

## Introduction

Teignbridge District Council must ensure its business is conducted in line with the law and proper standards, and use public money economically, efficiently and effectively. It is the Council's duty to put in place arrangements for the governance of its affairs, and effective delivery of services.

In order to achieve good governance, we must put in place proper systems for managing and overseeing what we do. These arrangements are intended to make sure that we achieve intended outcomes while acting in the public interest at all times.

We have measured ourselves against the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework for Delivering Good Governance in Local Government 2016. This statement explains how Teignbridge District Council has complied with the principles and also meets the requirements of the Accounts and Audit Regulations (England) 2015 in relation to the publication of an Annual Governance Statement.

## The Guiding Principles



## **The governance framework**

The governance framework comprises the systems, processes, culture and values which direct and control our daily business, and includes the methods we use to engage, lead and account to the community. It enables us to monitor how we are doing and to consider whether our plans have helped us deliver appropriate services that are value for money.

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 risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute protection. The management of risk is an ongoing process designed to identify, prioritise and manage risks to the achievement of the Council's aims and objectives, and maximise opportunities.

The governance framework has been in place at Teignbridge District Council for the year ended 31 March 2018 and up to the date we approved the statement of accounts.

Examples of the things we do to comply with the good governance principles are as follows:

### **Behaving with integrity, demonstrating strong commitment to ethical values, and being lawful**

- The Council's Constitution, Member and Officer Codes of Conduct, and Vision and Values statement set out required standards
- Anti-Fraud and Corruption and Whistleblowing policies are publicised
- Registers of Interests are maintained to avoid conflicts
- The designated statutory Financial Officer and Monitoring Officer help ensure business is conducted lawfully
- Internal and external audit scrutinise Council activities and report independently on the extent to which laws, policies and procedures are complied with
- Audit Scrutiny Committee monitor and have oversight of governance
- Council services are led by trained and professionally qualified staff
- Comments and complaints processes are in place and publicised including how to complain to the Ombudsman
- Our 'fair for all' ethos is incorporated in the work we do, and we publish our adherence to the Equality Act 2010 duties annually

### **Ensuring openness and comprehensive stakeholder engagement**

- Our Consultation and Community Engagement Strategy and Toolkit encourages all members of the community to contribute to, and participate in the work of the Council
- Public have access to Council meetings, minutes and agendas
- A Communications Strategy was adopted in 2017 showing principles of engagement
- Our Residents Panel "Talking Teignbridge" is used as a sounding board and is representative as possible of the Teignbridge Community
- A Customer Reading Group ensures publications can be understood
- We are developing a Digital Strategy to guide the way services will be delivered with a digital first approach
- We survey customers bi-annually for their views on our services to help shape future direction, roadshows were provided to
- A Statement of Community Involvement sets out engagement processes for planning policy and applications, and a revision of our Local Plan is underway
- Our website has been continually improved based on what customers need

## **Defining outcomes in terms of sustainable economic, social and environmental benefits**

- A Ten Year Council Strategy guides our work. This was implemented following extensive research and consultation with residents, business and partners, and is underpinned by ten “Super Projects” each having a widespread impact on the economy, community wellbeing, and environment
- We have a Procurement Strategy in conjunction with other Devon Districts which defines our commitment to support local economies
- We are developing an Economic Development Plan which sets out how we support local businesses and the local economy
- A number of small grants and funding schemes are provided, which benefit local communities, a crowdfunding initiative is being investigated
- We belong to the Greater Exeter Partnership which is developing a Greater Exeter Strategic Plan for joined-up decision making on planning and infrastructure, and we are members of the Heart of the South West Local Enterprise Partnership
- A Capital Review Group determines capital spending priorities

## **Determining the interventions necessary to optimize the achievement of the intended outcomes**

- Performance measures track progress with delivery of the Ten Year Strategy
- A medium term financial strategy outlines how we intend to raise and manage the resources needed to deliver our services and priorities over the medium term
- Executive Key decisions are publicised in advance so they can be scrutinised in line with decision making and Overview and Scrutiny arrangements
- Overview and Scrutiny review groups are appointed to look at Council policy, services, and particular issues of local concern
- Internal Business Efficiency and Service Transformation Reviews (BEST2020) help ensure value for money in services is scrutinised, for efficient service delivery
- A digital transformation programme “One Teignbridge” was launched in 2017 to make service improvements
- A Partnership toolkit aids collaborative working and strong governance frameworks are in place for our key partners

## **Developing capacity including the capability of leadership and the individuals within it**

- Recognised recruitment and selection procedures and induction programmes are followed for both staff and members are in place
- Training and development needs are tracked through annual personal development and performance interviews for staff, Member development needs co-ordinated by the Democratic Services Manager. Group Leaders flag up any issues needed
- HR policies aim to promote the health and wellbeing of the workforce and the Investors in People accreditation is maintained

## **Managing risks and performance through robust internal control and strong public financial management**

- Our Risk Management Strategy is reviewed annually and risk management reports are reviewed by the Strategic Leadership Team (SLT) and the Audit Committee
- The Strategy requires risks to be managed at all levels including service, strategic, project and in all decision making

- Robust performance monitoring using a basket of indicators is undertaken by the SLT and Overview and Scrutiny Committee
- Our Interim Head of Corporate Services is the designated officer responsible for the proper administration of the Council's financial affairs.

### Being transparent, with good practices in reporting and audit, to deliver effective accountability

- Agendas, reports, and minutes of meetings are published, along with Key Decisions
- An internal audit function reports to the SLT and Audit Scrutiny Committee who also receive and consider the external auditors' findings
- Key data is published in line with Transparency Regulations, and timely responses are given to Freedom of Information Requests

### How do we know our arrangements are working?

At least annually, we review of the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by: the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment; the Audit Manager's annual report; and by comments made by the external auditors, and other review agencies and inspectorates. Assurances taken into account in the review include:

- Comfort statements completed by the Council's management team and significant partners, which cover their areas of control, acknowledge accountability for risk management and internal control, and certify their satisfaction with the arrangements in place throughout the year.
- Key officers' views on the standards of governance within the Council – specifically the Section 151 Officer (responsible for the Council's financial affairs), the Monitoring Officer, the Audit Manager, Risk Manager and the Health and Safety Advisor.
- The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council. The Monitoring Officer also reviews the operation of the Constitution, to ensure it is up to date, and reflects best practice and legal requirements. The Monitoring Officer has no concerns to report in this respect.
- The Standards Committee is available to support the Monitoring Officer on standards of conduct and probity issues. Changes to, and entries made in the register of members' interests are reviewed by the Monitoring Officer. The operation of the Standards Committee is being reviewed and this has also highlighted that the Council's Constitution would benefit from a refresh and update.
- The Overview and Scrutiny process has monitored the Council's policies and performance on an ongoing basis. Portfolio Holders have also kept issues under review during meetings with managers.
- The Audit Scrutiny Committee has reviewed arrangements for managing risk concluding that adequate risk management arrangements are in place.
- Counter fraud arrangements have been kept under review through a Fraud Risk Assessment and internal audits of high risk fraud areas.

- The Council's external auditor provided the Council with an unqualified opinion on the Council's accounts and positive Value for Money report within their Annual Audit and Inspection letter. They have attended all Audit Scrutiny Committee meetings where their reports have been considered.
- As a significant group relationship and activity, Strata Service Solutions Limited has been provided with positive assurance from the Devon Audit Partnership, as the provider of its internal audit services in 2017-2018.
- On behalf of the Council, Strata has maintained compliance with the Government Code of Connection, which is a mandatory set of security standards Councils must meet in order to connect to the Government Secure Network (PSN – the Public Services Network).
- An external review by the Electoral Commission concluded that the Council met all of their performance standards.
- The Local Government Ombudsman considered the Council at fault in 3 of the complaints received in 2017-2018. None were deemed to cause injustice.
- A review of legal proceedings and contingent liabilities revealed no issues arising from weaknesses in control or governance.
- CIPFA guidance on the role of the Chief Financial Officer in public service organisations was used to benchmark the Council's arrangements, giving assurance that standards were met in key areas.
- The system of internal audit has been reviewed. The review concluded that the system of internal audit is effective and remains a key source of assurance for the Council.
- Based on the assurance work undertaken by internal audit, the Audit Manager has provided an opinion on the adequacy of the control environment which concluded that this was adequate and effective. It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute. Isolated areas in which controls were below the required standard are reported initially to the Council's Strategic Leadership Team, who ensure prompt corrective action is taken, and ultimately to the Audit Scrutiny Committee.
- Internal Audit assessed corporate governance arrangements Council-wide by measuring the Council against the requirements of the governance framework outlined in the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government 2016, and the results of this are reported to the Audit Scrutiny Committee.

## Conclusion

We have been advised on the results of the review of the effectiveness of the governance framework by the Audit Scrutiny Committee and have noted their findings. Our governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework. Set out below, are the governance issues highlighted by this review which we aim to address during 2018-2019, along with an update on those previously reported in 2016-2017:

2016-2017 Reported Issue	Update
<p><u>General Data Protection Regulation (GDPR)</u></p> <p>The Council is currently considering the action necessary to ensure it complies with GDPR which comes into force in May 2018. This introduces significant changes to responsibilities of organisations that collect, store and share personal data.</p>	<p>The Council followed a compliance plan in the lead up to implementation date, assisted by consultants Data Privacy Advisory Services, which put it in a reasonably good position for the start of the new legislation. However, maintaining good data protection will need ongoing commitment and there are still some complex system issues to be resolved.</p>
<p><u>Review of Local Code of Governance</u></p> <p>The Council's Local Code of Governance has not yet been updated to adopt the new principles of the CIPFA/SOLACE framework.</p>	<p>This work is ongoing and will be combined with the Constitution review below.</p>
2017-2018 Identified Issue	Planned Action
<p><u>Standards Committee and Council Constitution</u></p> <p>The Council needs to continue its work to strengthen the Standards Committee through the appointment of a second independent person.</p> <p>The Council's Constitution is out of date.</p>	<p>Improvements are planned. The required independent person will be appointed and a review of both the committee and the Constitution will be undertaken.</p>

**Signed:**

**Leader of the Council**

**Managing Director**