



ANNUAL GOVERNANCE STATEMENT 2021/22

1. Executive Summary

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 must exercise corporate governance which is consistent with the principles of the CIPFA/SoLACE Framework “Delivering Good Governance in Local Government 2016” (“The Framework”). This Annual Governance Statement (AGS) explains how the council complies with the framework and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of a statement on internal control.

The Council is committed to address governance issues and to keep arrangements under review, and has sound evidence to the effect that there is a system of governance in place which meets the principles of the Framework and is fit for purpose.

The Council’s perspective has been informed by a specific Internal Audit report on the governance arrangements, carried out during the year by the Devon Audit Partnership and by their Annual Audit Report for 21/22, both of which provided a Reasonable Assurance opinion that the arrangements for governance were sound.

Appendix A, is our assessment of how the CIPFA principles are met, where governance can be seen in action, and the assurance received and the issued identified. The issued identified are summarised in the report below.

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 resources are not wasted. This Annual Governance Statement is to help provide that confidence by formally recognising, recording and publishing the council’s governance arrangements.

The Framework requires local authorities to be responsible for ensuring that:-

- Their business is conducted in accordance with all relevant laws and regulations
- Public money is safeguarded and properly accounted for
- Resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The governance framework has been in place at North Devon Council for the year ended 31 March 2022, and up to the date of approval of the annual report and statement of accounts.

Our governance framework derives from core principles in the Framework. They are:

- 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 entities capacity, including the capability of its leadership and the individuals within it,
- f) Managing risks and performance through robust internal controls and strong public financial management,
- g) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

CIPFA has also recommended that, in addition to the normal content of the Annual Governance Statement, councils should make specific comment about the impact of the Covid-19 pandemic on its governance arrangements. These comments have been incorporated into a further core principle (h) which is under the heading “Operational and Governance matters due to the Covid 19 pandemic.”

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*” (2016) as set out in the Application Note to the Framework.

3. Key Elements of the Council’s Governance Framework

3.1 Council and Strategy and Resources Committee

- Set the budget, strategies and the corporate objectives
- Receive performance reports

3.2 Governance Committee

- Oversight of ethics and governance issues

- Dealing with complaints
- Receiving audit reports
- Risk Management
- Receiving performance reports
- Holding Strategy and Resources Committee to account
- Considering service plans

3.4 Senior Management Team

- Receiving performance reports
- Managing behaviours
- Dealing with health and safety issues
- Risk Management

3.5 Corporate Risk Group

- Identifying corporate risks and reporting

3.6 Statutory Officers

- Ensuring that the Council acts properly and lawfully

3.7 Internal Audit

- Independent and objective assurance to the Council

4. How we comply with the framework

In conjunction with Internal Audit, compliance with the Framework in meeting the principles, where governance can be seen in action, and the assurance received and issued identified, have been assessed in detail and are included in full in Appendix A. This statement, therefore, should be read alongside the assessment.

Under the headings below, the actions recommended by the assessment are highlighted.

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

These actions have been recommended:

- Review the process and template for keeping the register of the Members' interests up to date.
- Produce an Annual Equality Report.

Principle B - Ensuring openness and comprehensive stakeholder engagement

These actions have been recommended:

- Report more clearly how the Council budget is being spent.
- Finalise the Communication Strategy.
- Produce a Community Engagement Vision / Strategy.

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits

These are the recommended actions:

- Update the quarterly reporting process to include progress towards the Corporate Plan.
- Identify key strategies and policies required to progress the corporate plan, assigning roles and dates for renewal.
- Link programmes to the Corporate Plan, risks and performance indicators.
- Continue to work towards the recommendations within the Devon Districts Procurement Strategy.
- Consider how to provide more summary information on Council performance, and financial management.
- Update the Asset Management Plan to link to the Commercialisation Strategy.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

This recommended action emerges:

- Continue the work to rationalise the number of performance indicators so that they constitute the core indicators which monitor and report on performance.

Principle E - Developing the entities capacity, including the capability of its leadership and the individuals within it

This recommended action emerges:

- Continue the work to update and revised the staff training policy.

Principle F - Managing risks and performance through robust internal controls and strong public financial management

These are the recommended actions:

- Consider rationalising the number of risk on the corporate risk register to provide greater focus and review the Risk Management Framework.
- Undertake a compliance assessment against the new Financial Management Code, as required by CIPFA.

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

The assessment at Appendix A highlights that the implementation of good practices in transparency is evidenced by the Annual Governance Statement itself, which is discussed by the Governance Committee and subsequently Full Council. Audit recommendations are reported to the Governance Committee, and progress towards completion is tracked and reported. Performance monitoring reports are considered by the Strategy and Resources Committee and then Full Council. External audits are undertaken every year and reported through the Audit Findings Report and the Auditors Annual Report.

Principle H – Operational and Governance matters due to the Covid 19 pandemic

An internal audit was undertaken on safe staff operations during Covid 19. This provided a Reasonable Assurance that staff were properly supported during the emergency. Regular Senior Management Team meetings were held to co-ordinate the response to the pandemic, and regular staff briefings given to keep staff up to date with developments. Risk assessments were carried out in all business areas, new risks were assessed, and mitigating action applied where necessary.

The Council is now moving towards a hybrid working arrangement, supported by the Hybrid Working Policy approved in May 2022. There is currently a review of desk layout and office accommodation to support the hybrid approach moving forward.

5 Evaluation of the Effectiveness of Governance

5.1 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.

5.2 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 Governance Committee. During the year Internal Audit undertook 18 audits with the reports then sent to SMT for review.

All open Audit actions within the Internal Audit Reports are contained within a report presented to the Governance Committee. The Governance Committee takes an active role in ensuring actions are completed.

The effectiveness of Internal Audit in carrying out this function is assessed by the Governance Committee.

The service is provided by Devon Audit Partnership, an organisation owned by participating councils including North Devon Council. This enables access to a wide variety of skills and specialist practitioners. For 2021/22, the Internal Auditor opinion was Reasonable Assurance - a generally sound system of governance, risk management and control in place.

5.3 External Audit

The Council has appointed Grant Thornton as its external auditors.

The Audit findings for North Devon District Council for the year ended 31st March 2022 were that no material errors or adjustments to the financial statements were identified, and no adjustments were identified that resulted in an adjustment to the Council's Comprehensive Income and Expenditure Statement. The headline conclusion was that NDDC has proper arrangements to secure economic, efficient and effective use of its resources.

5.4 Other external agencies

The **Local Government and Social Care Ombudsman** (LGSCO) has publicly available records in respect of complaints received about each council. For 2021/2022, it appears that 8 complaints were received in relation

to NDDC, with the largest number (7) coming from the planning/planning enforcement, whilst one involved environmental services. In the preceding four years the numbers were 7, 17, 25, and 23 respectively.

Only two of the complaints were upheld after a detailed investigation.

The LGSCO has pointed out that some care should be taken in comparing the figures with those from previous years, as the Ombudsman did not accept new complaints and did not investigate existing cases between March and June 2020, because of Covid 19. This clearly reduced the number of complaints it received and decided.

The **LGA Peer Review** which took place in 2016 has been referenced in previous Annual Governance Statements. The Council undertook a further Peer Challenge in November 2019, and a report as to the outcomes was received in February 2020, but the onset of the Covid-19 pandemic has interrupted the reporting-back process and progress in implementing the recommendations. However, the Peer Review Team revisited the Council in Sept/Oct 2021 to refresh the report, which was published in January 2022.

The 2021 report noted that successful steps taken to further the commercialisation agenda, create senior capacity, embed a behaviours framework and to raise the profile and influence of the council on a regional and national footing. It also identified some challenges to overcome, the main points being:

- ensuring that the new Heads of Service have the capacity to deliver the challenging objectives
- engaging all councillors in reviewing the corporate priorities
- enhancing the partnership working with neighbouring councils

The Council have since held workshops with all Councillors to review the corporate priorities and agreed a capacity building plan for each service area.

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

No formal reports have been made by any statutory officer.

5.6 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 are considered by the Senior Management Team before agreement of the recommendations. This ensures that any action that stems from them is properly integrated into the Council's activity.

The Senior Management Team reviews and updates the Corporate Risk Register, supported by the Corporate Risk Management Group.

The Council's performance is reviewed quarterly. The Senior Management Team are the first step in the chain of monitoring and action that culminates in Strategy and Resources Committee decisions on the Performance and Financial Management Report.

Senior Management Team exercise control over all appointments and any staffing changes, including direct replacements have to be supported by business cases and approved by the Team.

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.

The composition of the Senior Management Team has been enhanced, from 1st September 2021, to address the perceived lack of capacity at senior level identified in the LGA Peer Review. The Team now comprises the Chief Executive, the Deputy Chief Executive, and seven Heads of Service.

5.7 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'. In addition there is information on a wide range of subjects available.

Following the onset of the Covid-19 pandemic, and the Government guidance for members of staff to work from home, wherever possible, both general and specific risk assessments have been issued to manage the return to work of those who have not been attending the workplace during the pandemic.

The Senior Management Team and the Council's Health Safety, and Welfare Committee (a joint staff/Member/management committee) has met during the year and received incidence statistics with notes of trends and actions taken. These meetings support the Health and Safety Advisor's introduction of improvements and updates to guidance or practices to mitigate risks/incidence issues.

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

5.8 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. No major issues have been identified.

Both the spirit and the letter of the General Data Protection Regulation have been fully implemented by the Council. Data Protection Champions have been appointed for each service area and these meet with the Data Protection Officer when issues arise. Training of all staff and Councillors has been undertaken and the Data Protection Officer is proactive in dealing with issues and concerns. All breaches are dealt with in accordance with the law and relevant guidance and the Data Protection Officer ensures that any changes that are highlighted by breaches are introduced. In the Data Protection Officer's absence, two other senior officers are briefed to deal with any emergency data protection issues arising.

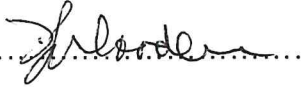
6. Accountability and Action Plans

North Devon Council has reviewed its governance arrangements under the auspices of this Annual Governance Statement, and in doing so it has been valuably informed by Devon Audit Partnership's audit of the governance arrangements.

Whilst the Council was very pleased to note the audit opinion in the Internal Auditors Annual Report for 21/22 of "reasonable assurance" that there is a generally sound system of governance, risk management and control in place, the Council is committed to ensuring the continuous improvement of the corporate governance arrangements. This can be achieved by continual assessment and by addressing the action points which have been highlighted

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 David Worden 
Leader

Ken Miles 
Chief Executive

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Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
How We Meet these Principles	Where You Can See Governance in action (details provided on the NDC website)	Assurance Received and Issues Identified
<p>Behaving with integrity</p> <p>There are Codes of Conduct for Members (conforming to the LGA guidance) and Staff (Employees Code of Conduct (May 2016)).</p> <p>Members Code of Conduct training is carried out by the Monitoring Officer (last done in January and April 2022)</p> <p>In terms of Culture, there has been a sustained approach in the last couple of years to instil a culture of openness and to encourage officers to come forward with issues and concerns.</p> <p>Governance Committee – one of primary responsibility is to consider compliance with rules, regulations, propriety etc.</p>	<p>Codes of conduct for members are kept up to date and were last reviewed and updated in Jun 2021. This latest code for Councillors puts increased emphasis on the individual responsibility of members.</p> <p>Members and Employees <u>Code of Conduct</u> explains how staff are expected to behave.</p> <p><u>Terms of reference and minutes of the Governance Committee.</u></p>	<p>A new Code of Conduct for Councillors and Co-opted Members was discussed and reviewed by the Governance Committee on 8th June 2021, and adopted by Council on 21st July 2021. Full training has been provided to Members in January and April 2022.</p> <p>Adherence to legislation (and Council regulations) related to the areas reviewed is confirmed in each internal audit undertaken. Terms of reference updated as part of wider review of Constitution in</p>

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<p>Councillors make declarations of interest at all Council meetings attended, which are published with minutes and held on our website.</p> <p>Registers of Member Interests are held. Interests held by staff are completed by them on the Myinsite section. In addition, the statement of accounts includes declarations of related party transactions for each member and senior officers.</p> <p>Gifts & hospitality rules exist for Members and Staff which are available on the internal intranet under the Myinsite section.</p> <p>Our Whistleblowing policy was reviewed in June 2021.</p> <p>We have a clear complaints procedure on our website. Customer Care guidelines are listed on our internal Insite.</p> <p>We take the Health and Safety of our Staff extremely seriously; this is supported by risk assessments (particularly related to the C-19 emergency, a H&S Committee exists to discuss issues / risks). Updates,</p>	<p>Requirement detailed in the <u>Constitution</u> (as per the Localism Act 2011).</p> <p><u>Register of interests</u> held on the intranet</p> <p><u>Complaints procedure</u> on the intranet. <u>Code of Conduct for Councillors and Code of Conduct for Employees</u> is available as part of the Constitution</p> <p><u>Customer Charter</u> provided on the <u>NDC website</u>.</p> <p><u>Health and Safety Policy – Statement, Organisation, Sick management policy.</u></p>	<p>July 2022 to include monitoring of power to set aside requirement to tender contract opportunities from Strategy & Resources Committee and urgent decision of Chief Executive.</p> <p>ACTION – Whilst the register has been updated a review of the process for reviewing and updating the register is required.</p> <p>Gifts & Hospitality and Declarations are audited every few years by Internal Audit.</p> <p>Internal audit review of Covid-19 Staff Safety provided a Reasonable Assurance (Jan 21). One significant recommendation was for more focus on staff mental health and well-being. This is being actively</p>
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<p>guidance and direction have been actively provided to officers on reducing the C-19 risk etc.</p> <p>We provide new Members with induction training on appointment. We hold corporate inductions for staff on a regular basis.</p> <p>We evaluate the on-going training needs of Members. Member training programme covering wide range of topics, after Elections (2019) and then refresher training 2 years later which Member Services working on now.</p> <p>We operate an annual appraisal scheme for all staff to identify development and skills needs and assess performance. Training needs are identified through this process, which results in identification of common themes to address through training or education.</p> <p>A Protocol exists in the Constitution which, amongst other things, deals with the relationship between Members and Officers and the access to information</p>	<p>In the <u>Constitution</u></p>	<p>addressed with the provision of trained mental health advisors and an overarching wellbeing strategy.</p> <p>A survey of training needs of Governance Committee members was undertaken as part of the June 2021 meeting</p> <p>Members have completed most of the Mid-Term refresher training, with the Fraud and corruption training scheduled for September Full Council</p>
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<p>Demonstrating strong commitment to ethical values</p> <p>Employees Code of Conduct (May 2016)</p> <p>Members' Code of Conduct</p> <p>Protocol on Member/Officer Relations</p> <p>Guidance for Members and staff on hospitality and gifts</p> <p>Planning code of conduct – written in Constitution.</p> <p>There is a range of key HR polices related to officers:</p> <ul style="list-style-type: none">➤ A Behaviour Framework has recently been produced through an internal consultative approach, and is being rolled out in July 2021 with five core behaviours, including those relevant to senior management to promote a consistent behaviour approach across the organisation.➤ Framework related to management behaviours and how managers are expected to behave (i.e bullying, harassment, engagement with staff etc).➤ Disciplinary policy and procedure➤ Grievance policy and procedure	<p><u>Code of Conduct</u></p> <p>Planning protocol in Constitution.</p> <p><u>HR policies.</u></p>	<p>A staff Well Being Survey was undertaken in 2022. The results of the survey will feed into the new staff Wellbeing Strategy and improvement plan.</p>
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<p>➤ Family Friendly Policy</p> <p>Regular Equality and Diversity training as part of continuing development.</p> <p>An Employee Handbook has been produced.</p> <p>Commitment to Equality and Diversity on the intranet via:</p> <ul style="list-style-type: none"> ➤ an Equality Strategy (2019-23) – to support equality in delivery of services and supporting staff. ➤ Equality in Employment <p>Adherence to Accessibility requirements are detailed in key documents and the internal intranet – all staff have been invited to participate in Accessibility Training.</p>	<p><u>Equality and Diversity</u></p>	<p>ACTION: Produce the Annual Equality Report which is a legal requirement. (also mentioned in the 2020/21 return)</p> <p><u>NDC has claimed top spot as best local authority website for accessibility in the Sitemorse INDEX</u></p>
<p>Respecting the rule of law and regulatory requirements etc</p> <p>The Constitution is under continuous review. The latest updates to reflect the governance changes have been reviewed by Governance Committee on 14th June 2022, with recommendations going to Full Council in July 2022. Ad-hoc changes are incorporated quickly.</p>	<p><u>Constitution published on intranet.</u></p>	

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<p>We comply with Statutory Provisions. Good awareness of the significant provisions in the different business areas. The Constitution lists some of those provisions.</p> <p>The section 151 officer and Monitoring Officer have specific duties to ensure the legality of decisions and processes and to investigate any alleged breaches.</p> <p>Compliance with CIPFA’s Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2015).</p> <p>We comply with the Whistleblowing legislation and have a Whistleblowing policy.</p> <p>We have up-to-date anti-fraud and corruption policies and procedures. These were updated, and approved by Governance Committee in June 2021. Work is currently underway to create a fraud risk register to help ensure controls are effective.</p> <p>Compliance with procurement regulations including competing contracts, and publishing list of contracts over £5k via the Contract Register.</p>	<p><u>Contract Register</u></p>	<p>Non compliance with statutory provisions are subject to appeals.</p> <p>The adequacy of the anti-fraud and corruption policy and strategy were confirmed by Internal Audit in February 2021.</p> <p>Internal Audit continues to work with the council to develop the fraud risk registers for high risk areas.</p> <p>An internal audit on Procurement in July 2021 gave reasonable assurance. Since the report we have also strengthened compliance to procurement regulations with changes to the constitution.</p>
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<p>General legal advice provided for business operations either as a stand-alone piece of advice or specific to a case on which Legal Services are instructed to advise.</p> <p>Role of Monitoring Officer – qualified, experienced individual and team of lawyers and solicitors.</p> <p>Statutory Officer Meetings have been introduced during 21/22</p>		
<p>Principle B: Ensuring openness and comprehensive stakeholder engagement</p>		
<p>How We Meet these Principles</p>	<p>Where You Can See Governance in action</p>	<p>Assurance Received and Issues Identified</p>
<p>Openness</p> <p>A breakdown on the level of Council Tax Charges, and how we spend the budget is contained on our Website.</p> <p>The public can ask for general information, or specific advice on planning, or other business operations via north Devon – there is a contacts page on the NDC site.</p> <p>We publish agendas and minutes for all our meetings on our website. Members of</p>	<p><u>See this page for Council Tax charges, and how the budget is spent.</u></p> <p><u>Contact Us page</u></p>	<p>ACTION: Provide an annual summary reports on costs, delivery, priorities etc. to report more clearly the impact it is having. (also mentioned in the 2020/21 return)</p> <p>Customer Services desk help ensure prompt resolution of queries and questions.</p>

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<p>the public are encouraged to attend, and also given opportunity to ask questions. This has continued even during the virtual meetings during the year.</p> <p>There is a process in committee meetings to agree with items are Part A and Part B for members to agree.</p> <p>We have an aim to inform, consult and involve everyone in North Devon.</p> <p>We publish “key decisions” on the website related to significant expenditure, or significant in terms of its effect on communities living or working in an area (or are these noted in the notes of the relevant Council meeting).</p> <p>Officer decisions taken by council officers are published on the intranet – and can be searched.</p> <p>We have a Freedom of Information publication scheme that enables the public to request information from us. These show that requests are largely being dealt with in the 20 working day timescale. We also have a Publication</p>	<p><u>Browse meetings section</u> Committee meeting dates, agendas and minutes of committee meetings.</p> <p><u>Taking Part in Meetings section</u> on the intranet explaining how public can visit and participate in council meetings.</p> <p>Consultation and Involvement / Communication Strategy - <u>Consultation and Engagement</u></p> <p><u>Officer Decisions</u></p> <p><u>Process to make an FOI request.</u></p> <p><u>Publication Scheme</u></p>	<p>Notes of our meetings are on the website (with the exception of Part B business and in certain other limited circumstances on an exceptional basis).</p>
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<p>Scheme which contains many council documents.</p> <p>Procurements are competed through Pro Contract to support fair competition. Generally all contracts worth more than £5,000 are shown on our Contracts Register. We also publish details of spend using our Government Procurement Card.</p> <p>We have a standard report template for Council papers to support ease of understanding and report writing.</p> <p>We have a calendar of dates for submitting, publishing and distributing timely Council reports.</p>	<p><u>Procurement approach, also listed in the Constitution.</u></p> <p><u>Contract Register</u></p>	
<p>Engaging comprehensively with institutional stakeholders</p> <p>We actively engage with other local councils. There are regular Chief Exec and Leader meetings with all Devon Councils, Devon Section 151 Officer meetings, similar through the authority with different service groups.</p> <p>We work closely with Torrridge District Council, including a North Devon and Torrridge Local Plan to guide</p>	<p><u>Local Plan</u>; Joint committees in place:</p> <p>A People and Place project has been established to review the NDC and Torrridge Local Plan and seek community involvement.</p>	<p>The Local Plan was subject to a Planning Inspectorate review in 2018 which noted the plan was “sound”.</p>

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<p>development, and have joint committees such as Local Planning with Torridge, Crematorium with Torridge, Building Control with Mid Devon.</p> <p>In October 2019 the Local Government Association undertook a Peer Review. The Peer Review Team revisited in Sept/Oct 2021 in order to refresh the report that was issued. These reports were presented to Full Council in January 2022 before being published.</p> <p>We meet with our local colleges of Further Education and key local employers on specific issues.</p> <p>Engagement with other local councils and other public organisations on Climate Change, including jointly employing a Climate Change Officer with Torridge District Council.</p> <p>A Northern Devon Future's Board has been created with local partners to look at strategic issues for North Devon</p>	<p>Engaging apprentices through local colleges to work in the council.</p> <p>There is a specific section on the NDC Website related to <u>business organisations</u>, and a Local Business Bulletin is produced by the Economic Development team providing focused news related to business organisations including support during the C-19 emergency.</p>	<p>Internal Audit of NMD Building Control in September 2020 which provided a Reasonable Assurance.</p>
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<p>Engaging with individual citizens and service users effectively</p> <p>We have a Customer Charter to improve how we interact and resolve queries from members of the public and provide</p> <p>We have community consultations: most recently on Animal Licensing Policy, Council Tax Reduction Scheme, Revising Hackney Carriage and Private Hire Licensing Policy, and Houses in Multiple Occupation.</p> <p>We have Planning Consultations (in conjunction with Torridge District Council) including the Georgeham Neighbourhood Plan.</p> <p>Facility to raise e-petitions (albeit, the last one raised was in 2017).</p> <p>We publish details of consultations and petitions on our website to get the public's views.</p> <p>E-mail newsletters are provided on what is happening in NDC and area – people can sign up to them.</p>	<p><u>Customer Charter</u></p> <p><u>Community Consultations</u></p> <p><u>Planning consultations</u></p> <p><u>Petitions</u></p> <p><u>There is a facility to sign up for newsletters</u> with content that can be customised by the individual for their own interest.</p>	<p>ACTION: Finalise the Communication Strategy and produce a Community Engagement Vision/Strategy to ensure the Council is reaching out to the community and is accessible in its communications.</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>Defining outcomes</p> <p>We agreed a North Devon and Torridge Local Plan in October 2018 to shape the future of the area. A People and Place project is underway to seek community involvement and input to changes to the Local Plan.</p> <p>Our Corporate Plan provides a high level guide to Corporate Priorities, why this is important, and facts and challenges. This includes priorities important for Sustainability (Cherish and protect our environment, and Plan for North Devon’s future). Some elements have been reported on, such as bringing forward the Commercialisation Strategy report to Full Council in November 2020.</p> <p>The Corporate Plan and corporate priorities were reviewed in December 2021, with new programmes being established to drive forward these plan. A Programme Management Office (PMO)</p>	<p><u>Local Plan</u></p> <p><u>Corporate Plan</u></p>	<p>ACTION: Quarterly reporting will be updated to include progress towards the Corporate Plan.</p> <p>ACTION: identify key strategies and policies required to progress the Corporate Plan assigning a role and trigger date for renewal</p> <p>ACTION: Programmes will be linked to the Corporate Plan, risks and performance indicators</p>

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was established to oversee the effective delivery of these programmes.

Programmes include:

- Organisational Development
- Housing & Community Safety
- Regeneration & Economic Growth
- Environmental enhancement
- Customer focussed

We have signed up to a Devon Districts Procurement Strategy 2019-22 which includes consideration of Sustainable Procurement, and increased engagement with Small and Medium Sized Enterprises and local businesses.

We have a NDC Procurement Sustainability strategy (albeit this is dated 2016). A Procurement Working Group has been set up to review procurement issues including sustainability and social value.

We have signed up to the Devon Climate Change Declaration, and appointed an officer shared with Torridge District Council to help us.

ACTION: Continue to work towards the recommendations within the Devon Districts Procurement Strategy.

Internal audit provided a Reasonable Assurance in July 2022 on Governance of Climate Change.

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<p>Sustainable economic, social and environmental benefits - delivering</p> <p>We have a Corporate plan, with four corporate priorities and a Delivery Plan related to those priorities. Our priorities are:</p> <ul style="list-style-type: none"> ➤ Delivering the best for our customers. ➤ Cherishing and protecting our environment. ➤ Planning for the future. ➤ Achieving financial security. <p>We have a Treasury Management function to maximise the return on our capital assets.</p> <p>A Climate Change action plan to support meeting the Net Emissions target was approved by Full Council on 12th January 2022. As part of this, we have recruited a Climate Change officer (shared with Torridge District Council).</p>	<p><u>Corporate Plan</u></p> <p><u>Budgets and Spending information for:</u></p> <p>Budget Book 2021-22 Budget 2021-22 and Medium Term Financial Strategy Statement of Accounts Capital Investment Plan Expenditure Data</p>	<p>ACTION: Consider how to provide more summary information for the public on <u>Council Performance, Performance and Financial Management</u>, and Performance Indicators as there is no easy to access information on delivery against priorities, plans or indicators. (also mentioned in the 2020/21 return)</p> <p>ACTION: While there is an Asset Management Plan, it is out of date and need re-writing to link to the new Commercialisation Strategy (also mentioned in the 2020/21 return).</p> <p>A Limited Assurance opinion was provided on Climate Change by internal audit in July 2021. Progress has been made on the recommendations, so the Internal Audit report in July 2022 provided a Reasonable Assurance Opinion. The report noted that meeting the Net Emissions target by 2030 would be challenging.</p>
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Annual Governance Statement (2021/22)

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
How We Meet these Principles	Where You Can See Governance in action	Assurance Received and Issues Identified
<p>Determining interventions</p> <p>Our governance is based on committee structure appointed by the council where key decisions are taken. Options are put to appropriate committees for review, discussion and approval – with a favoured officer recommendation for councillors to debate and chose.</p> <p>Decisions are delegated to specific officers as part of the Constitution.</p> <p>Devon Districts Procurement Strategy identified procurement strategy and priorities to address.</p> <p>Large Procurements subject to consideration of best value for money based on criteria agreed in advance.</p> <p>Regular reports on progress against the Corporate Plan including a set of agreed standard measures to Councillors and staff.</p>	<p><u>How the council operates</u></p> <p>Committee Report Procedure</p>	<p>The process for aligning service budgets, plans and objectives has been reviewed and is more effective</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>External Auditors report on the Statement of Accounts, including an opinion on Value for Money for the Council.</p>

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<p>Planning interventions</p> <p>The Corporate Plan is carried through into Service Plans which are approved by the Strategy and Resources Committee, following scrutiny by the Policy Development Committee. Individual appraisals then reflect the actions in the Service Plans.</p> <p>Progress towards completing actions is reported each month to the Senior Management Team and quarterly to the Strategy and Resources Committee and Governance Committee, along with performance indicators. Quarterly reports also go to Full Council so that all Members are aware of the progress.</p> <p>Budgets for different service areas are determined / approved at the start of the year, and outturn is monitored.</p> <p>Calendar of dates for developing and submitting plans and reports for council approval.</p> <p>Schedule for approval of key financial and governance documents such as financial plan.</p>	<p>Links to corporate plans, KPIs etc.</p> <p>Available in minutes of Council and committee meetings. Members of the public can attend these.</p>	
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<p>Details of consultations and petitions on our website.</p> <p>Key Performance Indicators have been established and approved for most service elements and are included in the quarterly report to members.</p>		<p>ACTION: Work has been undertaken to rationalise down the number of performance indicators. Further work is needed to confirm that these constitute the core indicators that can be used to monitor and report performance in all important sectors (also mentioned in the 2020/21 return).</p>
<p>Optimising achievement of intended outcomes</p> <p>A Budget Book, and Medium Term Financial Plan.</p> <p>Financial Strategy is discussed and agreed with Council.</p> <p>Process is all-inclusive, taking into account the full cost of operations over the medium and longer term.</p> <p>A Treasury Management Strategy is produced ahead of the start of the year, and a mid-year and Annual Report produced that goes to Strategy and Resources, Policy Development and Full Council.</p> <p>Risk management and performance monitoring are key measures to support interventions.</p> <p>The Governance Committee is supported by independent internal audit assurance</p>	<p>The Budget Book for 2021-22 and Medium Term Financial Strategy Plans which are reported to Full Council</p> <p>Treasury Management Annual Strategy</p> <p>Strategy and Resource reports</p> <p><u>Annual Report from External Auditors</u></p>	<p>External audit compliance to the NAO Code of Audit Practice</p>

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<p>reports provided by Internal Audit (DAP), and the External Auditors' annual opinion on the statement of accounts.</p> <p>Governance Committee 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 will receive regular update reports from both sets of Auditors and will hold management to account for any correcting action that may be required.</p> <p>A new Programme Management Office has been created as part of the new Organisational design for the council. This will support delivery of core priorities and projects.</p>	<p>Annual Report from Internal Audit, contained in the June 2021 Governance Committee papers.</p> <p>Individual's audits and updates from Internal Audit to Governance Committee.</p> <p>Agreement of Internal Audit Annual Plan by the Governance Committee</p>	<p>Conformance of Internal Audit to Public Sector Internal Audit Standards.</p>
<p>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</p>		
<p>How We Meet these Principles</p>	<p>Where You Can See Governance in action</p>	<p>Assurance Received and Issues Identified</p>
<p>Developing the entity's capacity</p> <p>We have undertaken a review of internal Governance to improve the council</p>		

Annual Governance Statement (2021/22)

structure and roles / responsibilities and capacity of senior management. This review has completed, and the new structure and heads of service posts have been in place since 1st September 2021.

The following Heads of Service are all in post from 1st September 2021:

- Head of Paid Service/Chief Executive
- Director of Resources and Deputy Chief Executive
- Head of Customer Focus
- Head of Environmental Enhancement
- Head of Governance
- Head of Organisational Development
- Head of Place and Regeneration
- Head of Planning, Housing and Health
- Head of Programme Management and Performance

A range of Key Performance Indicators are held on the use of council facilities including Leisure Centres, Park facilities,

The capacity building at senior management level was supported by the LGA Peer Reviews.

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<p>refuse collection, car parks (see earlier Action point).</p> <p>Use of NMD Building Control to share activity with Mid Devon.</p> <p>There is a close relationship with Torridge to cooperate i.e. Local Plan.</p> <p>Recruitment of a shared Climate Change Officer in mid 2021.</p> <p>Work has been undertaken to improve Business Continuity Planning, including Single Points of Failure and reliance on core suppliers, Service Resumption Plans etc.</p> <p>Significant investment in IT and remote working (particularly since start of the C-19 pandemic).</p>		<p>DAP audit of Business Continuity in February 2022 gave Reasonable assurance.</p>
<p>Developing the capability of the entity’s leadership and other individuals</p> <p>We evaluate the on-going training needs of Members. Member training programme covering wide range of topics, after Elections (2019) and then refresher training 2 years later which Members have now completed.</p>	<p>Constitution</p> <p>New Councillors Induction Programme</p> <p>Member Development Policy</p>	

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<p>We provide new Members with induction training on appointment.</p> <p>We provide ongoing management development as well as opportunities for aspiring managers</p> <p>As part of the new management organisation, senior management posts were widely advertised and were subject to a robust interview process against the Council behaviour framework.</p> <p>There are regular “managers forums” and staff briefings to share information, training (i.e. Cyber Security) etc and to cascade information down.</p> <p>We take the Health and Safety of our Staff extremely seriously with a H&S committee to discuss any issues or problems and resolve them.</p> <p>Our business areas are encourage the development of staff, engaging apprentices and offering additional qualifications and secondment opportunities</p> <p>There is a Staff Training Policy. This includes the requirement for Induction training provided to new staff involving a</p>	<p>Governance Committee recent Annual Review of the Committee’s Effectiveness</p> <p>Training Policy</p>	
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<p>days training on policies, procedures, H&S etc.</p> <p>All staff have job descriptions setting out their main duties the personal qualities/skills and attributes required for each post.</p> <p>We operate an annual appraisal scheme for all staff to identify objectives and monitor delivery against them, and identify development and skills needs and assess performance.</p>		<p>ACTION: The staff training policy is currently being reviewed and updated</p>
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<p>Principle F: Managing risks and performance through robust internal control and strong public financial management</p>		
<p>How We Meet these Principles</p>	<p>Where You Can See Governance in action</p>	<p>Assurance Received and Issues Identified</p>
<p>Managing risk</p> <p>The council holds a Corporate Risk Register, supported by Service Risk Registers.</p>		<p>ACTION: Consider reducing the number of risks on the Corporate Risk Register to provide greater focus. Review the Risk Management Framework</p>

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<p>A new Risk Management Framework has been created and will be reviewed by the CORGI</p> <p>All reports which go to Committee include a risk assessment as part of the required components on our report template.</p> <p>Risks on our risk register are allocated to individual managers who are named on reports.</p> <p>The Governance Committee actively monitors risks and controls at their meetings, with a formal review every year.</p> <p>DAP provides risk based internal audits where it provides assurance of control effectiveness against risks to delivery of business objectives.</p> <p>A new counter fraud policy and strategy was agreed in June 2021 by Governance Committee.</p>	<p>The performance of Devon Audit Partnership in completing the internal audit plan is monitored through regular Governance Committee updates.</p> <p>Internal audit reports that are significant such as providing a Limited Assurance, are discussed in Governance Committee.</p>	<p>DAP report on Risk Management in December 2020 which provided a Reasonable Assurance.</p> <p>The audit programme included review of most of the core financial systems used by the council. These did not identify any significant issue.</p>
<p>Managing performance</p> <p>Our Performance has been mapped to the Corporate Plan; all our Aims have performance measures.</p> <p>Benchmarking information is included where available; a Council –wide</p>		

Annual Governance Statement (2021/22)

<p>subscription to LG Inform Plus is improving the use of benchmarking and is regularly promoted by managers at Team meetings.</p> <p>Calendar of dates for submitting, publishing and distributing timely reports that are adhered to.</p> <p>The agendas and minutes of Strategy and Resources committee are published on our websites.</p> <p>Quarterly performance and financial management report taken to members which sets out financial information and also an appendix table of Key performance indicators and performance against service plan actions.</p>	<p>Committee Report Procedure</p> <p>Meetings, agendas etc</p> <p><u>Strategy and Resources Committee</u> minutes and supporting papers</p>	
<p>Robust internal control</p> <p>Detailed Council Regulations provide guidance and direction on council operations.</p> <p>A larger senior management team has helped the control framework.</p> <p>We have worked with our internal auditors to produce an Assurance Map which</p>		<p>Our external auditors provided an <i>“Unqualified opinion on the Councils financial statements for 2021-22.”</i></p>

Annual Governance Statement (2021/22)

<p>highlights strengths and weaknesses to support action prioritisation.</p> <p>We have updated our anti-fraud and corruption Policy and Strategy. A Fraud Working group has been set up to create a fraud risk register</p> <p>A partnership of Devon public sector organisations provide the internal audit service, and complies with the Public Sector Internal Audit Services. An audit programme is delivered each year based on a plan approved by the Governance committee.</p> <p>Our Governance Committee attend training offered internally and externally, including training provided by the S151 officer.</p>		<p>Assurance has been provided through internal audit assignment reports, AC progress reports and Annual report.</p> <p>Overall – for the 2021-22 audit year, DAP provided an overall 'Reasonable Assurance' - <i>generally sound systems of governance, risk management and control in place across the organisation.</i></p>
<p>Managing data</p> <p>We have Data Protection and Information Security Policies in place. This includes a Data Protection Policy, which describes how we handle use and protect personal data.</p> <p>We have mandatory Data Protection and Information Security training for all staff and Members.</p>	<p><u>Policies on NDC website, other policies are on our internal intranet.</u></p>	<p>DAP upgraded its cyber security assurance from Limited to Reasonable assurance in January 22</p>

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<p>We have a process to make information available if subject to freedom of information requests and data subject requests.</p>	<p><u>Process to make an FOI request</u></p> <p><u>Process to make a data subject request</u></p>	
<p>Strong Public Financial Management</p> <p>We publish a Budget Book for each year which includes the Revenue Budget, Capital Programme and Medium Terms Financial Strategy.</p> <p>Our annual Medium Term Financial Strategy covers the next five years.</p> <p>We produced a 10 year Capital Strategy</p>	<p><u>Budgets and Spending information</u> for:</p> <p>Budget Book 2021-22</p> <p>Budget 2021 22 and Medium Term Financial Strategy</p> <p>Statement of Accounts</p> <p>Capital Investment Plan</p> <p>Expenditure Data</p>	<p>ACTION: Undertake a compliance assessment against the new Financial Management Code as required by CIFPA (also mentioned in the 2020/21 return).</p> <p>Our External auditors will complete a risk based review of the Council's value for money arrangements. In 20/21 they concluded that NDDC had proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</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>Implementing good practice in transparency</p> <p>We publish our Statement of Accounts on our website.</p> <p>Annual Governance Statement produced, and signed by Chief Executive and Leader of the Council. AGS is discussed by Governance Committee and endorsed by Council.</p> <p>Quarterly performance and financial management report taken to members which sets out financial information and also an appendix table of Key performance indicators and performance against service plan actions.</p>	<p><u>Annual Audit Letter</u></p> <p><u>Annual Governance Statement.</u></p>	
<p>Implementing good practices in reporting</p>		

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<p>We publish our Annual Governance Statement (which includes a list of issues of concern) on our website. The AGS issues highlighted are reported to governance committee as part of the Audit recommendation tracker report of Pentana information, with progress notes</p> <p>We report on our performance quarterly to Strategy and Resources, Policy Development, and Full Council on our performance.</p>	<p><u>Annual Governance Statement</u></p>	
<p>Assurance and effective accountability</p> <p>We provide the notice of appointment of External Auditor onto our external website – Grant Thornton from 2018 to 2023.</p> <p>External audits are undertaken every year, and the results are published on our internet.</p> <p>External audit recommendations are progressed to completion. These are checked by EA in the next audit cycle.</p> <p>DAP has completed our annual self-assessment against the Public Sector Internal Audit Standards.</p>	<p><u>Audits, Inspections and Assessments</u> – containing the notice of appointment, annual audit letter</p> <p><u>Annual Audit Letter</u></p>	

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<p>Peer reviews have been undertaken, with one completed in 2016. An exercise was also undertaken in February 2020, but due to the emergency the report was not submitted for approval. A follow up LGA review was held in Sept/Oct 2021.</p>		
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H: Operational and Governance matters due to the Covid 19 Pandemic		
Possible Governance impacts and risks	What we have done	Assurance Received and Issues Identified
<p>Move from an office environment, to one where most staff worked at home. This may have resulted in increased risk related to reduced oversight and control over business operations, such as segregation of duties and approval timescales.</p> <p>Increased risk related to the Health and Safety of our staff, and members of the public.</p>	<p>Regular senior management meetings were held to coordinate the response to the emergency.</p> <p>Regular staff briefings were given to ensure staff kept up to date with developments. These were recorded for those that could not make the briefing, to watch when convenient.</p> <p>Risk Assessments undertaken for all business areas, and mitigating action put in place where necessary.</p> <p>A staff survey was held to assess home working arrangement.</p>	<p>An Internal Audit report on Safe Staff Operations during Covid 19 provided a Reasonable Assurance for how staff were supported. This included the results of a survey undertaken of staff, and review of the risk assessments of business areas.</p> <p>All DAP internal audits undertaken assessed how controls were maintained during emergency for that area audited.</p> <p>Reports to members continued to report on delivery of performance and KPIs.</p>

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<p>Other risks related to delivery may not have been identified and managed.</p> <p>IT systems may not have been able to support the increased capacity required to work from home for many of our staff.</p> <p>Inability to fully support the introduction and maintenance of health and safety measures required to ensure compliance with C-19 legislation.</p> <p>Inability to issue the significant amount of government grants to individuals and</p>	<p>Inductions of new staff were supported through virtual contact etc.</p> <p>New risks related to the pandemic were identified, and mitigating action put in place.</p> <p>Work from home arrangements implemented swiftly and effectively, with little impact on delivery.</p> <p>IT / infrastructure improvements implemented prior to, and during the emergency helped in that regard.</p> <p>IT equipment was provided to staff as required.</p> <p>Some council officers were re-assigned to provide the necessary work to ensure compliance with the C-19 regulations.</p> <p>Significant amount of government grants funding was issued at pace and safely using current staff resource. The Council Tax team was utilised to support this activity.</p> <p>The impact on council finances were estimated at an early stage, and plans and priorities were adjusted accordingly.</p>	
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<p>business organisations safely and at pace (while continuing with Business As Usual).</p> <p>Council meetings could not be held in person due to distancing requirements.</p>	<p>Council meetings were held virtually, and supported all legal requirements for openness.</p> <p>A small number of council meetings early in the emergency were cancelled, but vast majority of them were maintained.</p> <p>Meetings followed a set protocol to ensure they were properly held and could allow the effective and efficient operation of business.</p> <p>Maintenance of council buildings continued as per requirements, to support any return to office.</p> <p>The Council has now introduced a Hybrid Working Policy May 2022 and is reviewing office accommodation and desk layout to support our hybrid working model moving forward.</p>	
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