



ANNUAL GOVERNANCE STATEMENT 2012/13

1 Introduction

North Devon Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility the council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Society of Local Authority Chief Executives (Solace) Framework “Delivering Good Governance in Local Government”. This statement explains how the council has complied with the code and also meets the requirements of the Accounts and Audit regulations in relation to the publication of a statement on internal control.

2 The purpose of the governance framework

Confidence in public sector governance is of critical importance, given the huge investments by taxpayers in local services and the need to ensure that none is wasted. This Annual Governance Statement is to help provide that confidence by formally recognising, recording and publishing the council’s governance arrangements.

The governance framework comprises the systems and processes, and culture and values, by which the council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievement of its objectives, and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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 the council’s aims and objectives. It can only provide reasonable, not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the council’s aims and objectives
- evaluate the likelihood of those risks being realised and the impact should they occur, and

- manage them efficiently, effectively and economically

The governance framework has been in place at North Devon Council for the year ended 31 March 2013, and up to the date of approval of the annual report and statement of accounts.

Our governance framework derives from six core principles identified in the publication entitled "*Delivering Good Governance in Local Government, Framework*". This was produced by the Chartered Institute of Public Finance and Accountancy, and the Society of Local Authority Chief Executives. The six core principles are:

- a) Focussing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area
- b) Members and Officers working together to achieve a common purpose with clearly defined functions and roles
- c) Promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- d) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- e) Developing the capacity and capability of Members and officers to be effective
- f) Engaging with local people and other stakeholders to ensure robust public accountability

The authority's financial management arrangements conform with the governance requirements of the CIPFA "*Statement on the Role of the Chief Financial Officer in Local Government*" (2010) as set out in the Application Note to "*Delivering Good Governance in Local Government: Framework*".

3 North Devon Council's governance framework

This section describes the key elements and processes that comprise the council's governance arrangements.

3.1 Identifying and communicating the council's vision and intended outcomes for citizens and service users

The council's aims and objectives are set out in the **Corporate Plan 2011/15**, which describes the areas where we are focussing our activities. The Plan is fully integrated with our budget so that resources are allocated to our priority areas. The Corporate Plan also reports on our progress in the previous year, including the delivery of our priorities, and shows our targets for the future.

- The Corporate **priorities** are communicated to internal stakeholders through the Service Planning process.

The council has established a range of communication methods to ensure that employees are clear about the corporate priorities and major new initiatives:

- A Communications team focussed on ensuring the Council's messages are understood by staff and reflected as accurately as possible externally, for example through the local media
- Heads of Service cascade key issues from Senior Management Team for discussion at regular team meetings
- There are briefings for all staff to update them on key initiatives and changes, which this year have included the council's approach to dealing with central Government's spending reductions
- The monthly online staff newsletter contains a 'news from the top' spot written by the Chief Executive
- Frequent press releases transmit messages to the local population
- The Intranet is used to communicate issues arising from each week's Senior Management Team meetings

3.2 Reviewing the council's vision and its implications for the council's governance arrangements

The preparation of the Corporate Plan includes a **review** of the vision and priorities of the council as part of workshops with Executive members. This is informed by an environmental scan covering political, social, economic and legal issues. It is also influenced by the results of a range of **consultation** events so that the views of the people of the area are appropriately reflected in the Plan.

As part of this process any impact on governance arrangements is identified and responded to.

3.3 Measuring the quality of services for users, for ensuring they are delivered in accordance with the council's objectives, and for ensuring that they represent the best use of resources

The **Corporate Plan** provides clarity for all Members and officers by:

- Setting out our objectives
- Reviewing our progress and performance during the last year against our key objectives
- Renewing improvement targets for the future
- Helping manage our performance and improvement planning to deliver better services in the areas that matter most to our residents

Stemming from the Corporate Plan are **Service Plans** that focus on delivering service improvement and outcomes for the public. These form the basis of individual performance appraisal of all staff, which provides clarity about expectations for achievement during the year.

Service planning is underpinned by **financial planning**, with changed expenditure in any service area being approved by the Executive and Council through the annual resource allocation process. As part of this process a rigorous examination of all budgets is undertaken to identify opportunities for making efficiency savings, maximising income, or reducing unnecessary expenditure.

The Executive receives quarterly **Performance and Financial Management** reports from the Executive Team that monitor progress towards delivering the Corporate Plan as well as covering any other areas of service delivery that are of note. This report covers operational performance, revenue and capital expenditure, key prudential code indicators, treasury management performance, and debt management. It integrates the reporting of operational performance with financial performance. The reports are written in clear language and provide a succinct overview of performance so that the lay reader can easily understand them.

Each quarter the Overview and Scrutiny Committee **scrutinises** these reports and the adequacy of the Executive's action in ensuring progress is maintained.

The council has an effective, documented **Performance Management Framework** and utilises a dedicated information technology system to record and report upon performance information. The council's Corporate Plan focuses attention on council priorities and drives the system. This is cascaded through Service Plans, individual employee appraisals and action plans.

In addition to the above, the council maintained robust **budgetary monitoring and control** processes during the year to ensure that financial resources were being used to their best advantage. This includes

- frequent management reporting to the Chief Financial Officer
- monthly monitoring reports to Senior Management Team and the Lead Members, and
- quarterly reports to the Executive, which then go to the Overview and Scrutiny Committee

3.4 Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

The **Constitution** sets out how the council operates, how decisions are made, and the procedures that are followed to ensure these are efficient, transparent and accountable to local people. The present Constitution is scheduled for review in 2013/14.

The main decision-making body is the **Executive**, which is responsible for all executive matters as defined by law and operates within the budget and policy framework approved by full council. Meetings are open to the public except where personal or confidential matters are being discussed. In addition, senior and other officers of the council can make decisions under delegated authority; again the extent of these delegations is set out in the Constitution and renewed annually.

The council publishes a **Forward Plan** that contains details of key decisions to be made by the Executive.

Each Executive Councillor works to a pre-defined role description and is the lead member for a specific **area of responsibility**. They work closely with officers to achieve the council's priorities. However, the council has not adopted individual decision-making powers for the Executive Councillors.

The council has several committees that carry out regulatory or scrutiny functions. These are:

- an **Audit Committee** to provide assurance about the adequacy of internal controls, financial accounting and reporting arrangements, and the effectiveness or risk management. Its work is intended to improve the corporate and financial governance of the council and to enhance public trust
- an **Ethics Committee**, which promotes, monitors and enforces probity and high ethical standards amongst the council's Members. This extends to the committee hearing complaints against Town and Parish Councillors as well as District Councillors.
- an **Overview and Scrutiny Committee**, which reviews and scrutinises Executive decisions made, or actions taken, in connection with the discharge of any of the council's functions. It also reviews the performance of the Council as well as reporting on any matter that might affect the Council or its inhabitants.
- a **Planning Committee** to determine planning applications and related matters
- a **Licensing Committee**, which monitors and reviews the effectiveness of the council's licensing policy and procedures
- a **Procedures Committee**, which makes recommendations to Council to ensure the Constitution is amended to reflect changing circumstances and legislation. It also deals with Councillors matters such as training and development, and allowances. Other items are only dealt with upon request from the Leader, Executive, or Council.

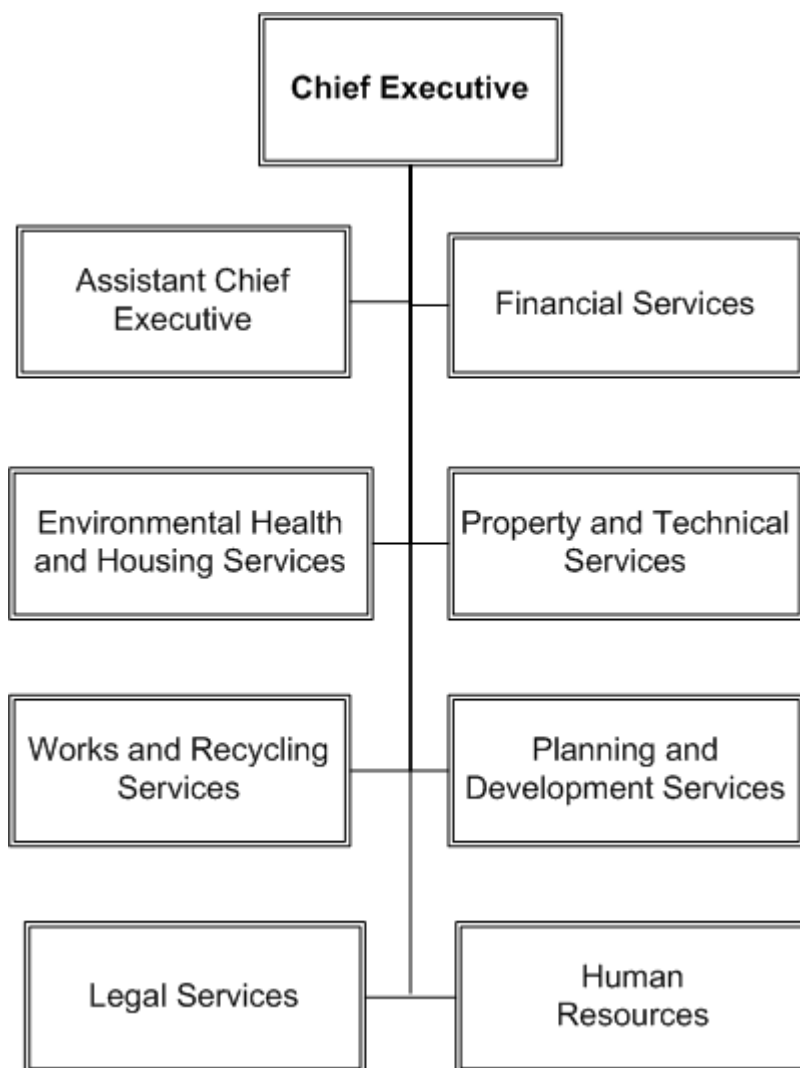
The Chief Executive leads a **Senior Management Team** (SMT) comprising Heads of Service. The **Senior Management Team** meets each week to develop policy issues commensurate with the council's aims, objectives and priorities. The Team also

considers other internal control issues, including risk management, performance management, compliances, efficiency, value for money, and financial management.

The Chief Executive and Heads of Service meets frequently with the Leader and Executive Members to forward plan council business and pick up new issues and risks.

The council's services are delivered through nine **Services** each managed by a Head of Service or the Assistant Chief Executive ([Note: the Assistant Chief Executive retired in May 2013 resulting in a corporate team directly managed by the Chief Executive](#)).

The officer management structure is shown in the following diagram:



There are clear lines of internal **communication** to ensure direction from and reporting to the Senior Management Team to assist with the monitoring of council business activities and decision making.

3.5 **Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks**

The **Constitution** is available to the public on our website.

Three **key documents**, which are included in the Constitution are:

- the Scheme of Delegations
- Standing Orders, and
- Financial Procedure Rules

which are available to all officers, Councillors, and the public via the council's intranet and website.

Other documentation includes corporate policies or guidance on a range of topics such as:

- Complaints
- Email and Internet
- Data Protection
- Freedom of Information
- Information and Communication Technology Security
- Whistleblowing
- Anti-Fraud and Corruption
- Anti-Money Laundering
- Data Quality
- Performance Management
- Project Management
- File retention and disposal

All the main council **policies** are also available on the website.

3.6 **Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

All policies are subject to internal review to ensure these are adequately maintained. There is regular engagement with staff through the Staff Consultation Panel on policy development, human resources issues, and the Code of Conduct. The council keeps all staff aware of changes in policy and new legislation as necessary, by a variety of means, and where appropriate arranges training for all or key members of staff.

The council's regime for overseeing standards of conduct for councillors changed significantly during the year due to the implementation of provisions in the Localism Act 2011. The previous regime was abolished and replaced by an **Ethics Committee**, which is intended to fulfil part of the function of the previous standards regime; the remainder is now left to the police and the courts.

The Ethics Committee and the Monitoring Officer provide **advice, training and help** to councillors on the ethical framework. Councillors and officers are made aware of their responsibilities, and the behaviours expected of them under the framework.

The management of and adherence to the council's wider **statutory obligations** relies heavily on devolved working arrangements, with Legal Services advising all services on legislation as required.

In the course of the year the council's **Monitoring Officer** has not had to report on any proposal, decision or omission by the council, any committee or officer, that has contravened or is likely to contravene any enactment or rule of law, or on any formal report by the Local Government Ombudsman finding maladministration causing injustice.

The council has adopted a number of **key documents and protocols** that govern both Member and officer activities. These include:

- A Protocol governing relationships between Members and Officers
- Members Code of Conduct
- Officers Code of Conduct

The three above are part of the Constitution.

In addition there are:

- A separate Planning Code of Conduct
- Members' declarations of interest
- Rules on the receipt and registration of any gifts and hospitality

3.7 Undertaking the core functions of an audit committee, as identified in Cipfa's "Audit Committees – Practical Guidance for Local Authorities"

In 2006 the council formed an independent **Audit Committee**, with its own comprehensive Terms of Reference that adhere to Certified Institute of Public Finance and Accountancy (CIPFA) guidance. The council has delegated to the Audit Committee responsibility for ensuring the adequacy of governance arrangements.

The Audit Committee must meet at least four times a year, during 2012/13 it met six times to:

- consider the annual Audit Plan
- agree the risk-based annual strategy for internal audit
- receive all external and internal audit reports
- monitor the implementation of action plans resulting from audit reports
- review the Corporate Risk Register
- ensure that the Annual Governance Statement properly reflects the risk environment and any actions required to improve it

3.8 Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The council has a duty to ensure that it acts in accordance with the law and various regulations in the performance of its functions. It has developed policies and procedures for its officers to ensure that, as far as is possible, all officers understand their responsibilities both to the council and to the public.

All members of **Senior Management Team** and **Heads of Service** have responsibility for maintaining a system of sound internal controls and management processes within

their area of responsibility, and for reviewing their effectiveness. Each has completed an Assurance Statement for their area confirming that a sound system of internal control has been in place throughout the financial year, and identifying any areas that are less robust.

A compulsory **consultation checklist** is completed for every report that is considered by the Executive. This ensures the active involvement of the council's statutory officers in reviewing and advising on the financial, legal, constitutional and staffing implications associated with decisions.

The council was accredited in July 2001 under the **Investors in People** Standard, which is a quality framework to ensure that the council's employees have the right knowledge, skills, and motivation to work effectively. It has been repeatedly re-accredited since then and an action plan is being implemented to ensure it is retained in 2014.

Internal audit is an independent appraisal function that acts as a control that measures, evaluates and reports upon the effectiveness of internal controls, financial and others, as a contribution to the efficient use of resources within the council. External contractors carry out the function. The **Annual Internal Audit Plan** is used to map out the cyclical coverage of fundamental financial systems and other audits. The plan is based in large part on the council's Corporate Risk Register, then amended following discussions with the Chief Financial Officer, and takes into account concerns identified by the Audit Committee. Work relating to prevention and detection of fraud and corruption is integrated into this audit planning process.

Internal Audit publishes an annual report setting out its opinion on the overall adequacy and effectiveness of the council's **internal control** environment, providing details of any weaknesses that qualify this opinion and bringing to the attention of the council any issues particularly relevant to the preparation of this Statement.

The adequacy of Internal Audit is tested by our **External Auditors**, who changed from the Audit Commission to Grant Thornton during the year.

The Council has delegated to the **Audit Committee** responsibility for ensuring the adequacy of governance arrangements. Both the Senior Management Team and the Audit Committee **review and monitor** all external and internal audit reports.

A member of the Senior Management Team is designated as the council's **lead officer on risk management** and chairs the Corporate Risk Group. The **lead Councillor** for risk management is the Leader of the Council.

The council continues to develop and refine systems for identifying and evaluating all significant risks, via the **Corporate Risk Group**. The council has approved a Risk Management Framework as part of our Performance Management Framework.

The **risk management** process involves identifying, analysing, determining appropriate controls, managing and monitoring risks. The identification of risks is derived from a top down (i.e. corporate) and a bottom up (i.e. service) process of risk assessment and analysis resulting in coverage of the whole council. The process prioritises the risks, resulting in a focus upon the key areas. The risks are managed through the development of appropriate action plans allocated to individual officers.

3.9 **Whistle-blowing and for receiving and investigating complaints from the public**

The council's **whistleblowing** policy, the Confidential Reporting Code, was reviewed in 2008 and is available to all officers and Councillors on Insite.

The **complaints system** is managed corporately to facilitate the identification and reporting of trends. It is available to all officers and Councillors on Insite.

3.10 **Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training**

A annual **Member training and development** programme was delivered. These include:

- Members Code of Conduct
- Audit Committee
- Risk management
- Refresher training for Overview and Scrutiny Members

There is a targeted development programme for managers that, in addition to specific qualifications appropriate to their strategic role, has included:

- awareness of mental health issues, and
- a wide-ranging management development programme for managers
- equality and diversity

3.11 **Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation**

The council has a **Constitution** that details how the council operates, how decisions are made and the procedures to be followed. This ensures that these are efficient, transparent and accountable to local people.

The **Executive** is responsible for most decisions. Major decisions are published in advance in the **Forward Plan**, and will invariably be discussed in a meeting open to the public. All decisions must be in line with the council's overall policies and budget. Any decisions the Executive wishes to take outside the budget or policy framework must be referred to council as a whole to decide.

We have a well-established **Community Consultation Framework** that guides and co-ordinates the large number of other consultation exercises we conducted during the year. The management of the consultations is through our on-line tool "Consultation Finder".

The council communicates directly with local people through **North Devon Connect**, a quarterly magazine. It lets people know about our ambitions, seeks their views and provides information on our performance. It contains information from our service partners including Devon County Council, the fire and police services and the NHS. It

is sent to all households, is available on our website, and in audio versions. Its style, format and content were developed with community consultation.

The council publishes a range of **'open' data on the website**, including expenditure data. This is to increase the transparency of the organisation. It also uses **social media** such as Facebook and twitter to engage new audiences.

Members have a **weekly information sheet and a monthly newsletter** to keep them up to date. These were redesigned during the year to make them more effective communication tools. Home computers are offered to all Members.

At Full Council meetings a **'Question time'** gives members the opportunity to ask questions of the Leader and Executive Councillors.

3.12 Incorporating good governance arrangements in respect of partnerships and other group working.

There are annual performance reports from key partners to the Executive. These include:

- North Devon Theatres Trust
- North Devon +
- North Devon Area of Outstanding Natural Beauty

4 Review of effectiveness

4.1 Background

The council has conducted its annual review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by

- the work of council officers who have responsibility for the development and maintenance of governance environment
- the annual report of internal audit, and
- comments made by the external auditors and other review agencies and inspectorates
- assurance work completed during the year and up until the point that this Annual Governance Statement is approved.

The main processes that have been relied upon by North Devon Council in reviewing and maintaining the effectiveness of the system of internal control are highlighted below.

4.2 The Council

The Council has overall responsibility for governance and exercises much of this through delegation, including:

- Formal delegation of risk management and audit issues to the Audit Committee
- Formal delegation to operate an effective internal audit service to the Chief Finance Officer
- Appointment of an Ethics Committee to support the Member Code of Conduct

Council receives regular reports from the Chairs of the Overview and Scrutiny Committee, the Audit Committee, and the Procedures Committee on the achievement of the Committees' work programmes and on any issues they consider should be brought to the attention of Council.

At each Council meeting a "question time" allows any Member of the Council an opportunity to formally ask the Leader or any Member of the Executive questions without notice on any matters falling within their sphere of responsibility.

4.3 The Executive

The Executive has responsibility for preparing the council's Corporate Plan, Medium Term Financial Strategy and budgets for approval by Council. It has responsibility for determining targets and for monitoring performance against them. It is also responsible for securing continual improvement.

It exercises its role by:

- preparation of the Corporate Plan,

- annual preparation of the Medium Term Financial Strategy, revenue budget and capital programme for approval by Council
- monitoring of financial and non financial performance against targets through the quarterly Performance and Financial Management report
- taking decisions in the year which are in line with the policy and budgetary framework, or recommending changes to the policy and budgetary framework to Full Council
- taking decisions on changes to targets and agreeing service improvement plans

Following public consultation Council decided to adopt the 'strong leader' system of governance. This has resulted in a Leader being appointed for four years rather annually. From 2011 the Leader, rather than Council, selected the members of the Executive, and has delegated all the Leader's powers to the Executive collectively.

In this year the Executive has:

- delivered services within a significantly reduced budget against a background of:
 - the largest reduction in public spending since the 1920s
 - a reduction in demand for paid-for services such as car parking and development control
 - a Government policy agenda that increasingly devolves financial and business risk to local authorities
- recruited a joint Head of Service with a neighbouring local authority
- appointment on an interim basis of a further four Heads of Service. These include the Monitoring Officer and the Chief Financial Officer
- developing a multi-agency team (i.e. police, fire service, council) to deal more effectively with anti-social behaviour

4.4 Overview and Scrutiny Committee

The Overview and Scrutiny Committee exercises its role in holding the Executive to account by:

- scrutiny of the Corporate Plan
- scrutiny of the Medium Term Financial Strategy
- scrutiny of the budget and capital programme proposed by the Executive and prior to their presentation to Council
- scrutiny of all four quarterly Performance and Financial Management reports
- receiving an annual report from the Leader, and
- delivering its annual work programme

4.5 Ethics Committee

The year saw the end of the previous national scheme for maintaining standards of conduct. A new regime with an Ethics Committee was introduced in 2012/13 following implementation of the Localism Act 2011. The new regime relies on the legal system to deal with any serious misdeeds or allegations. Lesser matters are dealt with by the Ethics Committee, which has more limited powers than the previous Standards Committee.

The Ethics Committee has duties relating to:

- promoting and maintaining high standards of conduct by District, Parish and Town councillors and co-opted members
- advising and training councillors and co-opted members on matters relating to their code
- receiving allegations and deciding whether any action needs to be taken

4.6 The Audit Committee

In this financial year the Audit Committee has met six times. Its work has included:

- reviewed the Corporate Risk Register
- received all internal and external audit reports
- received monitoring reports at every meeting on progress with completion of internal and external audit recommendations and action plans from previous Annual Governance Statements

4.7 Internal Audit

Internal Audit is responsible for objectively reviewing the council's internal systems of control with a view to reporting on and making recommendations to management with regard to their effectiveness for managing business risk and achieving the organisation's objectives

Internal Audit reviews are designed to assess the effectiveness of the internal controls on which the council relies for managing risk. There is an annual risk-based internal audit plan approved by the Audit Committee

In their annual report Internal Audit is of the view that overall there are no areas of concern. There are some internal audit reports that are still in draft, should these raise any areas of concern they will be reported to the Audit Committee. There are no recommendations from this report requiring action.

Their effectiveness in carrying out this function is assessed by the Audit Committee.

The service is provided through an external supplier enabling access to a wide variety of skills and specialist practitioners.

4.8 External Audit

In September 2012 the appointment of our new external auditors, Grant Thornton, took effect.

The 2011/12 Annual Audit Letter (received in September 2012) identified no areas of significant risk that were not being addressed.

4.9 Other external agencies

The Local Government Ombudsman reports on each council every year. The latest available report is for the year preceding the period covered by this statement. In 2011/12, the Ombudsman decided on 23 complaints. This compares with 23 in 2010/11, 17 in 2009/10 and 25 in 2008/9.

Of the 23 complaints the Ombudsman:

- did not investigate 10
- found no fault in 4
- found minor injustice in 6, and
- the final 3 were remedied during the enquiries.

The council's response to Ombudsman enquiries averaged 30.4 days in 2011/12. This compares with response times of 29 days, 23.3 days and 36.6 days in the preceding three years.

The Investors in People review has been used as a useful stimuli to prepare and implement improvements to:

- staff morale
- the performance appraisal process
- internal communications
- management capabilities

4.10 Statutory Officers (i.e. Head of Paid Service, Chief Financial Officer, and Monitoring Officer)

The Chief Executive is the Council's Head of Paid Service.

The Chief Financial Officer has statutory responsibility under section 151 of the Local Government Act 1972.

The Monitoring Officer has a statutory responsibility to ensure the legality of transactions, activities and arrangements the council enters into. During the year the Monitoring Officer retired and was replaced with effect from 17 January 2013. The appointment is on a joint basis, with the officer also being Monitoring Officer for Torridge District Council.

All reports presented to Committee for decision making require the legal, financial, and staffing implications to be explicitly detailed. The council's Head of Paid Service, Chief Financial Officer, and Monitoring Officer consider these reports, along with their implications.

Each officer also provided on-going advice in connection with both the financial and legal standing of council business, including monthly reviews of the council's expenditure against the budget.

At the end of the year all statutory officers signed a statement assuring that there were no significant governance issues that are not covered in this Annual Governance Statement.

4.11 Senior Management Team

The Senior Management Team meets each week to develop policy issues and also considers internal control issues, including risk management, performance management, compliances, efficiency and value for money, and financial management.

During the year all external and internal audit reports were considered by the Senior Management Team before agreement of the recommendations. This ensured the action that stemmed from them was properly integrated into the council's activity.

The Senior Management Team reviewed and updated the Corporate Risk Register, supported by the Corporate Risk Management Group.

The council's performance was reviewed quarterly. The Senior Management Team are the first step in the chain of monitoring and action that culminated in Executive decisions on the Performance and Financial Management Report.

4.12 Corporate Risk Management Group

This group is chaired by the council's lead officer on risk management. Its function is to support the Audit Committee and the Senior Management Team. Its terms of reference are to:

- review the Corporate Risk Register quarterly to ensure it is up to date, and report to the Senior Management Team on the adequacy of actions taken and any major unmitigated risks
- report on the Corporate Risk Register to the Audit Committee
- undertake or facilitate, with the Senior Management Team, annual horizon scanning exercise to link with the planning process
- support the Annual Governance Statement generation process

4.13 Health and Safety

There are established risk assessment and incident reporting processes. These are supported by framework risk assessments for 'office work', 'office work at home' and for 'site visits', which are available to all officers on the council's intranet. In addition there are a range of information sheets, and incident reporting formed part of the year's management development training.

The Senior Management Team and the council's Health Safety, and Welfare Committee (a joint staff/Member/management committee) met six times in the year and received incidence statistics with notes of trends and actions taken. These fora

support the Health and Safety Advisor's introduction of improvements and updates to guidance or practices to mitigate risks/incidence issues.

There are reports to the Chief Executive and the Senior Management Team when issues arise.

4.14 Information Management and Security

The Council holds a great deal of information and personal data to support the delivery of services. The security of that information is of paramount importance. The Information Management Group monitors compliance with the Information Security, Email, Internet, and Data Protection Policies. It has responsibility for ensuring that procedures are in place to reinforce the policies and for ensuring that specific training and guidance is provided at all levels within the Council. It reports to the Senior Management Team as issues arise.

4.15 Procurement

As the council's resources decrease the robustness of its procurement process becomes even more critical to organisational success. During 2012/13 a number of improvements have been introduced and an improvement plan agreed by SMT.

5 Significant governance issues

North Devon Council has considered the outcomes of the governance arrangements referred to in this Statement. Where appropriate action plans have been developed to ensure the continuous improvement of the council's internal control, risk management and corporate governance arrangements.

The following governance issues were identified during 2012/13 as a result of the review of arrangements:

Areas identified by an internal review of governance arrangements

Issue	Action
<p>1 The Medium Term Financial Strategy 2013/17 forecasts that it is will be necessary to reduce spending by £1.5m by 2016/17.</p> <p>Due to further government announcements the position has worsened. NDC now require additional spending reductions, although the exact position has not yet been made clear by central government.</p>	This is being addressed as a matter of urgency by the Executive.
<p>2 Weaknesses in:</p> <ul style="list-style-type: none">▪ staff morale▪ appraisal process▪ internal communications▪ management capabilities	Implementation of an organisation wide improvement plan.
<p>3 Potential for severe disruption of council services by extreme weather events, such a localised flooding of council property.</p>	A review of all business continuity plans.
<p>4 Improve the council's procurement processes.</p>	Implementation of the agreed procurement improvement plan.

No additional risk areas were identified by either our external or internal auditors.

6 Certification

We have been advised on the implications of the result of the review of the effectiveness of the governance framework to address weaknesses and ensure continuous improvement of the system is in place.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Councillor Brian Greenslade
Leader

Mike Mansell
Chief Executive

North Devon Council Assurance Framework

