

SUMMARY ANNUAL GOVERNANCE STATEMENT

For the year 1st April 2008 to 31st March 2009

Scope of Responsibility

This Summary Statement describes the process of maintaining and reviewing the effectiveness of the council's governance arrangements and provides a brief insight of the results of the review. The full version of this Statement (using the corporate governance Key Lines of Enquiry) has been produced and will be available on our web site or can be obtained from the Council Offices, Knowle, Sidmouth EX10 8HL

East Devon District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To facilitate this, the council has ensured that there are sound systems of internal control underpinning its operations and functions. This includes a robust framework for corporate governance arrangements, including the management of corporate and operational risks.

The council has revised its Local Code of Corporate Governance in line with the CIPFA/SOLACE Joint Working Group Guidance and framework entitled "*Delivering Good Governance in Local Government*". A copy of this code is on our web site or can be obtained from the Council Offices, Knowle, Sidmouth EX10 8HL.

The council is committed to the six core principles set out in its Local Code and has undertaken a thorough review of its corporate governance arrangements; both as a precursor to the preparation of this Statement and at regular intervals throughout the year. Appended to this Statement is an action plan that highlights areas for improvement found both during the recent review of corporate governance and from the internal audit reviews throughout the year.

The council's governance framework consists of the following:

- Corporate strategies and plans focussing on the main priorities of the council in terms of delivering sustainable outcomes for the community; such strategies and plans are supplemented by lower-level policies and procedures.
- Internal working arrangements to ensure members and officers work together to achieve the council's main priorities and that their roles and functions are clearly defined.
- Continuous promotion of the values of the council and a demonstrable commitment to uphold high standards of conduct and behaviour.
- Transparent decision making which is subject to scrutiny and informed by effective risk management.
- A commitment to develop the capacity and capability of members and staff to ensure their continued effectiveness.
- Effective engagement with local people and other stakeholders to ensure robust public accountability.

The purpose of the Governance Framework

The council views the maintenance and effectiveness of its governance arrangements as a high priority and has put the following measures into place to ensure its continued effectiveness:

- Developed and promoted its vision and core values, and aligned these to reflect the needs of the community.
- Ensured that its partnerships are underpinned with the same vision and values and that adequate corporate governance arrangements are maintained.
- Published its Corporate Business Plan which sets out the council's priorities and describes how 'quality of service' for users is to be measured and maintained.
- Devised a methodology to measure its environmental impact upon the community and surrounding area.

Review of Effectiveness

The council has ensured that its governance arrangements are thoroughly reviewed and inspected throughout the year and has:

- Established the Corporate Overview Committee which reflects the voice and concerns of the public and its communities so as to make an impact on the delivery of public services. The Scrutiny Committee takes the lead and owns the post decision scrutiny process (in its widest sense) on behalf of the public with a view to making and improving the delivery of public services.
- Formed an Audit & Governance Committee with wide-ranging terms of reference including the requirement to consider the effectiveness of the authority's governance arrangements, taking into account corporate risk management, the control environment and associated anti-fraud and anti-corruption arrangements.
- Arranged for a Standards Committee to promote and maintain high standards of conduct by members, to consider reports and make recommendations concerning the governance and ethical standards of the council and advise on the adoption or revision of the council's Code of Conduct for members, officers and any other related codes or protocols.
- Designated a council director as Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with other directors and the Head of Paid Service, the Monitoring Officer will report to the full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- Maintained an internal audit service which operates to the standards set out in the "Code of Practice for Internal Audit in Local Government in the UK". Internal audit are responsible for monitoring the effectiveness of systems of internal control. The Service operates to a 5-year audit plan which is approved by the Audit and Governance Committee and from which the annual audit coverage is identified. Reporting protocols require audit reports to be submitted to the relevant corporate director and the head of

service. The report includes recommendations for improvements that are detailed on an action plan and these are monitored by the Audit and Governance Committee.

The council's Internal Audit function is subject to regular inspection by the Council's external auditors.

This review of governance arrangements has been comprehensive and has taken into account the aspirations highlighted within the Audit Commission's Corporate Governance Key Lines of Enquiry and measures the Council's compliance with the KLoEs and provides a thorough and detailed representation of the Council's arrangements.

Affiliated work has also taken place within each service area of the Council with each Head of Service undertaking a "control risk self assessment" exercise culminating in the production of a 'compliance schedule"; these schedules allow Heads of Service to self-assess their systems and processes for actual or potential control deficiencies, ultimately the "compliance schedule" will highlight any deficiencies within the service area; a plan of action is agreed with the Head of Service to rectify any areas of concern.

The Audit and Governance Committee has advised the council of the implications of the review of governance arrangements and an action plan to address weaknesses and ensure continuous improvement of its arrangements is in place.

The action plan is appended to both the Summary Statement and the Full Statement.

Signatures:

25th June 2008 **Leader of the Council**

25th June 2008 **Chief Executive**

Area for Improvement	Suggested Action	Officer Resp.
<p>There is a need to review Health and Safety compliance throughout Street Scene services.</p>	<p>Review Health and Safety compliance and include in service objectives for this year and in PERs..</p> <p>These duties were part of the Performance Officer post (now deleted) existing staff need to find the capacity to move this forward at the expense of other works.</p>	MR
<p>Failure to develop Flood Alleviation and Coast Protection Strategy</p> <p>The Strategy links to both national and regional plans and would draw down funding for protection schemes. Due to lack of resources in Street Scene, (Engineering) the capacity of the staff to deal with these issues is limited.</p>	<p>The post of Principal Engineer is currently on hold pending the outcome of local government review and service transformation.</p> <p>This has serious work capacity issues in the delivery of Engineering services in particularly those associated with Land Drainage, Flood Alleviation and Coastal Defence works. Failure to fill this post will mean a work will need to be prioritised with some work areas not being carried out.</p>	KH
<p>LED Budgets – Planned Maintenance budgets affected by the shortfall in revenue received from LED (mismatch identified between work undertaken and amount of money received from LED – problem compounded as figures have been entered into the signed contract). Continuing to provide a service to LED will mean other maintenance work will remain outstanding.</p>	<p>Asset Management Forum will be reporting to the Asset Management Group to resolve some of the contractual issues on maintenance for LED .</p>	KH/DB