.</li> <li>• We take the Health and Safety of our Staff extremely seriously.</li> <li>• We provide new Members with induction training on appointment.</li> <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> <li>• The Head of Paid Service has an annual appraisal and is set performance targets by the Cabinet.</li> </ul>	<p style="text-align: center;"><u>Constitution</u></p> <p style="text-align: center;"><b><u>Equality and Diversity</u></b></p> <p style="text-align: center;"><u>New Councillors Induction Programme</u></p> <p style="text-align: center;"><b><u>Member Development Policy</u></b></p>	<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>
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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><b>Managing risk</b></p> <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> <li>• Our Risk &amp; Opportunity Management Strategy was reviewed and approved by our Audit Committee.</li> <li>• Risks are identified and recorded on our risk register; these are allocated to appropriate named managers.</li> <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> <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>	<p><u>Report Template</u></p> <p><u>Risk &amp; Opportunity Management Strategy</u> – link to the policy.</p> <p><u>Risk Report example (March 2022)</u></p> <p><u>Devon Audit Partnership</u></p>	<p>The Leader’s annual report to Scrutiny is mapped against the Corporate Plan priorities to make the link easier to see.</p> <p>The internal annual audit report and opinion supports this (see annual report presented to June 2022 Audit Committee).</p>

<p><b>Managing performance</b></p> <ul style="list-style-type: none"> <li>• Our Performance has been mapped to the Corporate Plan; all our Aims have performance measures.</li> <li>• Benchmarking information is included where available; a Council –wide subscription to ‘LG Inform Plus’ is improving the use of benchmarking and is regularly promoted at Group Manager Team meetings.</li> <li>• We set a calendar of dates for submitting, publishing and distributing reports and this is adhered to.</li> <li>• All agenda and minutes of Scrutiny Committee are published on our websites, including recordings of the meetings.</li> <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>	<p>Performance is monitored through PDG and Scrutiny processes. See <u>March 2022 Audit Cttee</u> as an example).</p> <p><u>Meetings, agendas, and minutes - MIDDEVON.GOV.UK</u></p>	
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<ul style="list-style-type: none"> <li>• Performance and Risk Reports are provided to PDGs, Cabinet, Audit and Scrutiny Committees.</li> <li>• Our Leadership Team is committed to the performance framework.</li> </ul> <p><b>Robust internal control</b></p> <ul style="list-style-type: none"> <li>• Our Risk &amp; Opportunity Management Strategy is regularly reviewed and approved by Audit Committee.</li> <li>• We have effective and up-to-date anti-fraud and corruption policies and procedures</li> <li>• We have entered a partnership to provide our Internal Audit Service via Devon Audit Partnership.</li> <li>• Our Audit Committee attend training offered internally and externally.</li> </ul> <p><b>Managing data</b></p> <ul style="list-style-type: none"> <li>• We have Data Protection and Information Security Policies in place.</li> </ul>	<p><u><a href="#">Risk &amp; Opportunity Management Strategy</a></u> – link to the policy</p> <p><u><a href="#">Fraud, Money Laundering and Whistleblowing policies</a></u></p> <p><u><a href="#">Policies &amp; Strategies - Home</a></u></p> <p>Please see our <u><a href="#">website</a></u>.</p>	
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<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> <li>• We have a Data Quality Policy in place.</li> <li>• We check performance information as part of every audit we do.</li> </ul> <p><b>Strong public financial management</b></p> <ul style="list-style-type: none"> <li>• We publish a Medium-Term Financial Strategy covering 5 years each year.</li> <li>• We publish Monitoring Reports from July to February each year</li> <li>• The budget book is published on the website</li> </ul>	<p>Learning Management System – The Learning Hub</p> <p><u>Policies &amp; Strategies - Home</u></p> <p><u>medium term financial strategy</u></p> <p><u>Budgets - MIDDEVON.GOV.UK</u></p>	
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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
<p><b>Implementing good practice in transparency</b></p> <ul style="list-style-type: none"> <li>We publish our Statement of Accounts on our website.</li> </ul> <p><b>Implementing good practices in reporting</b></p> <ul style="list-style-type: none"> <li>We report regularly on our performance to PDGs, Cabinet, Audit and Scrutiny Committees</li> <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> <p><b>Assurance and effective accountability</b></p> <ul style="list-style-type: none"> <li>Our Internal Audit provider (Devon Audit Partnership (DAP)) comply with</li> </ul>	<p><u>Statement of Accounts</u></p> <p>Our statement of accounts was presented to, and agreed by, our Audit Cttee.</p> <p>For example, see <u>March 2022 Audit Committee</u>.</p> <p><u>Annual Governance Statement</u></p> <p>The <u>Role of the Head of Internal Audit CIPFA</u></p>	<p>The Accounts for 2020/21 were signed off as a true and fair statement by our <u>External Auditors</u>.</p>

<p>the CIPFA Statement on the Role of the Head of Internal audit</p> <ul style="list-style-type: none"> <li>• DAP have We completed our annual self-assessment against the Public Sector Internal Audit Standards which has been externally validated.</li> </ul>	<p><u>Devon Audit Partnership.</u></p>	<p><u>External Validation of DAP</u></p>
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<b>H: Operational and Governance matters due to the Covid 19 Pandemic</b>		
<b>Impact on Governance</b>	<b>What we have done</b>	<b>Assurance Received and Issues Identified</b>
<p><b>Significant organisational disruption with new emergency responsibilities; risk of increased staff absence and mental health welfare; impact of working from home</b></p> <p>Impact on business as usual was considerable during the early stages of the pandemic, but services were largely delivered for most of the 2021/22 year.</p> <p>Our Leisure centres were closed (as per government guidance) on and off from 20 March 2020, but were re-opened during the latter stages of the 2021/22 period.</p>	<p>We continued to hold regular Incident Management Meetings as and when the need required.</p> <p>We continue to support staff working from home and to work safely in the workplace. In approximate terms around 55% of staff worked 'on site' during 2021/22, with the remainder working from home.</p> <p>Chief Executive has been making operational decisions to respond effectively to emergency situations as and when they arise.</p> <p>Leaders and Chiefs from across Devon working collaboratively to ensure shared visibility and commonality of approach wherever possible.</p> <p>Redeployment of staff to assist with the business grant schemes.</p>	<p>Data sharing agreements and privacy notices have been updated as necessary to reflect different ways of working and new initiatives</p> <p>An Internal Audit report on Safe Staff Operations during Covid 19 stated <i>"The Council has shown a real concern for staff during this period and made significant effort to support them. We have found that the Council has provided good support to its staff since the start of the emergency whilst balancing the need to deliver its core services."</i></p>
<p>Public Health continued to assist with local test and trace and helped support</p>	<p>Risk assessments created for the different business areas to reduce the Covid-19</p>	

<p>the safe reopening for businesses; this was alongside their existing regulatory work.</p> <p><b>The funding and logistical consequences of delivering the local government response</b></p> <p>Changes to decision making arrangements and the conduct of meetings.</p> <p>Payment of grants to third parties.</p> <p>Funding and cash flow challenges.</p> <p><b>Assessment of the longer-term disruption and consequences arising from the coronavirus pandemic</b></p> <p>Some projects and programmes were put on hold during 2020/21 but have been re-assessed during 2021/22. New priorities and objectives introduced. New risks identified, or existing risks escalated.</p>	<p>risk to staff and the public from the business operations.</p> <p>Committee meetings have been held virtually and are now mainly held 'in person'.</p> <p>We issued £39m of government grants, ensuring effective due diligence was undertaken to reduce the risk of fraud and error related to the grant money</p> <p>Cashflows have been successfully managed</p>	<p>There are benefits to be obtained from "hybrid meetings" and we will continue to review this for the longer term, with a mix of on site and remote attendance. Feedback from members of the public on hybrid meetings has been favourable.</p> <p>Significant loss of income from Leisure centres and other fees and charges including parking charges</p> <p>Funding has been received but does not cover the full extent of the losses</p>
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## Appendix A

## Actions arising from the 2021/22 Annual Governance Statement process

Reference	Action Arising	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) Cyber Security, Response and Recovery</li> <li>b) Procurement</li> <li>c) Care Services, Alarm Income and systems</li> </ul>	<ul style="list-style-type: none"> <li>(a) Corporate Manager for Digital Transformation &amp; Customer Engagement</li> <li>(b) Corporate Manager for Financial Services</li> <li>(c) Corporate Manager for Public Health, Regulation and Housing</li> </ul>	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"> <li>a) ensuring consistency between the 3 Rivers business plan and the budget.</li> <li>b) strengthening the corporate and 3 Rivers risk registers,</li> <li>c) closely monitoring the financial performance of 3 Rivers</li> </ul>	Please refer to GT Annual Audit Report 2021/22.	During 2022/23
3	To ensure that agreed actions following the Peer Review are carried out.	Please refer to the Peer Review report.	Please refer to the Peer Review report.

