



ANNUAL GOVERNANCE STATEMENT 2013/14

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 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 2014, and up to the date of approval of the annual report and statement of accounts.

Our governance framework derives from core principles in the publication entitled “*Delivering Good Governance in Local Government*”, Framework that is mentioned in the introduction. They are:

- a) Focussing on the purpose of the council, 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 was updated in November 2013 to focus more on the changed environment to be faced in 2014/15. The Plan 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 **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
- 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 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. While it has been updated with piecemeal changes the present Constitution is now undergoing a wholesale review. This is scheduled for completion in 2015.

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.

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 specific **areas 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 and monitors 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 land use planning applications and related matters
- a **Licensing Committee**, which is responsible for the council's licensing and regulatory functions. It is also the body which hears all appeals that are not required to be dealt with elsewhere.
- a **Procedures Committee**, which makes recommendations to Council to ensure the Constitution is amended to meet changing circumstances and legislation. It also makes recommendations on Councillors matters such as training and development, and allowances. Other items are only dealt with upon request from the Leader, Executive, or Council.

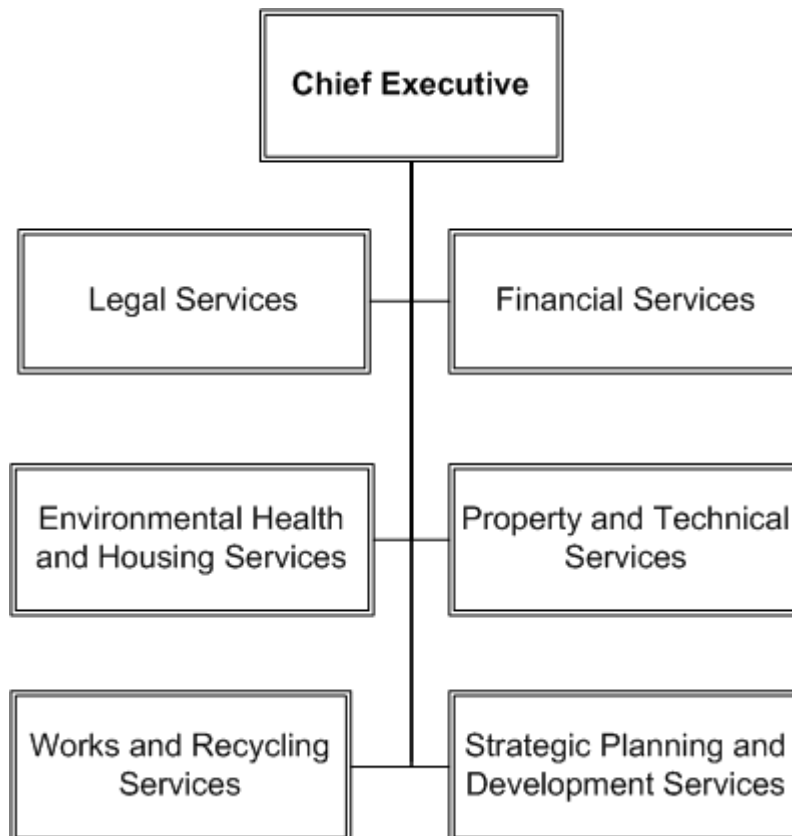
The Chief Executive leads a **Senior Management Team** (SMT) comprising Heads of Service. The **Senior Management Team** meets each week to develop policy issues commensurate with the council's aims, objectives and priorities. The Team also considers other internal control issues, including risk management, 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 seven **Services** each managed by a Head of Service or the Chief Executive. Changes to this during the year were

- the Assistant Chief Executive retired in May 2013 resulting in a corporate team directly managed by the Chief Executive
- for the first part of the year the Head of Legal Services was a shared post with a neighbouring council, by the end of the year it was a fully NDC post
- for the first part of the year there was a Head of Human Resources shared with another council. This was replaced by a fully NDC Human Resources Manager who reports to 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:

- Customer feedback and complaints
- Data Protection
- Freedom of Information
- Anti-Fraud and Corruption
- Information and Communication Technology Security
- Whistleblowing
- Email and Internet
- 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 following enactment of 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.

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 and therefore under review as mentioned in 3.4 above.

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
- A Confidential Reporting Code (i.e. whistle blowing policy). However, dates from 2008 so a review has been included in the action plan below,

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, which it did during 2013/14. At the meetings it:

- considered the annual Audit Plan
- agreed the risk-based annual strategy for internal audit
- received all external and internal audit reports
- monitored the implementation of action plans resulting from audit reports
- reviewed the Corporate Risk Register
- ensured 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 possible, all officers understand their responsibilities both to the council and to the public.

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.

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**, Grant Thornton.

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.

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 **customer feedback and complaints system** is managed corporately to facilitate the identification and reporting of trends. It is available to all officers and Councillors on Insite. During the year the system was reviewed and updated.

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

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

- a variety of aspects of land use planning
- customer feedback and complaints

There is a targeted development programme for managers that, in addition to specific qualifications appropriate to their strategic role, has included three dozen middle managers undergoing the Chartered Management Institute's level 5 qualification in Leadership & Management.

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 consultation exercises we conducted during the year. The management of the consultations is through our on-line tool "Consultation Finder".

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. 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. Similarly the **public** can also ask questions of the Chair, Leader and Executive Members.

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.

Underpinning all the council's arrangements is its Constitution. As mentioned in 3.4 and 3.6 above the Constitution being reviewed. This is included in the action plan 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 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. Members of the public can also ask questions, but then need to be submitted in advance in writing.

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 and the Leader, rather than Council, selecting the members of the Executive. Since 2011 the Leader has delegated all his 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 and a Government policy agenda that increasingly devolves financial and business risk to local authorities. Dealing with this situation in the future has been included in the action plan below,

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 prior to their presentation to Council
- scrutiny of all four quarterly Performance and Financial Management reports, 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 much weaker 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 four 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
- reviewing its own effectiveness. Although it should be noted while some Members of the committee were fully engaged in this others were less so.

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. During the year Internal Audit undertook 25 audits, for all bar one, they were able to report substantial assurance that there was a basically sound system.

In their annual report Internal Audit is of the view that overall there was one area of concern, relating to the IT Disaster Recovery Plan this was given limited assurance as a number of areas were identified where the control environment needed improvement. The Council have accepted the recommendations which are currently being addressed. This has been included in the action plan below.

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. During the year the ownership of the supplier changed from Deloitte & Touche Public Sector Internal Audit Ltd to Mazars Public Sector Internal Audit Ltd. However, this did not change the quality of the service received by the council, which external audit has agreed is adequate.

4.8 External Audit

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

The 2012/13 Annual Audit Letter (received in September 2013) identified that:

“The Council needs to develop a detailed plan for savings required in 2014/15 to achieve a balanced budget, and an outline plan for 2015/16. In particular members should take a decision on the implementation of proposed changes to Waste management.” This has been included in the action plan below.

4.9 Other external agencies

The Local Government Ombudsman (LGO) reports on each council every year. The latest available report is for the year preceding the period covered by this statement. In 2012/13 the LGO received 19 complaints about NDC. In the preceding four years the numbers were 23, 23, 17, and 25 respectively.

In previous years the LGO has provided more information on categories of complaints and response times. However, the LGO’s systems changed in the year so this is not available to councils.

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

This resulted in a successful re-accreditation in February 2014.

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. This officer covers both North Devon and Torridge Councils.

The Monitoring Officer has a statutory responsibility to ensure the legality of transactions, activities and arrangements the council enters into. For the first part of the year the Monitoring Officer covered both North Devon and Torridge Councils. By the end of the year a purely North Devon appointment was made.

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.

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.

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.

All members of Senior Management Team 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.

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' 'site visits', 'driving at work', and 'attendance at exhibitions'. These are available to all officers on the council's intranet. In addition there are a range of information sheets.

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. Implementation of improvements have been included in the action plan below.

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 2013/14 as a result of the review of arrangements:

Areas identified by an internal review of governance arrangements

	Issue	Action
1	The Council needs to develop a plan for savings for 2015/16 and beyond.	This is being addressed as a matter of urgency by the Executive.
2	The IT Disaster Recovery Plan is out of date.	Review and updated the IT Disaster Recovery Plan.
3	The Constitution is out of date in places.	Complete the rewriting of the Constitution.
4	Potential for severe disruption of council services by extreme weather events, such a localised flooding of council property.	A review of all business continuity plans.
5	Improve the council's procurement processes.	Implementation of the agreed procurement improvement plan.
6	Confidential Reporting Code (i.e. the whistle blowing policy) has not been reviewed since 2008.	Review and refresh the code.

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

