

Taunton Deane Borough Council

Corporate Governance Committee – 23 June 2014

Annual Governance Statement (draft)

Report of the Corporate Performance Lead

(This matter is the responsibility of Executive Councillor Williams – Leader of the Council)

1. Executive Summary

This report invites members of the Corporate Governance committee to consider the attached draft Annual Governance Statement (AGS) for Taunton Deane Borough Council before it is signed by the Leader of the Council and the Chief Executive.

2. Background

- 2.1 Taunton Deane Borough Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.
- 2.2 Taunton Deane Borough Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework “*Delivering Good Governance in Local Government*”.
- 2.3 The Annual Governance Statement explains how Taunton Deane Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2011 in relation to the requirement to prepare an annual governance statement which must accompany the Statement of Accounts.
- 2.4 The Corporate Performance Lead has led the 2013/14 review of the governance framework, supported by the Monitoring Officer (Assistant Chief Executive), the Deputy s151 Officer (Assistant Director –

Resources), the Audit Manager, and other members of the Joint Management Team (JMT).

3. Annual Governance Statement (AGS)

- 3.1 The draft Annual Governance Statement is included as Appendix A to this report.
- 3.2 The conclusions from this review is that overall, the council's governance framework is robust and working effectively. This is further endorsed by the Group Auditor's annual opinion report 2013/14, which offers 'reasonable assurance' in respect of the areas reviewed during the year.
- 3.3 The AGS describes how the council complies with each of the six core principles of the Code of Corporate Governance, and additionally communicates significant governance issues and the steps that remain to be taken during 2014/15 to address these matters.

4. Finance Comments

- 4.1 There are no specific finance issues relating to this report.

5. Legal Comments

- 5.1 There are no specific legal issues relating to this report.

6. Links to Corporate Aims

- 6.1 The AGS reports on the governance framework which is essential to support the delivery of all Corporate Aims.

7. Environmental Implications

- 7.1 There are no direct implications in respect of this report.

8. Community Safety Implications

- 8.1 There are no direct implications in respect of this report.

9. Equalities Impact

- 9.1 There are no direct implications in respect of this report.

10. Risk Management

- 10.1 The council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The AGS describes the arrangements that are in place.

10.2 The council's Corporate Risk Register reflects the significant governance issues identified in the AGS, and the annual audit programme is developed and agreed with full consideration of risk.

11. Partnership Implications

11.1 Key services supporting our arrangements for governance are delivered by our partners – Southwest One and South West Audit Partnership.

12. Recommendations

12.1 Members of the Corporate Governance Committee are requested to consider the content of and approve the draft Annual Governance Statement, as appended (Appendix A).

Contact:

Dan Webb
Corporate Performance Lead
01823 356441
Ext: 2504
d.webb@tauntondeane.gov.uk

APPENDIX A.

TAUNTON DEANE BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2013/14 (DRAFT)

Scope of responsibility

Taunton Deane Borough Council is responsible for making sure that:-

- its business is conducted in accordance with the law and proper standards
- public money is protected and properly accounted for
- public money is used economically, efficiently and effectively.
- there is a sound system of governance incorporating the system of internal control.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.

Taunton Deane Borough Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework "*Delivering Good Governance in Local Government*". A copy of the code can be obtained on request.

This statement explains how Taunton Deane Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of statement on internal control.

Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic 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 policies, aims and objectives and can therefore only provide reasonable and 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 policies, aims and objectives, to evaluate the likelihood and impact should those risks be realised. It ensures they are managed efficiently, effectively and economically.

The governance framework has been in place at Taunton Deane Borough Council for the whole year ended 31 March 2014 and up to the date of approval of the statement of accounts.

The Governance Framework

In March 2008, Taunton Deane Borough Council adopted a formal code of corporate governance in line with guidance provided by CIPFA and SOLACE. This describes how Taunton Deane discharges its responsibilities for putting in place proper arrangements for the governance of its affairs, incorporating the six core principles identified by CIPFA / SOLACE. The framework we have in place to ensure we adhere to the Code is described in more detail below.

Core Principle 1: Focusing on the purpose of the Council and on outcomes for the community creating and implementing a vision for the local area.

- The Council has a 3 year Corporate Business Plan (2013/14 – 2015/16) which was developed after detailed consultation work with councillors and all political groups and following an external peer review by the Local Government Association (LGA). It sets out a new Vision, four corporate aims, and a series of high level actions to achieve its aims and transform the council, ensuring statutory requirements are met whilst being fit for purpose, addressing funding pressures and setting a balanced, sustainable budget. The Corporate Business Plan is the Council's core planning document, from which the Financial Strategy, Medium Term Financial Plan, Annual Budget, Asset Management Plan, Capital and Housing Strategies are formed to underpin the corporate aims. Service Plans are produced from the Corporate Business Plan to show how each service will contribute to the delivery of the Corporate Aims and its service objectives.

Hyperlink to TDBC Corporate Business Plan: [TDBC Corporate Business Plan](#)

- The council has developed and approved a new 'Growth Prospectus for Taunton' which feeds into a higher-level Somerset Growth Plan – this document sets out an ambitious vision, commitment and a clear direction for the growth of Taunton's economy over the period to 2028, together with an outline of the key schemes needed to deliver Taunton's full economic potential. In addition, a project was completed in 2013 to deliver a 'Taunton Rethink', which is a short sharp health-check of the Taunton Vision, and sets out a refreshed set of ambitions and plans for the future of Taunton Town Centre. A robust Programme Management approach and governance structure is being established in 2014 to deliver the council's growth outcomes.
- The 2013/14 Performance Outturn Report and Annual Accounts review our performance over the last year. An Annual Report is also published highlighting some practical examples of our activities, achievements, financial position and performance.
- The council's Joint Management Team, Scrutiny Committees and the Executive review our performance and delivery of the strategic and service delivery plans and priorities on a quarterly basis. All performance and finance reports are published on the council's website.
- Additional performance monitoring reports for key service delivery partners are also reviewed by the management team and Scrutiny committees (eg Southwest One, Somerset Waste Partnership, Tone Leisure).

- The Taunton Deane Partnership comprises key agencies within the public and voluntary sectors that seek to tackle both urban and rural deprivation. The focus of activity within Taunton is North Taunton, Taunton East, Wellington and the rural areas. The TDP have prepared the Priority Areas Strategy and Action Plan (PAS). This was developed through extensive consultation and engagement. The PAS contains four themes: building strong communities, improved access to services, improving the lives of the most vulnerable families and improving the look and feel of priority areas. A revised version of the PAS will be published in summer 2014. The TDP also supports the delivery of the Troubled Families agenda and the Somerset Health and Wellbeing Strategy
- Actively supporting the Halcon One Team model which recognises the government agenda of joining up public services at the point of delivery. This model has delivered significant outcomes to the community particularly around reduced crime. Our structure proposals look to extend this model across other parts of Taunton Deane.
- To ensure the council makes best use of resources and provides value for money to service users, Service Plans and service profiles have been developed, which include: financial & personnel resources, and performance & service cost comparisons with other similar authorities (benchmarking). Work is continuing to build benchmarking data into on-going performance reports.

Joint Management and Shared Services:

- TDBC & WSC jointly developed a business case for joint management and shared services. The business case went through the democratic process and was approved by both Councils in Nov 2013.
- Between Jan-Mar 2013, the management teams from both councils met on various occasions to discuss and develop the expectations and vision for a partnership. The Leaders from both councils also worked together early on in the process to ensure they held common aims and expectations.
- During the development of the Business case a Joint Members Advisory Panel (JMAP) was established – JMAP. This included 4 members from each council. Following the approval of the business case, this has developed into the Joint Partnership Advisory Panel (JPAG), with a similar format, 4 members from each council and also now includes the leader from each council.
- An elected member development programme is also in the process of being developed with the support of the LGA/member peers and a member representative from each council.
- Communications plans during the business case development and since approval, have included activities to keep members from both councils informed of proposals and actions underway. These activities have included member briefing sessions at key stages of the process
- Outcomes and benefits to the community include - Value for money services, Attracting funding to the council to improve the council and maintain level of service delivery, Maintaining local democracy and a greater local/regional/national influence/ representation as a partnership than as individual councils

Core Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles.

- The Council's constitution documents the roles and responsibilities of the Council, Executive, Scrutiny, Policy Development, Regulatory and Officer functions. The constitution is kept under review by the Constitutional Sub-Committee. All proposed changes are considered by the Corporate Governance Committee and Full Council. The Constitution was reviewed and updated in January 2014 to reflect the TDBC / West Somerset Council 'JMASS' project.
- The Statutory Officers meet as a Corporate Governance Group. The Monitoring Officer and S151 Officer are members of the Joint Management Team (JMT) and the Senior Leadership Team (SLT) which meets weekly and regularly considers governance issues.
- The Group Leaders, Chief Executive and other relevant key officers meet regularly to share information and discuss any issues for the authority.
- The strategic direction of the organisation and sponsorship of key objectives and priorities is undertaken by the Joint Management Team, which consists of the Directors, Assistant Directors, Assistant Chief Executive and a representative of Southwest One – who meet on a monthly basis with the Chief Executive. In addition to this the Chief Executive, Assistant Chief Executive and Directors (the Senior Leadership Team) meet on a weekly basis.
- The Council's Lead Officers meeting monthly along with the members of JMT. Many items are discussed and the contents of the OneTeam Briefing are approved in these meetings. The expectation is that key messages are shared back to teams through team meetings.
- The Leader and Chief Executive meet on a monthly basis in order to maintain a shared understanding of roles and objectives.
- The statutory roles of Monitoring Officer and Chief Finance Officer and Head of Paid Service are well established with their own control regimes to enhance the control environment, and these roles are embedded within the new Joint Management structure. In the new JMT arrangements in place since Jan '14, the Assistant Chief Executive and monitoring officer is a member of the Senior Leadership Team (two deputies are also appointed and are available to cover both WSC and TDBC)
- There is a member/officer protocol that sets out the standards of behaviour expected to ensure a good working relationship between members and officers.
- Portfolio holders and the shadow portfolio holders meet key officers on a regular basis to discuss relevant issues within their portfolio.
- The financial management arrangements are reviewed on a regular basis to ensure they conform to the requirements of CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework. From Jan 2014 onwards, the Chief Financial Officer and Section

151 provision is covered by the Director – Operations as part of the TDBC/WSC Joint Management now in place. The Chief Financial Officer is a CCAB qualified accountant and is responsible for maintaining a robust system of internal control

- TDBC is part of a partnership called Southwest One. We are represented on the main Southwest One Board, which meets quarterly, through a nominated elected member. The Board is responsible for setting the strategic direction of the company and for its financial performance
- The Assistant Director – Corporate Services meets on a monthly basis with Southwest One's CEO and Senior Responsible Officers of the other two partners, to discuss strategy and broad operational issues. They also meet on a monthly basis with the Southwest One Director of Service Operations and the Heads of Client of the other two partners, to discuss day to day operational issues

Joint Management and Shared Services:

- A transparent, equitable and fair recruitment process has been developed with input from Unison and JPAG to support the re-structure phase of the partnership. The 'Creating a shared workforce and transition redundancy policy' report was presented to and approved both councils in Nov 2013
- The Chief Executive meets monthly with the Leader of TDBC and Leader WSC individually and again with both Leaders together on a monthly basis.
- All staff briefings are held monthly with sessions at West Somerset House and Deane House. These are headed up by the CEO and Asst CE with support from other Directors and Assistant Directors as required. Senior management Team (SMT) briefings are also being held to disseminate information at key stages of the restructure process.

Core Principle 3: Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- The Localism Act 2011 made a number of changes to the Standards Regime which was implemented by the Council in July 2012. The Council decided to keep a Standards Committee. The Committee is politically balanced with five elected members, three independent co-opted members and two parish council representatives. In addition the Council also appointed an Independent Person and a reserve Independent Person. The terms of reference for the Committee are set out in the Constitution set out at

<http://www.tauntondeane.gov.uk/irj/public/council/councillors/councillor?rid=/wpccont ent/Sites/TDBC/Web%20Pages/Council/Councillors/Taunton%20Deane%20Standar ds%20Committee>

- The Committee promotes and maintains high standards of conduct by Councillors, advising and training on the member's code of conduct, dealing with complaints against members, and any issues raised by the Monitoring Officer. The Committee submits an annual report to the Council's Corporate Governance Committee, and deals with any formal complaints as required.

- The Council has a set of four Core Values and Business Principles which underpin and support the Council's Vision, and reflect its fundamental beliefs as an organisation and guide how it deals with staff, customers and partners.
Core Values:
 - **Integrity** – we will be honest, do what is right and stick to it
 - **Fairness** – we will consistently treat everyone as an equal, respecting their individual needs and abilities
 - **Respect** – we will always show respect for everyone
 - **Trust** – we will show trust and confidence in our staff and customers
 Business Principles:
 - **Quality Services** – ensuring the delivery of accessible, quality services that provide good value for money (either as direct providers or through partnership)
 - **Customer Driven** – we will put the needs of our customers at the heart of all that we do
 - **A dynamic organisation** – innovative, forward-looking and focussed on results
 - **Environmentally Responsible** – we will minimise the environmental impact from our operations
- Managers are responsible for ensuring that staff operate within council policies, procedures and legislation and for the management of risk and maintenance of risk registers.
- A complaints procedure is in place for the Council to receive and investigate any complaint made against Borough or Parish members.
- Internal and External audit work together to review and provide annual opinions on the control framework, governance and validity of the annual accounts.

Joint Management and Shared Services:

- The Joint Partnership Advisory Group (JPAG) that provides the member governance for the JMASS programme encourages mutual working and trust between the member representatives.
- Member development programme is in development will encourage opportunities for TDBC/WSC members to meet and work together. There is also the potential in the future for joint committees eg. Audit/Standards.
- The project mandate agreed by both councils, included the non-negotiable issues and these were reflected throughout the development of the business case. eg, retain sovereignty/no cross subsidy.
- The trust and respect of and between the councils and management has been key to the speed of progress that has been made. Following the appointment of the Joint Chief Executive and the establishment of the Joint Management team (in place by Jan 2014) there has been the promotion and endorsement of a 'OneTeam' culture across both councils. This approach is also under-pinned by the agreed employment model where people appointed in the new structure are employed by TDBC.
- Additional HR resource (from SCC and via internal secondment) has been drafted in during the development of the business case and latterly as the restructure gets underway to support the recruitment process.
- A Joint Unison Board (unison reps from TDBC & WSC) was established at an early stage of the partnership process (first meeting held Mar '13). JUB meet

monthly and are consulted at all stages of the process e.g. Employment model, recruitment process, Job evaluation process

Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and risk management arrangements

- Taunton Deane Borough Council has a published Constitution that sets out the decision-making arrangements and the responsibilities for different functions. There are clear rules of procedure for the running of business meetings and details of delegated authorities to individuals. The Monitoring Officer is responsible for the Constitution.
- Corporate Scrutiny and Community Scrutiny were set up in April 2009. Performance issues identified in the monitoring reports can be referred to other committees for further scrutiny.
- The main decision making body of the Council is the Executive, which consists of the Leader together with 7 Councillors and carries out all of the Council's functions, which are not the responsibility of any other part of the Council.
- Council meetings are open to the public (with the exception of items that are exempt under the Access to Information Act). The Council makes every effort to advertise meetings, communicate decisions and minutes to ensure they are publicly available.
- The Executive has a published Forward Plan of Decisions to be taken and meets on a monthly basis. The Forward Plan was amended in line with the Local Authority (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and now has a column where it is anticipated that confidential items are likely to be discussed and allows for representations to be made to state why a decision should not be made in private session. To date no representations have been received.
- Executive Councillors have delegated authority to make certain decisions, which are published in the Council's Weekly Bulletin. This, together with an appropriate level of delegation to senior managers, enables speedy and effective decision-making. In addition, all draft Executive minutes are circulated with a call-in pro-forma to all councillors, ensuring a prompt response to any request.
- The Council has in place a Risk Management Policy and Strategy, and maintains a Risk Management Action Plan which ensures that Risk Management is embedded within the Council and aligned with our partner organisations. The strategy sets out clear limits of responsibility for risk management across the Council. Major projects and partnerships also have risk registers in place and JMT has reviewed and refreshed the Corporate Risk Register during the course of the year
- Council committee reports include a standard section for the consideration of risks, which informs decision-making.

- TDBC operates a Corporate Governance Committee which is independent of the Executive and Scrutiny functions of the Council. They cover a wide remit and deal with such things as health and safety, risk management, recommend changes to the Constitution in addition to receiving any audit reports given to the Authority.
- The council's Fraud and Whistle-blowing policies were updated during 2013/14.

Joint Management and Shared Services:

- Savings from the Joint Management and staffing restructure were based on a budget envelope to ensure the required savings would be achieved.
- The business case identified savings from joint management and staffing restructure was based on a budget envelope to assure savings are achievable. Savings from future transformation phase were not included because it relies on member appetite for change and cannot be anticipated with enough assurance at this stage.
- There are many services delivered by both councils that can be integrated into a single delivery team
- There are also differences (eg Housing stock/coastal management) which can still be brought together under joint management & structure, although the scope for savings in these areas through joining services is obviously more limited
- Staff briefings held throughout the process have clearly stated the reasons and advantages of the partnership. A monthly project newsletter was produced during development of the business case to keep staff informed and this has been replaced with the 'OneTeam'
- A risk register was developed and maintained as part of the business case process and was monitored and managed by the project board and JMAP. Following approval of the business case an implementation risk register has been drafted and this is monitored and managed by the project board and JPAG.
- Risks associated with the Partnership project are also included in the joint TDBC/WSC Corporate risk register as appropriate.

Core Principle 5: Developing the capacity and capability of members and officers to be effective in their roles

- The Council aims to ensure that officers and members have the knowledge, capacity and skills they need to undertake their duties, and this is reviewed through the appraisal system. An induction programme is in place for all new staff and new Members.
- A 'Programme Management Group' oversaw and monitored the Council's programme of major projects during 2013/14 – a key role was to understand capacity and resourcing issues within project delivery, and report to JMT to enable these issues to be addressed. The council's approach to programme management for corporate transformation and growth and development projects will be strengthened as part of the new 'JMASS' management structure during 2014/15.
- All staff have a performance review and employee development (PRED) meeting with their manager. Performance is reviewed and an action plan for the next period is set. This assists the member of staff in the performance of

their work, help develop their skills and identify any training needs. Members have member development plans to help them carry out their roles effectively.

- As part of the annual planning processes the Learning and Development Lead liaises with all senior managers on the training plans before preparing a plan for JMT approval. Work is currently underway regarding an organisational development programme to ensure that staff appointed into the new 'JMASS' structure have the appropriate support, training and development to be effective in their new roles.
- In addition to this there is a corporate training plan developed every year to meet corporate needs. This year the Corporate Business Plan is being used as the baseline for identifying needs and this also links to the emerging Workforce Plan.
- The Council's Performance Management Framework ensures that the links between the Council's Corporate Objectives, Operational Plans and those of individual officers are clear.
- All Executive reports are required to include an Equalities Impact Assessment to ensure that members make decisions with a clear understanding of the impacts on groups with protected equalities characteristics.
- The Council has regular member briefings and training opportunities (such as Finance) which cover a range of issues and to ensure that the members are fully equipped with the skills they need in order to be effective leaders in their community.

Joint Management and Shared Services:

- The business case includes an ICT programme including technologies to enable managers and staff are able to work effectively across the disparate office locations. This includes a dedicated secure communications line that has been installed between Deane House and West Somerset House. A trust domain has also been established to enable both MS Outlook instances to be integrated, including calendars. Work is underway to combine/integrate building access control systems at both locations.

Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

- The Council consults using a variety of methods, which include public meetings, forums, surveys, feedback forms and focus groups. Listening to and understanding the views of residents, services users, business people, visitors and staff is important to Taunton Deane Borough Council. A corporate Consultation Register is maintained.
- Council's vision and priorities are regularly communicated to the Community through the Somerset County Gazette, especially through the 'Deane Dispatch' page each month.
- The Council produces the Annual Statement of Accounts. The Council Tax booklet shares with Council Tax and Business Rate payers, details on the Council's financial position (ie a summary of the Statement of Accounts),

priorities, and other useful information and is available on line and also available in paper format on request.

- Committee and Council meetings are open to the public, with papers available on the internet.
- There is regular community engagement and participation through specific community groups involving Housing, Environmental Health, Planning and Democratic Services.
- Set up a Tenants Services Management Board, whose members include tenants and councillors. This board holds the Housing Service to account including performance and expenditure and helps shape the direction of the service. Other groups such as the Tenants Forum and Sheltered Housing Forum also allow tenants to have a strong voice in ensuring accountability of the Housing service.
- The Council encourages all types of feedback (complaints, compliments, comments & suggestions) from a number of channels (website, telephone, e-mail/letter, face-to-face), and these are logged on a central database for analysis and review. A Customer Feedback Guidance & Process document is available for Managers and Officers to deal with feedback consistently and effectively.
- Corporate use of social media ('Twitter') is being trialled during 2013-14, and a policy is being developed
- The corporate communications function has been moved into the corporate centre under the responsibility of the Assistant Chief Executive – this will enable closer links with elected Members and the Democratic Services function. Various communication methods are in place to ensure effective internal communications (eg Core Brief / 'One Team' newsletters, staff briefings / Senior Management Team / Leads meetings)

Joint Management and Shared Services:

- Communications plan to support the business case process included keeping community groups and key stakeholders informed.
- A press briefing was held on 1st Oct '13 to ensure the media were kept in the loop and able to report accurately about the business case proposals.
- TDBC's weekly brief and WSC's community matters have also been used to communicate information at key stages.
- Communications, since the Business case approval has been focused internally (for staff and members) appropriate to this stage of the process.
- Communications plan being updated for the next stage of the process and successes at key stages will be communicated to the public as appropriate
- Monthly staff briefings, regular member briefings and the monthly newsletter circulated to all members and officers are key communication channels at this stage of change, to reinforce the 'OneTeam' ethos, to highlight successes and future proposals and developments of the transformation phase.

Review of effectiveness

Taunton Deane Borough Council has responsibility for conducting, at least annually, a review of its governance framework including the effectiveness of the system of

internal control. The review of the effectiveness is informed by senior managers within the Council who have responsibility for the development and maintenance of the governance environment, and also by the work of the internal auditors, external auditors.

The review for the 2013/14 statement was led by the Corporate Performance Lead Officer, supported by the Monitoring Officer (Assistant Chief Executive), the Deputy Section 151 Officer (Assistant Director – Resources), and the Council's Audit Manager. The process that has been applied to maintaining and reviewing the effectiveness of the governance framework include:

- **South West Audit Partnership** - Internal Audit (SWAP) is subject to regular inspection by the Council's external auditors who place reliance on the work carried out by Internal Audit. In addition, the s151 Officer carries out an review annually.
A summary of the Internal Audits undertaken during 2013/14 where level 4 () and 5 () recommendations together with their mitigating actions and an update on progress of these is attached as Appendix B
- **Grant Thornton** (as external auditors)
- **Local Partnerships** (subsidiary of the LGA) - undertook the assurance review of the Joint Management and shared services business case)
- **Corporate Governance Committee** - reviews the effectiveness of Internal Audit, and the Annual Governance Statement. It receives reports from internal audit on a quarterly basis and agrees Internal and External Audit Plan
- **Standards Board**
- **Executive committee**
- The **monitoring officer** has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are adequate. The Council reviews the constitution regularly – the latest review being undertaken in March 2013.
- The Council's **Financial Regulations** are kept under continuous review – the last review was approved in December 2012

The conclusion of the review is that, overall, the governance arrangements are robust and are working effectively. Some issues need attention and they are set out below.

Significant governance issues

During the year the Group Auditor (South West Audit Partnership) brought a number of control issues to the attention of the Council's Corporate Governance Committee. The opinion of the Internal Auditors was that the control environment was "*reasonable*" in 2013/14.

High priority recommendations were made in the following areas from audits during 2013/14 - these continue to be included on the council's action plan for 2014/15:

- Strengthening of contractual arrangements
- Creditors – purchase ordering and new creditor authorisation processes
- Equality & Diversity – compliance with requirements and duties
- Fraud – improve awareness of Corporate Counter Fraud & Corruption policy & strategy
- Information governance – introduce a confidentiality code of practice
- **Business Continuity Planning (to be confirmed)**

ACTION PLAN

(NB - still under development)

Area	Action	Who	When
Strengthen contractual arrangements	Address legacy arrangements that are in place where contracts have expired		
	Develop a process to keep Contracts register up to date to ensure it is an accurate reflection of contracts in place.		
Creditors – purchase ordering and new creditor authorisation processes	Ensure vendor checks are undertaken to confirm change of details are correct.		
	Retrospective PO still occurs – address the on-going issue from the previous year.		
Equality & Diversity – compliance with requirements and duties	Monitor compliance and adherence to the TDBC Equalities framework.		
	Increase awareness of the TDBC framework and expectations (staff training and awareness).		
Fraud	Improve awareness of the approved Corporate Counter Fraud & Corruption policy & strategy		
Information governance	Introduce a confidentiality code of practice		
Priority Area Strategy	Improve clarity surrounding the ownership of reviewing the outcomes of PAS, bringing this information to a central point.		
	Introduce a defined reporting structure to formally inform the dashboards.		
Business Continuity Planning			

The Council proposes over the coming year to take steps to address the above matters in order to further enhance our governance arrangements. Regular reports will be made to the Corporate Governance Committee on the progress being made. 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:

Signed:

Cllr John Williams

Penny James