

NAME OF COMMITTEE	Audit Committee
DATE	5 June 2014
REPORT TITLE	CODE OF CORPORATE GOVERNANCE - 2013/14 COMPLIANCE REVIEW
Report of	S.151 Officer Monitoring Officer Chief Internal Auditor
WARDS AFFECTED	All/Corporate

Summary of report:

The purpose of this report is to inform Members of the results of the 2013/14 compliance review of the 2011 Code of Corporate Governance. The Code describes South Hams District Council's intention to discharge its responsibilities, and how the Code will be tested and monitored annually.

Overall responsibility for Governance rests with the Council, but monitoring of compliance with the Code will be carried out on its behalf by the S.151 Officer, Monitoring Officer and Chief Internal Auditor reporting annually to the Audit Committee.

The Accounts and Audit (Amendment) (England) Regulations require the Council to publish an Annual Governance Statement, which describes the Governance Framework and review of the effectiveness of the Code of Corporate Governance and System of Internal Control.

Financial implications:

None: within existing budgets.

RECOMMENDATION

That the Committee note the findings of the 2013/14 Compliance Review of the Council's Code of Corporate Governance 2011, including the significant governance issues to be taken to the Annual Governance Statement.

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1. BACKGROUND

- 1.1 CIPFA (Chartered Institute of Public Finance and Accountancy)/SOLACE (Society of Local Authority Chief Executives) provided updated guidance on Corporate Governance in the 2007 document 'Delivering Good Governance in Local Government – Framework', which also introduced the Annual Governance Statement. This was the basis of the Council's 2008 version of the Code of Corporate Governance.
- 1.2 The document described governance as being about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, culture and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate lead their communities. Minor updates took place in 2011.

The Principles of Corporate Governance

- 1.3 In 2004, the Independent Commission for Good Governance in Public Services (set up by CIPFA and the Office for Public Management) published a set of common principles that it wants all public sector organisations to adopt as a standard.
- 1.4 Their report '*Good Governance Standard for Public Services*' sets out six core principles it says should underpin the governance arrangements of all bodies and which form the basis of the CIPFA/SOLACE guidance and the Council's 2008 Code of Corporate Governance:
 - Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 - Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 - Developing the capacity and capability of Members and officers to be effective; and
 - Engaging with local people and other stakeholders to ensure robust public accountability.

The Council's 2011 Code of Corporate Governance

- 1.5 The 2011 Code was adopted on behalf of the Council by the March 2011 Executive.

- 1.6 Backing each of the six principles is a series of 'supporting principles', each of which in turn translates into a range of specific requirements of the Council under the Code.
- 1.7 The Council's 2011 Code of Corporate Governance reflects the model provided by the CIPFA/SOLACE *Application Note to Delivering Good Governance in Local Government: a Framework*: March 2010. and reflects the CIPFA *Statement on the Role of the Chief Financial Officer in Public Service Organisations* – June 2009.
- 1.8 In 2012 CIPFA/SOLACE issued new guidance entitled 'Delivering Good Governance'. The document provided a revised suggested structure for the Annual Governance Statement, as well as a revised Code of Corporate Governance. The covering report suggests that there is a need for the Code to be updated to reflect the role of the head of internal audit. However, the template Code provided does not reflect the suggested changes, or the above March 2010 update. The guidance makes it clear that it is not essential to use the template, but it was decided not to update the Council's 2011 Code of Corporate Governance until the guidance has been clarified.

Discharging Responsibilities under the Code Including Monitoring

- 1.9 Overall responsibility for Governance rests with the Council.
- 1.10 However, direct responsibility for monitoring compliance will rest with the Section 151 Officer (S.151), the Monitoring Officer and Chief Internal Auditor. These officers are a group of individuals within the Council who have the appropriate knowledge, expertise and levels of seniority to consider the extent to which South Hams complies with the principles and elements of corporate governance set out in the framework.
- 1.11 Much of the work involves issues of legal and financial propriety and includes:
- Identifying systems, processes and documentation that provide evidence of compliance e.g. the Constitution;
 - Identifying the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified;
 - Identifying issues that have not been addressed in the Council and consider how they should be addressed; and
 - Identifying the individuals who would be responsible for undertaking any actions that are required.
- 1.12 The Code of Corporate Governance sets out the requirement for it to be monitored and tested for compliance on an annual basis.
- 1.13 It states that the subsequent report with an action plan for significant governance issues will be presented to the Audit Committee.

Results for the 2013/14 Review

- 1.14 The Appendices A to F set out the 2011 Code of Corporate Governance and the compliance review results. In the left hand and central columns is the 2011 Code,

and in the right hand column the actions that the Council is taking that satisfy its requirements. **Shaded bold blue print indicates a change compared with the 2012/13 review**, text not in bold means that arrangements have remained unchanged.

1.15 The main changes during 2013/14 are the:

- **Issues at Section 2;**
- **Progress on the 2012/13 Action Plan at Section 3;**
- **T18 Transformation Programme;**
- **Our Plan.**

1.16 At the end of each Appendix is a separate table noting any gaps in the governance arrangements for that Principle, which will be carried into the Annual Governance Statement 2013/14.

2. ANNUAL GOVERNANCE STATEMENT 2013/14

2.1 The results of the annual review described above must be reflected in the Council's Annual Governance Statement (AGS) with the annual published accounts.

2.2 Appendices A to F demonstrate that for Principles 5 and 6 there are no issues to raise in relation to the governance arrangements.

2.3 However, the following matters may be taken to the Council's AGS as required under the guidance:

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

Compliance Review Findings for this Principle	Action Plan with Responsible Officer & Target Date
<p><i>South Hams District and West Devon Borough Councils are forging ahead with innovative plans to transform the way they carry out their work.</i></p> <p><i>Internally this is known as the T18 Transformation Programme.</i></p> <p><i>They plan to introduce a new working model within the next two years, which ensures the way they deliver their services to residents and communities remains at the very heart of everything they do.</i></p> <p><i>The changes will cast aside the traditional ways of local government, and long-established Council departments will be replaced by customer-focussed teams of officers who will work out of the office and more within the community.</i></p> <p><i>The Councils will invest in the latest technology to enable residents and businesses to conduct their business online 24 hours a day, seven days a week. Those who prefer will still be able to contact the councils in the conventional way, such as by phone or through visiting the council's offices.</i></p> <p><i>The Councils' workforce will be smaller, reducing the need for office accommodation, and all staff roles will change.</i></p>	<p><i>The S.151 Officer, Monitoring Officer and Chief Internal Auditor will monitor the governance of the T18 Transformation Programme and its impact on the Constitution including the related Procedure Rules.</i></p> <p><i>S.151 Officer Monitoring Officer Chief Internal Auditor Timescale in line with the Programme</i></p>

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

Compliance Review Findings for this Principle	Action Plan with Responsible Officer & Target Date
<p><i>Last year it was reported that the Monitoring Officer was in the process of reviewing an Overarching Agreement between the two Councils, which will also include responsibilities relating to contract liabilities e.g. costs incurred in relation to disputes by one of the two Councils only under a shared contract. A 'Collaboration Agreement' has been drafted and passed to the Leader and Deputy Leader, Director, S.151 Officer and the Council's insurers for comment. The Agreement will be presented to full Council later in the year.</i></p>	<p><i>As planned, the Monitoring Officer should complete the production of a Collaboration Agreement, which should also include responsibilities relating to potential contract liabilities, and present the document to full Council.</i></p> <p><i>Monitoring Officer 31st December 2014</i></p>
<p><i>The Monitoring Officer was putting in place Onward Delegation documents, setting out those areas delegated by the Heads of Service to the relevant Middle Manager. However, a decision has been taken to delay implementation of these Delegation documents until the roles and responsibilities of officers are clarified post T18 Transformation Programme.</i></p>	<p><i>The Monitoring Officer should ensure that post T18 Transformation Programme, Onward Delegation documents, setting out those areas delegated by the Heads of Service to the relevant managers.</i></p> <p><i>Monitoring Officer 31st December 2014</i></p>

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

Compliance Review Findings for this Principle	Action Plan with Responsible Officer & Target Date
<i>The Information Access Policy was written in 2007 and would benefit from an update.</i>	<i>The Information Access Policy should be reviewed and updated as an aligned policy with West Devon Borough Council, having regard to any impact on it brought about by the T18 Transformation Programme.</i> <i>Deputy Monitoring Officer</i> <i>31st December 2014</i>

Issues for Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:

Compliance Review Findings for this Principle	Action Plan with Responsible Officer & Target Date
<i>A linked Anti-Fraud/Confidential Reporting leaflet has been put on notice boards around the Council and sent to Town/Parish Councils and Libraries but would benefit from an update as reported to the Audit Committee at the April 2014 meeting in the Audit Commission checklist 'Protecting the Public Purse.</i>	<i>The linked Anti-Fraud/Confidential Reporting leaflet should be reviewed and updated and published and distributed appropriately.</i> <i>Chief Internal Auditor</i> <i>Monitoring Officer</i> <i>30th September 2014</i>

2.4 The AGS itself is the subject of a separate report to the Audit Committee (June meeting) whose role is to review the Statement and supporting evidence provided and if satisfied recommend approval of the AGS to the Council.

3. PROGRESS on the 2012/13 ACTION PLAN

3.1 The results of the annual review for 2012/13 presented to the meeting of the Audit Committee (June 2013) were reflected in the Council's Annual Governance Statement (AGS) with the annual published accounts.

3.2 The following table show the review findings from last year and the action taken against the action plan.

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

Compliance Review Findings for this Principle	Progress on Action Plan to Date
Data Quality Strategy The Council's Data Quality Strategy should be reviewed and updated and the appropriate approval sought for any revised document.	Implemented. The Data Quality Strategy was updated and approved by the Senior Management Team (SMT) in December 2013 although SMT noted that it would change in future due to the T18 Transformation Programme.

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

Compliance Review Findings for this Principle	Progress on Action Plan to Date
<p>Overarching Agreement The Monitoring Officer is in the process of reviewing an Overarching Agreement between the two Councils, which will also include responsibilities relating to contract liabilities e.g. costs incurred in relation to disputes by one of the two Councils only under a shared contract.</p>	<p>A Collaboration Agreement has been drafted and sent to the Executive Director responsible for internal transformation, the S.151 Officer and the Council's Insurers for comment.</p> <p>The Leaders and Deputy Leaders of both Councils have also reviewed the Agreement, which is expected to be presented to full Councils a little later in the year.</p>
<p>Onward Delegation The Monitoring Officer is putting in place Onward Delegation documents, setting out those areas delegated by the Heads of Service to the relevant Middle Manager.</p>	<p>A decision has been taken to delay implementing the issue of Onward Delegation documents until the changes in officers' roles and responsibilities brought about by the T18 Transformation Programme are known.</p>
<p>Partnership Framework The Council's Partnership Framework, Policy and Guidance and reporting requirements would benefit from a review and update as a shared approach with West Devon Borough Council. The Council's Director should consider which corporate resource is best placed to oversee the Council's Partnership Framework, Policy and Guidance. The identified officer should review the Council's Partnership Management Framework and ensure that the related Policy and Guidance is updated as a shared document with West Devon Borough Council.</p>	<p>Implemented. The appropriate officer was appointed and has completed:</p> <ul style="list-style-type: none"> • A new Partnership Policy approved by the Executive; • Supplementary guidance to officers involved with partnerships; • A partnership register and identification of significant partnerships; and • Preparation for an annual report to Scrutiny in late summer/autumn of 2014.

4. LEGAL IMPLICATIONS

4.1 The legal implications are itemised through the report, which is required under Accounts and Audit (England) Regulations 2011 (latest).

5. FINANCIAL IMPLICATIONS

5.1 None, within existing budgets.

6. RISK MANAGEMENT

6.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

Corporate priorities engaged:	All
Statutory powers:	Accounts and Audit Regulations 2011
Considerations of equality and human rights:	No specific equality and human rights issues arising from this report.
Biodiversity considerations:	No specific biodiversity issues arising from this report.
Sustainability considerations:	No specific sustainability issues arising from this report.

Crime and disorder implications:	No specific crime and disorder issues arising from this report.
Background papers:	<ul style="list-style-type: none"> • The Council's Code of Corporate Governance 2011; • CIPFA/SOLACE (2012) Delivering Good Governance in Local Government; • CIPFA/SOLACE Application Note to Delivering Good Governance in Local Government: a Framework: March 2010; • CIPFA Statement on the Role of the Chief Financial Officer in Public Service Organisations – June 2009; • CIPFA/SOLACE (2007) Delivering Good Governance in Local Government – Framework; • CIPFA/SOLACE (2007) Delivering Good Governance in Local Government – Guidance Note for English Authorities.
Appendices attached:	<p>Appendix A – Principle 1: Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;</p> <p>Appendix B – Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles;</p> <p>Appendix C – Principle 3: Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;</p> <p>Appendix D – Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;</p> <p>Appendix E – Principle 5: Developing the capacity and capability of Members and officers to be effective; and</p> <p>Appendix F – Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.</p>

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Adoption of a Code of Corporate Governance	Adoption of the Code of Corporate Governance, in line with the guidance provided by CIPFA/SOLACE, will enable the Council to formally demonstrate that it is committed to good governance: doing the right thing, for the right people, in the right way. A sound Governance Framework.	3	2	6	↔	<p>The Council will be able to readily demonstrate to the community and other stakeholders that the principles of Corporate Governance are being adhered to.</p> <p>The adoption of a Code of Corporate Governance, written in line with the CIPFA/SOLACE framework and guidance will make it possible to readily monitor compliance.</p>	The Council; S.151 Officer; Monitoring Officer; Chief Internal Auditor.
2	Review of the Code of Corporate Governance	The Council may not be able to readily demonstrate to stakeholders and inspectors that the principles of Corporate Governance are being adhered to.	2	2	4	↔	<p>Monitoring compliance of the Code of Corporate Governance will enable the Council to address any weaknesses in the Governance Framework identified, and feed the Annual Governance Statement (AGS) process.</p> <p>The Terms of Reference of the Audit Committee include 'to consider the Council's arrangements for corporate governance and to ensure compliance with best practice and to receive and comment upon an annual review of the Council's Code of Corporate Governance'.</p>	Audit Committee; S.151 Officer; Monitoring Officer; Chief Internal Auditor.

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			3	2	6	↔		
3	Annual Governance Statement (AGS)	<p>Risk that if the Corporate Governance process is not formalised and brought together, some aspects may fall by the wayside.</p> <p>The Council may not approve the AGS or the Leader and Chief Executive (Head of Paid Service) be able to sign because issues are identified, resulting in adverse comment.</p> <p>The Council may not act within the 'Accounts and Audit Regulations', and be publicly criticised by the external auditor as a result.</p>	3	2	6	↔	<p>The Council will produce an Annual Governance Statement, in line with the latest guidance, describing the governance framework and reflecting issues identified from a number of assurance streams including the review of the Code of Corporate Governance.</p> <p>The Annual Governance Statement will include an action plan to address any issues identified by the compliance monitoring of Corporate Governance, and will be reviewed by the Council's external auditors and published with the Council's accounts.</p>	The Council; Audit Committee; S.151 Officer; Monitoring Officer; Chief Internal Auditor.

Direction of travel symbols ↓ ↑ ↔

Applying the Principles of Good Governance – Principle 1

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for service users.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Develop and promote the Council's purpose and vision; Review on a regular basis the Council's vision for the local area and its impact on its governance arrangements; Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners; 	<p>Purpose and Vision</p> <p>The Strategic direction is set by Members at formal meetings. The December 2010 meeting of the Council approved four new high level priorities: Community Life, Economy, Environment and Homes. These are to be reviewed in early 2014/15. The Priorities are confirmed in Article 6 of the Constitution and are published on the Council's website.</p> <p>'Our Plan' will be one strategic plan setting out a vision, long term priorities and planning policies that are in line with the National Planning Policy Framework To support this plan there will be an annual action plan to achieve the longer terms priorities and objectives supported and informed by partner and community plans. This process will also help to commission services in a more effective way. We are currently working with Members to agree the scope of the plan and we will then shape and develop the plan throughout 2014 with a view to implementing it on the 1st April 2015. The Local Plan element, setting out planning policies and broad locations and sites for development, will also then be submitted to the Secretary of State and have to undergo an Examination in Public to ensure it is sound.</p> <p>Partnerships</p> <p>Article 9 of the Constitution allows the Council or the Executive to enter into joint arrangements with other bodies in order to promote the economic, social or environmental well-being of its area. The Executive approved the adoption of an updated Partnership Policy in December 2013. It is supported by supplementary guidance for identifying significant partnerships, considering the purpose of joining a partnership, risk management, governance arrangements, information sharing, monitoring and scrutiny .</p> <p>Connect Partnership</p> <p>On 14th July 2011, the Executive approved the Connect Strategy. This sets out the priorities for the period 2011-2015 and the four detailed Delivery Plans (Community Life, Economy, Environment and Homes) for each of the new priorities for that period.</p> <p>The Connect Strategy is produced by the South Hams and West Devon Connect Partnership, replacing the Local Strategic Partnerships, and brings together key stakeholders from the community, voluntary, business and public sectors.</p> <p>The Strategy links to plans of partner organisations and the Partnership's Governance arrangements include a Delivery Group comprising of the key stakeholders who monitor plans and report to a Connect Partnership Board etc. A Connect Strategy 'Annual Update' was published in 2013/14 and is available on the Council's website.</p>

Applying the Principles of Good Governance – Principle 1 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for service users. (Continued)</p>	<ul style="list-style-type: none"> Publish an annual report on a timely basis to communicate the Council's activities and achievements, its financial position and performance. 	<p>Publishing Activities and Achievements</p> <p>The Leader of the Council presents an annual report to the Council of the achievements made against each of the Priorities in the public session of the meeting. The Leader fields questions from Members with technical assistance by officers.</p> <p><i>For 2013/14 a new initiative was agreed by Council whereby 30 minutes is set aside during each informal Council (on the morning of full Council meetings) for Executive members to answer questions on the activities and achievements of their areas of responsibility.</i></p> <p><i>The Council's magazine, 'South Hams Living' is produced annually in the autumn with contributions from Devon County Council and the NHS and is sent to all households in the district. It contains some key financial data and other information that is felt to be useful to the community. It is also available via Twitter and Facebook.</i></p> <p>A leaflet issued with Council Tax and NDR bills describes how council tax is spent. It is a joint leaflet with the other 'precepting' authorities.</p> <p><i>From 2014/15 there is no requirement to send a council tax booklet. An electronic equivalent is placed on the web site and a link to it included in the bills.</i></p> <p>In addition from March 2012 the community and other stakeholders can subscribe to e-Connect for news of services, events and other information.</p> <p>Financial Statements</p> <p>The financial statements are certified by the S.151 Officer by 30th June and subsequently approved by the Audit Committee by 30th September as required by the Council's Constitution (Part 3 Delegation Scheme).</p> <p>They are produced in line with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) and published, including on the Council's website.</p> <p>The statements explain the Council's financial position and performance, annual activities and achievements. They are advertised in the press and are available from the Head of Finance and Audit or on the Council's website.</p> <p>The Council's responsibilities for the effectiveness of the Council's system for risk management, internal control and corporate governance are published separately in an Annual Governance Statement that accompanies the financial statements.</p>

Applying the Principles of Good Governance – Principle 1 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.</p>	<ul style="list-style-type: none"> Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available; Put in place effective arrangements to identify and deal with failure in service delivery. 	<p>Quality of Service and Data</p> <p>This Data Quality Assurance Strategy outlines the approach that is needed to maintain the highest possible standards, controls and validation throughout all the data processes. It clearly indicates the role each individual has to play in the production and analysis of data and recognises the need that data is accurate, reliable and timely in informing service provision and in supporting good decision-making. <i>The Strategy was updated in 2013 and approved by the Senior Management Team in December 2013.</i></p> <p>The Council uses a suite of performance indicators that include measurement of the quality of service. A 'Balanced Scorecard' system of regular reporting of the key indicators to the Senior Management Team (SMT), and Members (Corporate Performance and Resources Scrutiny Panel).</p> <p>The basis of the indicators and the processes that produce them are subjected to audit by the Council's internal auditors with generally satisfactory results.</p> <p>Consultations and customer surveys are regularly issued either corporately or by individual services and are discussed further at Principle 6 (Appendix F).</p> <p>Failure in Service Delivery</p> <p>Arrangements to identify and deal with failure in service delivery are in place for problems of all sizes e.g. Members and senior managers monitor response to any large scale issues that may arise. Article 3 of the Council's Constitution supports the citizen's right to complain.</p> <p>As well as the normal 'Contact Us' information, the Council's website includes a Comments and Complaints page which outlines the procedure for making a complaint, suggestions, and how to contact the Local Government Ombudsman.</p> <p>A procedure for dealing with complaints is included within the Complaints Policy, which links to the internal complaint management software. <i>A quarterly report is provided to SMT on the number of complaints by service and category with the lessons learned. The number of complaints also features in the balance Scorecard described above.</i></p>
<p>c) Ensuring that the Council makes best use of resources and that tax payers and service users receive excellent value for money.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Decide how value for money is to be measured and make sure that the Council or partnership has the information needed to review value for money and performance effectively. 	<p>Performance and Value for Money</p> <p>The Connect Strategy has four detailed Delivery Plans (Community Life, Economy, Environment and Homes). Wherever possible the delivery plans seek to maximise opportunities from shared services to deliver efficiencies, be more cost-effective and improve outcomes for local people. The targets set within these plans are achievable and realistic delivering outcomes for local communities. Progress against the targets is reported regularly to the Connect Partnership Board and the relevant Scrutiny Panel.</p>

Applying the Principles of Good Governance – Principle 1 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>c) Ensuring that the Council makes best use of resources and that tax payers and service users receive excellent value for money. (Continued)</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Decide how value for money is to be measured and make sure that the Council or partnership has the information needed to review value for money and performance effectively. Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the Council meets its policy and service objectives and provides effective stewardship of public money and value for money in its use; 	<p>Performance and Value for Money (continued)</p> <p>The External auditor's <i>Audit Findings Report</i> is presented to the Audit Committee (latest September 2013) and included an unqualified Value for Money conclusion for 2012/13. The assessment of the Council's arrangements for securing economy, efficiency and effectiveness is measured against criteria including financial management and resilience.</p> <p>Their Annual Audit Letter was sent to members separately in October 2013. The letter referred to the Securing Financial Resilience Report and confirmed the conclusion that the Council made proper arrangements to secure economy, efficiency and effectiveness in the use of resources. The letters and reports are made available on the Council's website.</p> <p>The Council is a member of the Sparsity Partnership for Authorities delivering Rural Services (SPARSE) a grouping of the most rural local authorities in England. SPARSE provides service managers with comparative analysis reports based on audited data. An electronic performance management and information system (Covalent) is in use. All managers are required to record their performance indicators (PIs) and this is the basis of the 'Balanced Scorecard' reports described earlier.</p> <p>The Covalent system is also used to identify and manage risks, actions to improve performance, recording controls to mitigate risks and the deployment of resources. It provides managers with the opportunity to compare performance with other Devon Council's, as well as flagging up whether data has met or missed its target or due date.</p> <p><i>A report to a Special Council meeting in October 2013 detailed the financial challenge faced by the Council over the next four financial years. It proposed the adoption of the T18 Transformation Programme which aims to deliver a new model in partnership with West Devon Borough Council which will ensure quality services for customers and communities. The Council carried the motion and the model comprising the commissioning/delivery model, transformed shared business process and ICT was adopted. Governance of the Programme is separate with a Steering Group comprising senior members from both Councils who, at a meeting in January 2014, agreed Terms of Reference for itself and a Programme Board. Reports and minutes are available on the Intranet.</i></p> <p>Financial Advice</p> <p>Financial information and advice is provided to all managers. Budget holders have access to the Council's general ledger and are supported with advice by a nominated accountant.</p> <p>A system of consultation, as well as agenda overview by the S.151 and Monitoring Officers, ensures that reports to decision makers contain accurate information.</p>

Applying the Principles of Good Governance – Principle 1 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>c) Ensuring that the Council makes best use of resources and that tax payers and service users receive excellent value for money. (Continued)</p>	<ul style="list-style-type: none"> • Ensure that the Council maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action where necessary; • Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code. 	<p>Prudential Financial Framework</p> <p>The Council publishes a Medium Term Resource Strategy each year, which covers a four year period. That for period 2014/15–2017/18 was approved by the Executive in July 2013 and has regard to the Priorities, business planning – pressures and savings, government grant settlements, council tax, and reserves. It also reflects the revenue implications of the capital programme.</p> <p>An annual budget approval process is in place which includes consultation with all of the main member bodies and the community. The budget is approved by the Council following recommendation from the Executive. Quarterly reports to the Executive monitor income and expenditure against the approved budget.</p> <p>The Capital Programme is approved by the Council on recommendation of the Executive, who also receive monitoring reports on the progress being made on the Programme.</p> <p>The annual Statement of Accounts includes the performance against the budget in the year and the impact on balances.</p> <p>Treasury Management</p> <p>The Council complies with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code. A Treasury Management Strategy Statement and Annual Investment Strategy are approved by the Executive and Council at the beginning of each year and at the end an annual report. Half yearly updates are also provided.</p>

Principle 1 - Action Plan

Compliance Review Findings for this Principle	Recommendation	Action Plan with Responsible Officer & Target Date
<p><i>South Hams District and West Devon Borough Councils are forging ahead with innovative plans to transform the way they carry out their work. Internally this is known as the T18 Transformation Programme.</i></p> <p><i>They plan to introduce a new working model within the next two years, which ensures the way they deliver their services to residents and communities remains at the very heart of everything they do.</i></p> <p><i>The changes will cast aside the traditional ways of local government, and long-established Council departments will be replaced by customer-focussed teams of officers who will work out of the office and more within the community.</i></p> <p><i>The Councils will invest in the latest technology to enable residents and businesses to conduct their business online 24 hours a day, seven days a week. Those who prefer will still be able to contact the councils in the conventional way, such as by phone or through visiting the council's offices.</i></p> <p><i>The Councils' workforce will be smaller, reducing the need for office accommodation, and all staff roles will change.</i></p>	<p><i>The S.151 Officer, Monitoring Officer and Chief Internal Auditor will monitor the governance of the T18 Transformation Programme and its impact on the Constitution including the related Procedure Rules.</i></p>	<p><i>S.151 Officer Monitoring Officer Chief Internal Auditor Timescale in line with the Programme</i></p>

Applying the Principles of Good Governance – Principle 2

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Ensuring effective leadership throughout the Council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.</p>	<ul style="list-style-type: none"> Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's Members individually and the Council's approach towards putting this into practice; Set out a clear statement of the respective roles and responsibilities of other Council Members, Members generally and senior officers. Ensure that the CFO reports directly to the Chief Executive (Head of Paid Service) and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explaining the reasons publicly, together with how these deliver the same impact. 	<p>Member Roles and Responsibilities</p> <p>The Council's Constitution defines the roles and responsibilities of the Council, Executive, Overview and Scrutiny and all other Member bodies, Members generally and senior officers. Its purpose is 'to ensure the good governance of the Council in the public interest'. It aims to enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations, and support the active involvement of citizens in the process of decision-making (Article 1). Article 2 describes the role and functions of all Councillors. Linking with the Delegation Scheme (Part 3), Article 4 describes the Full Council, Article 6 the role of the Executive and Article 5 that of Overview and Scrutiny. Article 10 outlines the functions and areas of responsibility of senior officers, including the Chief Executive (as Head of Paid Service) until 31.12.2013, Directors, Heads of Service and the statutory officers (Section 151 and Monitoring Officers). It states that the Council may engage such staff (referred to as officers) as it considers necessary to carry out its functions.</p> <p>At the December meeting the Council resolved to move towards an Executive Director model as an interim measure from 01.01.2014 until 31.12.2014 (at the latest), with the Corporate Director (AR) being assigned the role Head of Paid Service. The Constitution has been amended accordingly. The Director leading on internal transformation and resources has line management responsibilities for a Head of Service with whom a formal personal relationship exists. Senior members felt that moving the management of this Head of Service would have a detrimental effect on the transformation programme. A paper setting out the areas of potential conflict and mitigations was presented to the Senior Management Team in January 2014 to seek their support in managing the perception of risks of a conflict of interest.</p> <p>The Constitution is available on the Council's web-site. The roles and responsibilities are subject to regular review by the Council and the Constitution itself is monitored and evaluated annually as set out in Article 13.</p> <p>Members of the Executive, Scrutiny and the Leader and Chairman of the Council have 'job descriptions' that describe their roles.</p> <p>Status of the Chief Financial Officer (CFO)</p> <p>Part 7 of the Constitution, Management Structure, demonstrates that the CFO reports directly to the Chief Executive (Head of Paid Service) and is a member of the Senior Management Team with a status equivalent to other members.</p> <p>The Management Structure shows a shared management team with West Devon Borough Council.</p>

Applying the Principles of Good Governance – Principle 2 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Ensuring that a constructive working relationship exists between Council Members and officers and that the responsibilities of Members and officers are carried out to a high standard.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation, and ensure that it is monitored and updated when required; 	<p><i>Delegation Scheme/Collective Decision of the Council</i> Part 3 of the Council’s Constitution sets out the Delegation Scheme and has been updated for 2013/14. It includes the Principles of Delegation, the list of powers reserved for the Council and Delegations to the Executive, Committees and other Council bodies. Subject to those matters which are reserved for Committee all Senior Officers shall be responsible and shall have delegated authority for the day to day operation and management of the Services and land for which they are responsible.</p> <p>Part 7 defines the Council’s Management Structure, including responsibilities.</p> <p><i>Delegation Scheme/Constitution</i> The Council has entered into shared working arrangements with West Devon Borough Council under which some officers’ services are shared. These officers have Shared Service Operating Agreements by means of which their services are made available to the partner authorities (under S.113 of the Local Government Act 1972) as well as their employer.</p> <p>Last year it was reported that the Monitoring Officer was in the process of reviewing an Overarching Agreement between the two Councils, which will also include responsibilities relating to contract liabilities e.g. costs incurred in relation to disputes by one of the two Councils only under a shared contract. <i>A ‘Collaboration Agreement’ has been drafted and passed to the Leader and Deputy Leader, Director, S.151 Officer and the Council’s insurers for comment. The Agreement will be presented to full Council later in the year.</i></p> <p>Officers are formally empowered to act by means of a resolution of each Council because it is essential that there is no doubt that they have proper authority, particularly (for example) where formal notices or permissions are issued or contracts signed.</p> <p>Article 13 of the Constitution (Review and Revision of the Constitution) makes the Monitoring Officer responsible for maintaining an up to date Constitution. Changes require the approval of the full Council <i>via recommendation by the Audit Committee.</i></p> <p>South Hams District Council’s Audit Committee April 2013 recommended approval of the Constitution, as part of the Monitoring Officers annual review. This included the delegations to member bodies and officers covering the Council’s Functions and Responsibilities (Part 3).</p> <p>The Monitoring Officer was putting in place Onward Delegation documents, setting out those areas delegated by the Heads of Service to the relevant Middle Manager. <i>However, a decision has been taken to delay implementation of these Delegation documents until the roles and responsibilities of officers are clarified post T18 Transformation Programme.</i></p>

Applying the Principles of Good Governance – Principle 2 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Ensuring that a constructive working relationship exists between Council Members and officers and that the responsibilities of Members and officers are carried out to a high standard. (Continued)</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Develop protocols to ensure that the leader and Chief Executive (Head of Paid Service) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained; Ensure that the Council's governance arrangements allow the CFO direct access to the CEO and to other leadership team members; Make a senior officer (the S.151 officer) responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control; Appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the role of CFO in Local Government and ensuring that they are properly understood throughout the Council; 	<p>Leader and Chief Executive (Head of Paid Service)/Executive Directors</p> <p>Article 10 outlines the functions and areas of responsibility of senior officers, including the Chief Executive (and Head of Paid Service) superseded by the Executive Directors and Heads of Service. These responsibilities are reflected in the related job descriptions and specifications for both Members and officers and signed secondment agreement with West Devon Borough Council ('shared' post).</p> <p>The Leader's role is to provide overall political leadership and direction to the Council and the Executive. Part 3 of the Constitution, 'Delegation Scheme' details the responsibilities of Member bodies, including the Executive. The Leader's responsibilities are detailed in the related job description and specification. The Council has adopted the Strong Leader Model, the Leader having been appointed for a four year term rather than the previous annual renewal.</p> <p>The Chief Executive (Head of Paid Service) and the Leader met on a regular weekly basis with a Corporate Director attending on a fortnightly basis. However, there is no written policy in place to ensure that it is carried out and there are no recorded minutes of the meetings, which is the continuation of historical practice. Last year the Audit Committee suggested that minutes be taken but this was not accepted. From January 2014, the meeting has been held with the two Executive Directors.</p> <p>Chief Financial Officer (CFO)</p> <p>Part 7 of the Constitution, Management Structure, provides for the CFO to have direct access to the CEO and other management team leaders.</p> <p>Article 10 of the Constitution also sets out the functions of the statutory officers, including the S.151 Officer. This Article requires the S.151 Officer to ensure the lawfulness and financial prudence of decision making with the Head of Paid Service and Monitoring Officer, administer financial affairs, and contribute to corporate management etc.</p> <p>Part 3 of the Constitution, the Delegation Scheme to Officers, also reflects the S.151 Officer's delegated authority for all statutory provisions of the Local Government and Finance Acts and matters set out in the Financial Procedure Rules. This includes the publication of the Council's audited annual Statement of Accounts and the budget for the coming year.</p> <p>The Constitution states that the Council will appoint a 'S.151 Officer'. S.113 of the Local Government Finance Act 1988 requires the S.151 Officer to hold a recognised professional qualification. The S.151 Officer is a qualified accountant and member of the Chartered Institute of Accountants in England and Wales.</p>

Applying the Principles of Good Governance – Principle 2 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Ensuring that a constructive working relationship exists between Council Members and officers and that the responsibilities of Members and officers are carried out to a high standard. (Continued).</p>	<ul style="list-style-type: none"> • Ensure the CFO leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and has a line of professional accountability throughout the organisation; • Ensure that budget calculations are robust and reserves adequate, in line with CIPFA guidance; • Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the Council is acting in an enabling role; <p>Make a senior officer (the monitoring officer) responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</p>	<p>The S.151 Officer will have responsibility for the administration of the financial affairs of the Council; will contribute to the corporate management of the Council, in particular through the provision of professional financial advice; will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity, and budget and policy framework issues to all Members and will support and advise Members and officers in their respective roles; and, will provide financial information to the media, Members of the public and the community. (Article 10)</p> <p>The CFO leads the promotion of good financial management including through the provision and publication of Financial and Contract Procedure Rules which are recommended for approval to the Council by the Audit Committee and are included in Part 4 of the Constitution. A self assessment of the Role of the Chief Financial Officer highlighted the potential for a conflict of interest as the S.151 Officer is also the S.151 at West Devon Borough Council. This risk is mitigated by formally appointed Deputy S.151 Officers who are dedicated to each Council (not shared).</p> <p>Budgets</p> <p>Budget calculations are robust and include approved new spend and savings and realistic assumptions for pay and price increases, grant, capital charges etc in line with CIPFA guidance.</p> <p>The budget proposals report to the Executive includes a statement by the S.151 Officer, as required by the Section 25 of the Local Government Act 2003, on the robustness of the estimates made for the purpose of budget calculations, and the adequacy of the proposed financial reserves. The report asks members to note the assessment of their adequacy and the robustness of the budget estimates.</p> <p>Budget holders have access to the Council's general ledger and are supported with advice by a nominated accountant. The computerised ledger system allows budget holders to monitor actual income and expenditure to date, as well as amounts that have been committed through the formal ordering of goods, works and services against the approved budget. Budgetary control is covered by the Financial Procedure Rules of the Constitution, and are applied equally to partnership arrangements or services provided by external contractors.</p> <p>Monitoring Officer</p> <p>Article 10 requires the Monitoring Officer to ensure lawfulness and fairness of decision making and contribute to corporate management. These responsibilities are reflected in the related job description and specification and include responsibility for maintaining the Constitution, advising the Executive whether decisions are within the policy framework, proper access to information etc.</p>

Applying the Principles of Good Governance – Principle 2 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>c) Ensuring relationships between the Council its partners and the public are clear so that each knows what to expect of the other.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> • Develop protocols to ensure effective communications between Members and officers in their respective roles; • Set out the terms and conditions for remuneration of Members and officers and an effective structure for managing the process, including an effective remuneration panel; 	<p>Communication between Members and Officers</p> <p>The Council's Constitution defines the roles of Members and officers as discussed in previous paragraphs.</p> <p>Part 5 of the Constitution includes a Protocol on Councillor / Officer Relations. The Protocol is a guide to Members and Officers in their dealings with each other, and applies equally to co-opted Members of Council bodies in their dealings with officers where appropriate.</p> <p>Lead Executive members are aligned to services areas and regularly communicate with and provide strategic direction to the relevant Head of Service.</p> <p>Remuneration of Members</p> <p>The Scheme of Members Allowances is set out at Part 6 of the Constitution. In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council's Members' Allowances Scheme is considered initially by an Independent Panel appointed for that purpose which then makes recommendations to the Council. The Panel met on 5 December 2011 and recommended future increases align with the Consumer Price Index. However, their recommendation was not accepted for 2013/14 and the Council instead approved a lower percentage increase at the meeting of December 2013.</p> <p>Remuneration of Officers</p> <p>Part 4 of the Constitution lays down the framework for Officer Employment Procedure Rules. This is supplemented in detail by the Council's recruitment, disciplinary and grievance procedures, its confidential reporting policy, individual conditions of service and all other relevant employment policies, protocols or codes of conduct.</p> <p>Officers are currently subject to the terms and conditions applicable to all Local Government Officers, as set out in the National Schemes of Conditions of Service. These are supplemented by local conditions.</p> <p>The policies can all be found on the Council's Intranet.</p> <p>From May 2012, the Council's Personnel Panel was disbanded, with its functions of development and revision of personnel policies, maintaining staff confidence in how the Council deals with contractual matters personal to the individual and enabling expeditious decision making in personnel matters, divided between the Executive, Chief Executive (Head of Paid Service), Heads of Service, and Overview and Scrutiny.</p> <p><i>Each year the Council is required to agree and publish a Pay Policy Statement which sets out the amounts paid to senior officers.</i></p>

Applying the Principles of Good Governance – Principle 2 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>c) Ensuring relationships between the Council its partners and the public are clear so that each knows what to expect of the other. (Continued)</p>	<ul style="list-style-type: none"> • Ensure that effective mechanisms exist to monitor service delivery; • Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated; • Establish a medium term business and financial planning process to deliver strategic objectives. • Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used; <p>When working in partnership:</p> <ul style="list-style-type: none"> • Ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council; • Ensure that there is clarity about the legal status of the partnership; • Ensure that representatives of organisations both understand and make clear to all other partners the extent of their Council to bind their organisation to partner decisions. 	<p>Monitoring Service Delivery Service delivery is monitored using a range of service relevant performance indicators which are reported to managers and Members as discussed in Principle 1(c).</p> <p>Vision, Strategic Plans etc. See also Principle 1(a) for details of documentation of the Council's vision and strategy, including the 'Connect Strategy and Delivery Plans', financial reporting and the monitoring process. The South Hams and West Devon Connect Partnership bring together key stakeholders from the community, voluntary, business and public sectors. Community consultation: see also Principle 6(b), Appendix F.</p> <p>Business and Financial Planning The Council's Medium Term Resource Strategy and annual budget process is described at Principle 1(c) Appendix A. Both are regularly reviewed and monitored.</p> <p>Partnerships Article 9 of the Constitution allows the Council to enter into joint arrangements with other bodies in order to promote the economic, social or environmental well-being of its area.</p> <p>The Executive approved the adoption of a Partnership Policy document in December 2013. This is supported by supplementary guidance to officers considering joining a partnership. Areas covered included:</p> <ul style="list-style-type: none"> • Partnership definitions; • Partnership assessment; • Managing risk and identifying opportunities; • Governance arrangements • Information sharing; • Terms of Reference; • Identifying 'Significant Partnerships'; • Business Case Significant Partnerships; and • Evaluation and Review. <p>The new Policy also requires a Partnership Register which has been completed. An annual appraisal of each significant partnership will be presented to members (scrutiny function) for review in the late summer/autumn of 2014 and will provide information on achievements, challenges and risks and recommend any changes.</p>

Principle 2 - Action Plan

Compliance Review Findings for this Principle	Recommendation	Action Plan with Responsible Officer & Target Date
<p><i>Last year it was reported that the Monitoring Officer was in the process of reviewing an Overarching Agreement between the two Councils, which will also include responsibilities relating to contract liabilities e.g. costs incurred in relation to disputes by one of the two Councils only under a shared contract. A 'Collaboration Agreement' has been drafted and passed to the Leader and Deputy Leader, Director, S.151 Officer and the Council's insurers for comment. The Agreement will be presented to full Council later in the year.</i></p>	<p><i>As planned, the Monitoring Officer should complete the production of a Collaboration Agreement, which should also include responsibilities relating to potential contract liabilities, and present the document to full Council.</i></p>	<p><i>Monitoring Officer 31st December 2014</i></p>
<p><i>The Monitoring Officer was putting in place Onward Delegation documents, setting out those areas delegated by the Heads of Service to the relevant Middle Manager. However, a decision has been taken to delay implementation of these Delegation documents until the roles and responsibilities of officers are clarified post T18 Transformation Programme.</i></p>	<p><i>The Monitoring Officer should ensure that post T18 Transformation Programme, Onward Delegation documents, setting out those areas delegated by the Heads of Service to the relevant managers.</i></p>	<p><i>Monitoring Officer 31st December 2014</i></p>

Applying the Principles of Good Governance – Principle 3

Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Ensuring Council Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.</p> <p><i>Continued overleaf</i></p>	<ul style="list-style-type: none"> • Ensure that the Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect; • Ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols; • Put in place arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice. 	<p>Openness</p> <p>An Information Access Policy incorporates the requirements of the Freedom Information Act 2000, Data Protection Act 1998 (refers to separate policy), Environmental Information Regulations 2004 and the Reuse Of Public Sector Information Regulations 2005. The IAP describes the principles for the disclosure of information: openness, transparency, fairness, compliance and challenge. <i>The document was written in 2007 and therefore would benefit from an update.</i></p> <p>Article 3 of the Constitution provide Citizens with the right to petition, to attend meetings, see reports and background papers, inspect the Council's accounts and make their views known to the external auditor, participate in public question times at meetings, and complain (including to the Monitoring Officer about a perceived breach of the Members' Code of Conduct).</p> <p>Part 4 of the Constitution includes the Council's 'Access to Information Procedure Rules' which is described at paragraph 6(b)</p> <p>The Council's website includes a Comments and Complaints page which outlines the procedure for making a complaint as discussed at Principle 1(b)</p> <p>Standards of Conduct – Members and Officers</p> <p>The Codes of Conduct for councillors (Part 5 of the Constitution) and staff (also Part 5 of the Constitution) set out the standard of conduct and ethics expected.</p> <p>The Codes require interests, and, gifts and hospitality for both Members and officers to be reported to the Monitoring Officer who maintains a Register. Training on personal /disclosable pecuniary interests has been provided to Members and officers.</p> <p>The Members' Code of Conduct changed as a result of the Localism Act. The revised Code was adopted by the Council at the meeting of 28th June 2012 with a start date of the 1st July 2012. <i>An updated version of the Member's Code was presented to the Corporate Performance & Resources Scrutiny Committee in March 2014 and approval recommended to the Executive/Council. This version was subsequently agreed for adoption at the annual Council meeting of May 2014. In addition a review of the procedures for 'Dealing with Standards complaints' was presented to the same Committee.</i></p> <p>The Constitution also includes a 'Members Planning Code of Good Practice' and a 'Protocol on Councillor / Officer Relations'.</p> <p>The 'Code of Conduct and Standard of Behaviour for Staff' is published on the Council's Intranet and is linked to the confidential reporting (whistle blowing) system.</p>

Applying the Principles of Good Governance – Principle 3 (Continued)

Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Ensuring Council Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance. (Continued).</p>	<ul style="list-style-type: none"> Put in place arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice. 	<p>The formal confidential reporting (whistle blowing) system and a grievance procedure enable officers to formally complain about issues of concern in respect of behaviour without fear of reprisal. Confidential Reporting is publicised by a leaflet on notice boards, Intranet and Induction. The leaflet has been sent to Town/Parish Councils. The Council has published an Anti-fraud, Corruption and Bribery Policy and Strategy, and separate Response Plan, which is available on the Council's website, and publicised through electronic bulletins, Intranet and leaflets on notice boards and officer Induction training etc. <i>In the annual review of the Council's anti fraud arrangements, it was reported to the Audit Committee that the publicity leaflet would benefit from updating.</i></p>
<p>b) Ensuring that organisational values are put into practice and are effective</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with Members, staff, the community and partners Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice; Ensure that systems and processes for financial administration, financial control and protection of the Council's resources and assets are designed in conformity with appropriate ethical standards and monitoring their continuing effectiveness in practice. 	<p>Values</p> <p>Principle 1(a) contains details of how the Council's vision and strategic direction is determined. It also describes the Council's arrangements for measuring performance. Principle 6 describes the Council's procedures for communicating with all stakeholders. Part 5 of the Constitution sets out the Members' Code of Conduct – see above.</p> <p>Procedures Conform to Ethical Standards</p> <p>Ethical considerations are included in reports to the decision makers, which are available to the community on the Council's website.</p> <p>Part 4 of the Constitution includes Procedure Rules for Council, Executive, Budget and Policy Framework, Finance, Contracts, Officer Employment amongst others. Officers are currently subject to a Code of Conduct. This is a requirement of the National Scheme of Conditions of Service applicable to all Local Government Officers. The Code of Conduct and Standards of Behaviour for Staff is published on the Council's Intranet.</p> <p>Financial Administration</p> <p>Standards for the systems and processes for financial administration and control are set out in the Council's Financial and Contract Procedure Rules, which are included in Part 4 of the Constitution, Rules of Procedure. They are designed with the appropriate ethical standards and are monitored by Internal Audit who reports any significant breaches to the S.151 and Monitoring Officer as well as the Audit Committee. Contract Procedure Rules were updated in 2011/12 and aligned as far as possible with West Devon Borough Council's equivalent. <i>These will be fully reviewed and updated for the June 2014 Audit Committee.</i></p>

Applying the Principles of Good Governance – Principle 3 (Continued)

Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
b) Ensuring that organisational values are put into practice and are effective (Continued).	<ul style="list-style-type: none"> Ensure that systems and processes for financial administration, financial control and protection of the Council's resources and assets are designed in conformity with appropriate ethical standards and monitoring their continuing effectiveness in practice. Develop and maintain an effective Standards function; Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council; In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively. 	<p>Financial Administration (Continued) Financial Procedure Rules were also reviewed, updated and aligned as far as possible with the West Devon Borough Council equivalent, with presentation to the Audit Committee in December 2012 and approval by Council in January 2013.</p> <p>Standards Function Part 3 of the Constitution, Delegation Scheme, gives the new Terms of Reference for the Council's Standards function under the Corporate Performance and Resources Scrutiny Panel and its sub-committee – the Code of Conduct Scrutiny Panel Meetings are recorded and agendas and minutes published on the Council's web-site.</p> <p>Decision Making Article 13 of the Constitution sets out the principles of decision making for Members. Part 3 of the Constitution sets out the responsibilities for decision-making, includes the Delegation Scheme and links to Article 13. All reports to decision-making bodies are linked to the Council's priorities and are formally recorded in an Agenda and Minutes which are also available on the Council's web-site.</p> <p>Partnership The Executive approved the adoption of a Partnership Policy and guidance document in December 2013, which is supported by a guide to officers in considering the purpose of joining a partnership, risk management, governance arrangements, information sharing, monitoring and scrutiny. Principle 2(c)</p>

Principle 3 - Action Plan

Compliance Review Findings for this Principle	Recommendation	Action Plan with Responsible Officer & Target Date
<i>The Information Access Policy was written in 2007 and would benefit from an update.</i>	<i>The Information Access Policy should be reviewed and updated as an aligned policy with West Devon Borough Council, having regard to any impact on it brought about by the T18 Transformation Programme.</i>	<i>Deputy Monitoring Officer 31st December 2014</i>

Applying the Principles of Good Governance – Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> • Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Council’s performance overall and that of any organisation for which it is responsible; • Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based: • Put in place arrangements to safeguard Members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice; 	<p>Scrutiny</p> <p>Article 5 of the Constitution sets out the principles of the Scrutiny Panels linked to Part 3 Delegation Scheme. They adhere to the Centre for Public Scrutiny’s four principles of good scrutiny.</p> <p>Part 4 of the Constitution lays down the Scrutiny Procedure Rules for the, which includes Terms of Reference, describes the rights of Scrutiny to access copies of any document under the separate ‘Access to Information Procedure Rules’ and the process for ‘Call Ins’. The Scrutiny Panels may scrutinise and review decisions made or actions taken in connection with the discharge of any Council function. Scrutiny Panels may also invite other people and public sector bodies to discuss issues of local concern.</p> <p>Evidence of Decisions</p> <p>Article 11 ‘Decision Making’ of the Constitution sets out the principles of decision making and the types of decision.</p> <p>Part 3 of the Constitution sets out the responsibilities for decision-making included in the Delegation Scheme (described at Principle 2(b)).</p> <p>All decision-making by Members is formally recorded in the Agenda and Minutes for the relevant meeting, which are available to the public on the Council’s web-site. Minutes are recorded by dedicated officers who consult key report authors and some Chairman to confirm the accuracy of the draft version. The next relevant Committee meeting review the minutes and if content vote that they represent a true and correct record to enable the Chairman sign them accordingly.</p> <p>Agendas and Minutes of all member meetings are published on the Council’s website and links provided to all Council Members, Parish Clerks, local media etc.</p> <p>Safeguards Against Conflicts of Interest</p> <p>Part 5 of the Constitution sets out the Members’ Code of Conduct (see Principle 3(a)). On each Committee meeting agenda there is a specific item inviting Members to declare an interest in any related matter on that agenda. In accordance with the Code Members declare a Personal Interest and take part in the debate and vote, or, a Disclosable Pecuniary Interest for which the code requires the member to declare and leave the room.</p> <p>A Code of Conduct and Standards of Behaviour for Staff is published on the Staff Pages of the Council’s Intranet. See also Principle 3(a).</p> <p>The Monitoring Officer also maintains a register of interests and gifts and hospitality for both Members and officers. See also Principle 3(a).</p>

Applying the Principles of Good Governance – Principle 4 (Continued)

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny (Continued).</p>	<ul style="list-style-type: none"> • Ensure an effective internal audit function is resourced and maintained; • Develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee; • Ensure that the Council's governance arrangements allow the CFO direct access to the audit committee and external audit; • Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints. 	<p>Internal Audit The Constitution (Part 4 Financial Procedure Rules) states that the Council shall make provision for internal audit in accordance with the CIPFA Public Sector internal Audit Standards. Its effectiveness is monitored by the Audit Committee and the Council's external auditors. An internal audit service ensures that controls to mitigate risk are in place and effective, and are an integral part of the Council's System of Internal Control. The Chief Internal Auditor provides Members and senior officers with an opinion on the Council's control environment annually. The System of Internal Control ensures that risks that may impact on the Council's objectives are managed and mitigated.</p> <p>Audit Committee Article 7 of the Constitution, with the Delegation Scheme Part 3, sets out the function of the Audit Committee, which is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment and to oversee the financial reporting process. Part 4 of the Constitution includes 'Rules for Other Bodies of the Council'. This sets out the membership requirements for the Audit Committee, which normally meets four times per year. The Committee carries out a self assessment of its performance and approach annually. The CFO or his/her deputy attends all Audit Committee meetings. Article 10 of the Constitution states that the CFO will report to the full Council or to the Executive and the external auditor if he/she considers any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.</p> <p>Complaints The Council's Information Access Policy is in place (and Article 3 of the Constitution 'Citizens and the Council' outlines the rights of Citizens including to complain to or about the Council. The website includes Comments and Complaints guidance for making a complaint as outlined in Principle 1(b).</p>
<p>b) Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.</p>	<ul style="list-style-type: none"> • Ensure that those making decisions whether for the Council or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications; 	<p>Quality of Information A Data Quality Assurance Strategy (discussed at Principle 1(b)), audited financial and non-financial systems are in place to assist in the management of services and provide the information to Members that is relevant, timely and gives clear explanations of issues and their implications.</p>

Applying the Principles of Good Governance – Principle 4 (Continued)

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs. (Continued)</p>	<ul style="list-style-type: none"> • Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the Council; • Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately. • Ensure the Council's governance arrangements allow the CFO to bring influence to bear on all material decisions; • Ensure that advice is provided on the level of reserves and balances in line with good practice (LAAP) guidance. 	<p>Budget and Financial Performance Budget managers and senior officers receive clear and accurate information on the budgetary and financial performance of the Council as described at Principle 2 Appendix B. In addition the Council's financial systems and accounts are subject to audit by the external auditors as part of their work towards providing the Council with an opinion to the Statement of Accounts and Members with an annual report providing assurance or highlighting significant issues that require attention. The Council has provided Members with access and training to enable them to use the performance management system. See Principle 1.</p> <p>Professional Advice The Council recruits officers that are appropriately qualified for the tasks that they undertake. A programme of training is provided to officers that is linked to the annual Employee Appraisal and Competency Framework. This includes identification of one off training requirements as well ongoing professional training at all levels. In exceptional circumstances where no suitably qualified professional is employed, the Council will seek the assistance of external advisers and this too is communicated to the decision makers. Reports and recommendations are made to the decision makers by the relevant professional officers. A system of consultation of other professionals in advance of presentation to Members is in place, particularly where a recommendation requires the input of more than one profession e.g. Legal advice, Financial advice etc. The CFO and Monitoring Officer overview all reports to decision makers for financial and legal implications.</p> <p>CFOs Influence A system of consultation for all reports to decision makers is in place that includes the CFO for any financial matters. As discussed above, Article 10 of the Constitution allows for robust challenge of any course of action or proposal that is likely to cause a loss or unlawful expenditure.</p> <p>Reserves Advice is provided on the level of reserves and balances in line with good practice guidance. This is included in the Medium Term Resource Strategy and Budget reports to Members each year (links to Principle 1(c)).</p>

Applying the Principles of Good Governance – Principle 4 (Continued)

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>c) Ensuring that an effective risk management system is in place. (Continued)</p>	<ul style="list-style-type: none"> • Ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their jobs; • Ensure the Council's arrangements for financial and internal control and for managing risk are addressed in annual governance reports; • Ensure the Council puts in place effective internal financial controls covering codified guidance, budgetary systems; supervision; management review and monitoring; physical safeguards; segregation of duties; accounting procedures; information systems and authorisation and approval processes • Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the Council have access. 	<p>Risk Management The formal management of risk is in place and subject to internal and external audit consideration. It includes:</p> <ul style="list-style-type: none"> • An adopted Risk Management Policy; • Strategic, Operational and Partnership risk registers; • A separate risk register is held for the T18 Transformation programme and included in the report to the Audit Committee; • A system for identifying risks and the controls to mitigate them; • A Corporate Risk Management Group of officers; • Training for officers and Members; • SMT regularly and frequently consider strategic risks; • Risk assessment in projects and reports to the decision makers; • Regular risk monitoring reports to the Audit Committee; and • Publicising and providing training on risk management to Members and officers. <p>Work on improvements to the operational risk framework continues.</p> <p>Internal and Financial Control The Council's arrangements for financial and internal control and managing risk are addressed in the Annual Governance Statement (AGS) which is recommended for approval to the Council by the Audit Committee. The AGS is published with the statement of accounts.</p> <p>The Council has put in place effective internal financial controls. These include codified guidance, budgetary systems; supervision; management review and monitoring; physical safeguards; segregation of duties; accounting procedures; information systems and authorisation and approval processes, in addition to the Contract and Financial Procedure Rules, Part 4 of the Constitution. Adherence to these rules is monitored by Internal Audit and breaches reported to managers, senior managers, S.151 and Monitoring Officers, Audit Committee as appropriate.</p> <p>Whistle Blowing The Council's whistle-blowing policy, known as the Confidential Reporting Policy, is available to all staff on the Council's Intranet (including Frequently Asked Questions) and is also publicised internally on an occasional basis to maintain its profile.</p> <p>It is also available to a wider audience on the Council's website.</p> <p>A linked Anti-Fraud/Confidential Reporting leaflet has been put on notice boards around the Council and sent to Town/Parish Councils and Libraries but would benefit from an update as reported to the Audit Committee at the April 2014 meeting. The policy is presented to new staff at Induction courses and the leaflet is given to attendees.</p>

Applying the Principles of Good Governance – Principle 4 (Continued)

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>d) Using their legal powers to the full benefit of the citizens and communities in their area.</p>	<ul style="list-style-type: none"> Actively recognise the limits of lawful activity placed on the Council by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the Council' communities; Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law; Observe all specific legislative requirements placed upon the Council, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into the Council's procedures and decision-making processes. 	<p>Legal Requirements and Lawful Activity</p> <p>The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Article 1 confirms that the local authority will act within the law and the Provisions of the Constitution.</p> <p>Some of the services provided are statutory, whilst others are a matter for the Council to decide upon. There is a process to ensure that any new legislation is identified and acted upon, which includes letters to the Chief Executive (Head of Paid Service) from the relevant government departments, the Monitoring Officer alerted by professional bodies and information received from managers' own professional bodies.</p> <p>The Monitoring Officer reviews the reports to Members for legality.</p> <p>Article 10 of the Constitution sets out the statutory functions of the Monitoring Officer, which includes ensuring lawfulness and fairness in decision making (Principle 2(c)). These responsibilities are reflected in the related job description and specification.</p> <p>Article 5 of the Constitution sets out the function of the Scrutiny. Part 4 of the Constitution lays down the Procedure Rules and Terms of Reference for the Scrutiny Panels, which includes the review of the performance of other public bodies in the area and invites reports from them to address the relevant Scrutiny Panel and local people about their activities and performance.</p>

Principle 4 - Action Plan

Compliance Review Findings for this Principle	Recommendation	Action Plan with Responsible Officer & Target Date
<p><i>A linked Anti-Fraud/Confidential Reporting leaflet has been put on notice boards around the Council and sent to Town/Parish Councils and Libraries but would benefit from an update as reported to the Audit Committee at the April 2014 meeting in the Audit Commission checklist 'Protecting the Public Purse.</i></p>	<p><i>The linked Anti-Fraud/Confidential Reporting leaflet should be reviewed and updated and published and distributed appropriately.</i></p>	<p><i>Chief Internal Auditor Monitoring Officer 30th September 2014</i></p>

Applying the Principles of Good Governance – Principle 5

Developing the capacity and capability of Members and officers to be effective.

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> • Provide induction programmes tailored to individual needs and opportunities for Members and officers to update their knowledge on a regular basis; 	<p>Induction and Ongoing Development - Members</p> <p>Article 2 of the Constitution states that “Councillors will develop and maintain a working knowledge of the authority’s services and policies and take advantage of appropriate training and development opportunities to enable them to fulfil their role”.</p> <p>Immediately after any elections, a comprehensive Induction Programme is delivered for newly elected Members. The Induction covers the role of the Councillor, chairing skills, governance arrangements and processes etc.</p> <p>The Devon Member Development Officer, managed through the Council, offered all Members a ‘one to one’ interview which helped to formulate a corporate training plan for Members, and also identify individual development needs which were drawn up into Personal Development Plans.</p> <p>At the February 2012 Council meeting, as part of the report of the Political Structures Working Group, recommendations were accepted to amend procedures to:</p> <ul style="list-style-type: none"> (i) All Members are expected to attend planning training refresher sessions as and when they are provided; (ii) Newly elected Members will have to attend appropriate induction Planning Training before they can take part in the planning decision-making process; (iii) Repeat sessions will be held in conjunction with West Devon Borough Council to provide additional opportunities for Members to meet the requirement to attend the induction training; (iv) If they so wish, re-elected Members would be welcome to attend the induction sessions. <p>A 360 degree Appraisal process was undertaken, involving many of the councillors. The Leader used the results to form the basis of the recommendation to Council of senior member appointments for 2013/14.</p> <p>Other training is also provided as required and training records are published on the Council’s web-site.</p> <p>Members receive a weekly Members Bulletin which provides an update on current issues, background information on training events and a range of other topics.</p> <p>Article 6 of the Constitution defines the role of Executive Members and Part 4 details Executive Procedure Rules. Members of the Executive have formal ‘specialisms’, aligned to specific service areas and priority themes.</p> <p>Job descriptions are in place for Executive and other Members.</p>

Applying the Principles of Good Governance – Principle 5 (continued)

Developing the capacity and capability of Members and officers to be effective.

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform. (Continued)</p>	<ul style="list-style-type: none"> • Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council. • Provide induction programmes tailored to individual needs and opportunities for Members and officers to update their knowledge on a regular basis; • Ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role; • Review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised; • Provide the finance function with the resources; expertise and systems necessary to perform its role effectively. 	<p>Induction and Ongoing Development - Officers</p> <p>Article 10 of the Constitution details the Management Structure of the Council, including functions of the S.151 Officer and the Monitoring Officer. The responsibilities of each management post are reflected in the related job descriptions and specifications. The Article states that the Council will provide the Monitoring Officer and Section 151 Officer with such officers, accommodation and other resources as are in their opinion sufficient to allow their duties to be performed.</p> <p>A programme of training is provided to all officers that is linked to the annual Employee Appraisal & Competency scheme, which includes identification of one off training requirements as well ongoing professional training.</p> <p>A job description and personal specification form ensures that any CFO recruited has the skills, knowledge and experience to perform effectively. The Council's Appraisal and Competency Scheme ensures that once recruited the CFO continues to perform effectively. The CFO has no other management responsibilities. Article 10, Officers, and Part 7, Management Structure, set out the responsibilities relating to the S.151 Officer role. Financial Procedure Rules set the standards for controlling financial systems.</p>
<p>b) Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> • Assess the skills required by Members and officers and make a commitment to develop those skills to enable roles to be carried out; • Embed financial competencies in person specifications and appraisals; • Ensure that councillors roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities; • Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed; 	<p>Skills Development</p> <p>Member and officer development is discussed at 5(a) above.</p> <p>Councillor roles are documented for 'Elected Members' and for those who are appointed to each of the other member bodies or Committees. Where appropriate the Roles include financial responsibilities. Training is provided as part of the formal training plan as discussed above and specific financial training is and has been provided.</p> <p>As discussed, Members of the Executive have formal 'specialisms', consisting of specific service areas and priority themes.</p> <p>Members with these responsibilities will liaise with the relevant Head of Service, either individually though regular meetings or through a collective briefing, and may invite expert advice e.g. Highways, Environmental Health (Statutory Consultees).</p>

Applying the Principles of Good Governance – Principle 5 (Continued)

Developing the capacity and capability of Members and officers to be effective.

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group. (Continued)</p>	<ul style="list-style-type: none"> Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual Members and agreeing an action plan to address training/development needs 	<p>Reviewing the Performance of the Executive</p> <p>The Constitution, Part 4 Scrutiny Procedure Rules, says that Scrutiny Panels may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation in fulfilling the overview and scrutiny role, it may require a Member of the Executive, assisted by the Head of Paid Service and/or any senior officer, to attend before it to explain in relation to matters within their remit: i) any particular decision or series of decisions; ii) the extent to which the actions taken implement Council policy; or iii) their performance.</p> <p>Call-in by a Scrutiny Panel can be used in exceptional circumstances. These are where non-Executive Members have evidence which suggests that the Executive did not take a decision in accordance with the principles set out in Article 11 (Decision Making). Member training and development is discussed at paragraph a) above.</p>
<p>c) Encouraging new talent for membership of the Council so that best use can be made of individuals' skills and resources in balancing continuity and renewal.</p>	<ul style="list-style-type: none"> Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council; 	<p>Encouraging the Community to Participate in the Work of the Council</p> <p>'Community Life' is one of the Councils Priorities as described at Principle 1, Appendix A. A Delivery Plan for the priority has been developed as part of the Connect Strategy. Wider engagement with the community is discussed at Principle 6.</p> <p>Efforts are made to encourage new talent to seek election to the Council prior to an election through a publicity campaign using Town/Parish Councils, the Council's web-site, leaflets, a candidate information pack, and an open evening.</p> <p>The Council's web-site, under 'Your Council' includes the 'Want to Get Involved?' page, which provides advice on areas such as Public Questions at Meetings and 'Becoming a Councillor'.</p> <p>Within the Scheme of Members' Allowances (Constitution Part 6), there is a Dependents' Carers' Allowance to provide additional help for a dependant whose carer is employed on approved Council duty. It is intended that this will assist those who would be interested in standing for the Council but are also bound by their personal responsibilities.</p> <p>Members of the public are able to attend Committee meetings, speak at Development Management Committee and Scrutiny Panel meetings and ask questions at the meetings of several Member bodies including the Executive, Salcombe Harbour Board.</p> <p>For major planning applications the Development Management Committee meeting is preceded by a Developer Forum, which the Committee Members will be invited to attend. The developer is given the opportunity to explain the scheme to other stakeholders including members of the public, and two supporters and two objectors will be allowed to address the meeting. This allows Members of the Committee to gain wider knowledge of circumstances surrounding the application, and the outcomes will be built into the officer report to the Development Management Committee.</p>

Principle 5 - Action Plan

Compliance Review Findings for this Principle	Recommendation	Action Plan with Responsible Officer & Target Date
Satisfactory	None	No further action required.

Applying the Principles of Good Governance – Principle 6

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>a) Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p>	<ul style="list-style-type: none"> • Make clear to ourselves, all staff and the community to whom the Council is accountable and for what; • Consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required; • Produce an annual report on the activity of the scrutiny function. 	<p>Setting and communicating the Council’s purpose and vision is discussed at Principle 1(a), and the management of partnerships at Principle 2(c).</p> <p>Considering Institutional Stakeholders</p> <p>Institutional stakeholders to whom the Council is accountable such as the external auditors etc. are considered and relationships monitored by the Audit Committee. Part of the Constitution 3 Delegation Scheme (section 5 Overview and Scrutiny) states that a Scrutiny Panel will review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Scrutiny Panel and local people about their activities and performance e.g. Devon County Council Highways Authority, South Devon and Dartmoor Crime and Disorder Partnership etc.</p> <p>Scrutiny Annual Report</p> <p>The Scrutiny Panels must report annually to full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate. Council Agenda and Minutes September 2013 refer, being the latest available.</p>
<p>b) Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning.</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> • Hold meetings in public unless there are good reasons for confidentiality; • Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively; 	<p>Meetings in Public</p> <p>Article 3 of the Constitution sets out what citizens can expect from their Council and what rights they have. This includes the right to attend meetings of the Council, the Executive, Scrutiny Panels and other bodies of the Council except for good reasons where confidential or exempt information is likely to be disclosed.</p> <p>Clear Channels of Communication with the Community</p> <p>Part 4 of the Constitution includes the Council’s ‘Access to Information Procedure Rules’ which requires the Council to provide the public with access to Agenda and Reports. Meetings of Member bodies are scheduled using a calendar of meetings, and recorded through a system of Agendas and Minutes. It contains the Rules of Procedure for all formal meetings and Forward Plans detail issues to be considered at future meetings. Agendas and minutes are available on the Council’s web-site and also supplied to the press.</p> <p>In addition, the 360 Assessment has been developed and rolled out to all relevant staff. An assessment was completed for all new/changed policies, strategies and relevant projects including new service delivery, but this was amended to cover only significant changes that affect the community or staff. The assessment covers Equality, Human Rights, Data Protection, Crime and Disorder, Child Protection, Biodiversity and Sustainability.</p>

Applying the Principles of Good Governance – Principle 6 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning. (Continued)</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively; Ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively. These arrangements will recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands; 	<p><i>Clear Channels of Communication with the Community</i></p> <p>The Connect Strategy and related Delivery Plans are produced by the South Hams and West Devon Connect Partnership, as discussed at Principle 1(a), and bring together key stakeholders from the community, voluntary, business and public sectors. Annual stakeholder events are held <i>using existing fora and events to engage the Community.</i></p> <p>The Council has developed the 'Voice': Business Voice, Town and Parish Voice, Voluntary Voice, and <i>Young People Voice</i> consulting and engaging covering issues that are important to the particular groups.</p> <p><i>Local Development Framework</i></p> <p>The 2004 Planning and Compulsory Purchase Act requires local planning authorities to prepare a Statement of Community Involvement (SCI). This document sets out how and when the Council will involve the community in preparing development plans and processing planning applications. West Devon and South Hams have worked together on a revised SCI. This document sets out how communities and other stakeholders can get involved in planning and was adopted by South Hams District Council on 29th March 2012 and West Devon Borough Council on 17th April 2012.</p> <p><i>Our Plan, see principle 1(a):also includes the Local Plan element, setting out planning policies and broad locations and sites for development, will also then be submitted to the Secretary of State and have to undergo an Examination in Public to ensure it is sound.</i></p> <p><i>Other arrangements and documents include (list not exclusive):</i></p> <ul style="list-style-type: none"> Local business and Town/Parish Councils' events providing input to the Council's budget planning; Events and survey for residents as part of the 2013/14 budget setting process, online and publicised through the Council's magazine; The Council's magazine with contributions from Devon County Council is sent to all households, and a leaflet is issued with Council Tax and NDR bills. Voluntary Voice – quarterly meetings with the Community and Voluntary Services (CVS). Sustainable Communities Locality Fund – community grants for councillors to use to support projects which benefit the community;

Applying the Principles of Good Governance – Principle 6 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning. (Continued)</p> <p><i>Continued overleaf.</i></p>	<ul style="list-style-type: none"> Ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively. These arrangements will recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands; Establish a clear policy on the types of issues the Council will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result; 	<p>Other arrangements and documents include (list not exclusive):</p> <ul style="list-style-type: none"> The Greater Dartmoor Local Enterprise Action Fund and the South Devon Coastal Local Action Group are community led Rural Development Programme (RDPE) funding programmes for which the Council acts as accountable body; Town and Parish Voice Cluster meetings – held every 6 months: community can tailor agenda, chair and host event. Meetings now also determine applications for the Town and Parish Fund; Community pages of the Council's website with related links; Daily messages on Twitter and Facebook, include two way exchanges, with responses, allow quicker dissemination of information and are linked to the Council's web-site. Currently 4500 Twitter 'Followers' and increasing Facebook 'Likes'; Members Southhams.gov.uk e-mail addresses; South Hams Connect – Outreach events: taking a wide range of services nearer to South Hams residents including Customer Services, Planning, Waste; Includes other partner organisations and details are available on the Council's web-site, and E-Connect with a published Connect Directory; Benefits - home visits to assist clients in application processing; Surveys, plus other community consultation; Business Voice - publication of the Business Newsletter (e-Bulletin); Attending Parish Council meetings and running six monthly surgeries on affordable housing; and Service Level Agreements with voluntary organisations e.g. the CVS who provide support to the community and voluntary organisations, CAB for benefits; and Young Devon – YES re housing advice. <p>Types of Issues Consulted On</p> <p>The paragraphs above set out policies that demonstrate the Council's commitment to involving the community, and examples of how this is being done. Consultations are co-ordinated through the Community Team and an online survey tool.</p> <p>Details of consultations being conducted are available on the Council's web-site; Consultations are subject to feedback but much is posted on the Council's web-site in a You Said/We Did format. Article 3 of the Constitution sets out what citizens can expect from their Council and what rights they have.</p>

Applying the Principles of Good Governance – Principle 6 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>b) Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning. (Continued)</p>	<ul style="list-style-type: none"> On an annual basis, publish a performance plan giving information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period; Ensure that the Council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so. 	<p>Performance and Outcomes The vision, strategy, plans and financial statements and reporting of outcomes are described in other parts of this report e.g. Principle 1 etc.</p> <p>Open and Accessible Citizens have the right to attend meetings of the Council, the Executive, Scrutiny Panels and other bodies of the Council except where confidential or exempt information is likely to be disclosed. In Part 4 of the Constitution the Council's 'Access to Information Procedure Rules' sets out the public's rights in addition to those specific rights elsewhere in the Constitution or in law. Principle 4 of this Code describes the Council's arrangements for taking informed and transparent decisions. The Council has approved an updated Communications Policy, 2012 – 2015. The Constitution commits the Council to openness in its dealings (e.g. Article 11 – Decision Making, Article 3 – Citizens and the Council), as does the Council's Policy on the Human Rights Act 1998. The Council has embraced the requirements of the Freedom of Information Act, introduced from 1st January 2005, and has complied with the requests received to date, except where otherwise bound by legislation. Guidance and a 'Publication Scheme' are available on the Council's web-site. The Council has a published Information Access Policy. This addresses the Council's wish to promote public understanding of the Council's activities, starting from the premise that everyone is entitled to have access to information held by the Council. The Chief Executive (Head of Paid Service) and the Leader communicate with all staff either through e mail or newsletters and members through the weekly 'Bulletin'. Weekly news bulletins are sent by e-mail to all staff and members concerning specific issues that need communicating including from the Chief Executive (Head of Paid Service), Senior Management Team or other managers. Details of all payments over £500 are Published on the Council's website.</p>

Applying the Principles of Good Governance – Principle 6 (Continued)

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

Supporting Principles	The Code Requires the Council to:	Compliance Review Results
<p>c) Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</p>	<ul style="list-style-type: none"> Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making. 	<p>Consulting Staff Representatives</p> <p>Trade unions, as staff representatives, have negotiating rights with the Council, and in many other circumstances employment law requires consultation with them before action is taken by the Council.</p> <p>The Management and Trade Union Forum meets to discuss, be consulted on and negotiate on all and any amendments to terms and conditions of service.</p> <p><i>There is a separate negotiating body specifically for the T18 Transformation Programme, the Joint Negotiating and Consultative Group (JNCG). Its Terms of Reference say that its role is to negotiate and be consulted on staffing matters arising from the development and proposed implementation of the Council's Transformation Programme.</i></p> <p><i>The Transformation Staff Charter has been developed by the Joint Staff Consultative Forum (JSCF) and says 'we will communicate in an open and timely manner at all times to ensure staff engagement in the process'.</i></p> <p><i>These and other key T18 documents are published for staff to view on the Council's Intranet.</i></p> <p>Consulting Staff</p> <p>The Joint Staff Consultative Forum (JSCF) was established to undertake a consultative role where ideas, issues, drafts of new policies, organisational changes and legitimate employer / employee matters can be discussed cordially. The forum is also important as a means of effective two way communication and promoting good employee relations.</p> <p>The JSCF has a constitution published, setting out membership representation, frequency and recording of meetings, the role of representatives etc.</p> <p>The role of the Forum and its constitution is to promote effective and open channels of communications within each service group. The JSCF minutes are available to all staff on the Council's Intranet.</p> <p>Staff Voice has been developed, with well publicised briefings to all staff on current issues.</p> <p>Other ad-hoc consultation with staff is undertaken when key changes are proposed.</p> <p>The Chief Executive/Head of Paid Service, Directors, and Senior Management Team sends emails to all staff on specific topics and contributes to the weekly newsletter which is an email briefing of staff on a range of issues.</p> <p>The Chief Executive/Head of Paid Service, Directors, and Heads of Service will attend team meetings as required or upon request, allowing two way communications of issues.</p>

Principle 6 - Action Plan

Compliance Review Findings for this Principle	Recommendation	Action Plan with Responsible Officer & Target Date
Satisfactory	None	No action required.