

# South Hams District Council Annual Governance Statement 2020-2021

## 1. Scope of Responsibility

South Hams District Council is responsible for ensuring that:

- its business is conducted in accordance with legal requirements and proper standards
- public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

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

In discharging this overall responsibility, South Hams District Council is also responsible for ensuring that there is a sound system of governance (incorporating the system of internal control) and maintaining proper arrangements for the governance of its affairs, which facilitate the effective exercise of its functions, including arrangements for the management of risk

South Hams District Council and West Devon Borough Council have been shared services partners since 2007. As two of the very first Councils to share a Chief Executive in 2007, the Councils have been bold in challenging the traditional local government model and have always been at the forefront of radical change and innovation.

Following an external recruitment process, we welcomed a new Chief Executive in June 2020. Along with the Senior Leadership Team (SLT), his role is to implement the plans and policies that support the strategic direction of the Council as set by Members. SLT are supported by an Extended Leadership Team that includes the principal people managers and professional lead officers in areas such as Housing, Planning, Environmental Health, Asset Management, Environment Services and Waste and Support Services such as Finance, Legal, and Human Resources.

The Council's Corporate Director of Strategic Finance is the officer with statutory responsibility for the administration of the Council's financial affairs as set out in section 151 of the Local Government Act 1972.

The S.151 Officer, who acts as the Chief Financial Officer (CFO), has 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. (Constitution Article 10)

The CFO leads the promotion of good financial management including through the provision and publication of Financial and Contract Procedure Rules. The Council's S.151 Officer is a qualified accountant.

A review of the Council's arrangements against the CIPFA guidance on the Role of the Chief Finance Officer in Local Government has concluded that the recommended criteria have been met in all areas.

## **2. The Purpose of the Governance Framework**

The governance framework comprises the cultural values, systems and processes used by the Council to direct and control its activities, enabling it to engage, lead and account to the community. The framework allows the Council to monitor the achievement of its strategic objectives and to consider whether appropriate, cost-effective services have been delivered.

A significant part of the framework is the Council's system of internal control which is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework was in place at South Hams District Council for the year ended 31 March 2021 and is expected to continue up to the date of approval of the Accounts by the Audit Committee.

This Statement explains how South Hams District Council has met the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016.

Included within this framework are seven core principles of governance:

## PRINCIPLE A

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

All Council decisions incorporate a legal implications section within the report and these are published on the Council's website. Officers and Members receive support from Legal Services in considering legal implications and if specialist legal advice is required then the Council will engage external advisors. The Section 151 Officer and Monitoring Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal and financial requirements and for reporting any such instances to Members.

In addition the Council undertakes the following to ensure a strong commitment to ethical values and behaving with integrity:

- Staff are assessed against a set of key behaviours (known as 'IMPACT') to establish the right values and culture
- In order to promote ethical behaviours amongst Members and Officers, the Council has a number of policies such as those relating to procurement, whistleblowing, counter fraud and anti-money laundering. Through the Council's induction programme, employees are required to read the Employee Code of Conduct and confirm that they have understood the content. Any suspected cases of fraud, corruption and non-compliance with policy are investigated by the Council's Internal Audit Team.
- 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. It was last reviewed and adopted by Members in July 2016 and is reviewed annually (along with the Council's regulatory framework) by the Statutory Officers' Panel and remains fit for purpose.
- The Council's Constitution also defines the roles of Members and officers. 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.
- There are codes of conduct in place for Members and Officers which include arrangements for registering interests and managing conflicts of interest. The Officers' Code of Conduct was reviewed and agreed with the Unions in 2017-18. A Members' Code of Conduct is in place and is fit for purpose but is due to review on the conclusion of the Local Government Association's consultation (and issue of) a new model code of conduct.
- The Overview and Scrutiny Panel is responsible for overseeing the Members' Code of Conduct and good governance by Members and its terms of reference are set out in the Constitution

- There is an effective Audit Committee in place with clear terms of reference, which oversees internal and external audit, the Constitution, Risk Management and regulatory policies.
- The Council has continued to operate a robust information governance regime. Information security breaches are reported to the Data Protection Officer (DPO) on a regular basis and are investigated by an officer within the Governance Directorate, with a report to the Information Commissioner where required. Information governance policies and procedures are reviewed and approved by the Information Governance Group on a regular basis. During 2020/21, the Council has appointed a dedicated Information Governance lead to oversee Data Protection and Information Management.
- During the year, the Council commenced a review of the democratic decision making process including frequency and timing of meeting, public participation in committee meetings and a review of Member working groups. This review will conclude in 2021/22.
- Annual IT health checks are undertaken which are conducted by accredited external security specialists. These are commissioned standard tests of system security, designed to assess our suitability for connection to government networks. Overall the security posture of the external network infrastructure was found to be excellent.
- There has been a significant focus on ensuring that the Council maintained good governance through the pandemic. This included transitioning all Committee meetings to online with public participation being maintained.

## **PRINCIPLE B**

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

All Council business is conducted in public unless legislation deems it appropriate for it to be considered in private.

During 2020/21, all Committee and Council meetings were required to be held online in accordance with emergency Covid-19 powers. This meant that attendance by the public was by pre-arrangement only, for example where we know that they have requested to ask a question. All public meetings were streamed online for anyone to watch with papers available in advance on the Council's website (save where 'Exempt' under the Local Government Act 1972 following formal evaluation of the public interest).

The Council undertakes the following to ensure openness and comprehensive engagement:

- Publishes consultations and surveys on the Council website and uses a consultation checklist based on the Gunning Principles to structure consultations to ensure good communication guidelines are adhered to.

- Utilises social media on a daily basis including Twitter, Instagram, Facebook, LinkedIn and YouTube to provide instant information on Council services thus allowing for a free flow of comments from stakeholders.
- Uses dedicated Locality Engagement Officers to attend local events to canvas the opinions of stakeholders to help shape the delivery of Council services. This has however been impacted by the cancellation of many events and with social distancing and safe working practices implemented in response to Covid-19.
- Produces specific e-bulletins for various interest groups including Business, Housing, Neighbourhood Planning, etc.
- Publishes an Annual Report available on the Council website which openly demonstrates how Council resources are used.
- During 2020/21, the Council has developed and adopted a Consultation and Engagement Strategy setting out the principles that will guide our engagement in the future.

## PRINCIPLES C AND D

### Defining, optimising and achieving outcomes

The Council has a number of strategic documents and plans that guide its approach to achieving its vision and ensuring that it remains financially sustainable. The Council's adopted Priorities are confirmed in Article 6 of the Constitution and again are published on the Council's website.

The Council's policies, aims and objectives are well established and monitored at various levels for example forward plans, annual service planning process and personal development reviews.

### Corporate Strategy

On 19<sup>th</sup> April 2019, the Executive adopted a series of desired outcomes for the period up until 2023

[Read the current Corporate Strategy here](#)

Much has changed since the Strategy was adopted (change in Council Leadership, Brexit and Covid-19 impacts) and the Executive have decided that the strategy must be updated to reflect how we will respond to these new challenges. This decision was also supported by Council.

A draft Corporate Strategy was considered in July 2021 with a period of consultation scheduled during the summer. The Draft Corporate Strategy, 'Better lives for all', a vision for South Hams can be found [here](#). The final strategy will be considered for adoption in September 2021.

The final Corporate Strategy will be accompanied by detailed delivery plans setting out how we will work towards the desired outcomes.

## Annual Report for 2020-2021

The Council's Annual Report sets out the Council's key achievements for 2020/21. This year's Annual Report is shorter than usual and places a significant emphasis on the Covid-19 response.

During 2021/22 the format and content of future Annual Reports will be reviewed in line with introduction of a new Performance Management Framework

The 2020/21 Annual Report can be seen [here](#)

## Partnerships and Governance

The Council has a number of strong partnerships that help to deliver our Strategic Priorities. Regular updates are provided by key partnerships to Members with them being provided either formally to the Overview and Scrutiny Panel or informally through the weekly Member Bulletin.

During 2021-22, a mapping of key partnerships will be undertaken to support the delivery of our emerging Corporate Strategy and a Partnerships Framework implemented to clearly set out the governance arrangements for partnerships.

## PRINCIPLE E

### Developing capacity and capability

Through regular staff briefings, e-bulletins, team meetings and an online staff appraisal system, South Hams and West Devon ensure that all staff understand Corporate priorities and how their work contributes to their delivery.

The Councils have a staff appraisal scheme, complimented by a Learning and Development Strategy that places the opportunity for individuals to continually improve at its heart. It gives everyone the opportunity to evidence both what they do and how they do it, to seek professional and personal guidance and support, and to identify any learning and development needs.

The Councils are committed to providing opportunities for young people and have an apprenticeship scheme, and participates in the Government's Kickstart scheme that provides work placement opportunities for young people who are out of work or education.

The Council also undertakes the following to develop capacity and capability:

- Delivers an induction programme for Officers and Members
- Provides a Member training and development programme
- Promotes to staff the use of "Learning Pool" an extensive online learning resource
- Delivers focused training on specific issues (e.g. complaints, data protection)

- Delivers a rolling development programme for supervisory staff
- Works in partnership with local authorities and other bodies to achieve economies of scale
- Conducts a staff survey to gauge employee satisfaction and assist in improving how the organisation performs. The survey results have shown significant improvement over the past 4 years.
- The Council holds an annual Staff Awards ceremony to recognise outstanding performance, and highlights compliments paid to staff from customers and colleagues in its weekly staff bulletin

During 2021/21, there will be a refocus on ensuring a clear 'golden thread' of individual objectives to our corporate priorities so that every member of staff is able to clearly see how they contribute to our overall successes.

## PRINCIPLE F

### Managing risks and performance

There is a culture of risk ownership and management throughout the Council with Strategic Risks being logged centrally and are updated regularly. Additionally during this year where the risk profile of the Council and its services was changing at pace in response to the global pandemic, detailed analysis of service risks was carried out on a regular basis by the Incident Management Team. This team met three times a week throughout the year for short, focused discussions on risks and progressed mitigations.

For each risk, the uncertainties are identified, along with the consequences, likelihood of occurrence and strategic impacts that would result. The Council's Senior Leadership Team review the corporate risk log quarterly and updates are reported to Elected Members via the Audit Committee on a biannual basis.

Elected Members also have the opportunity to raise concerns with the mitigating actions being taken by officers and can suggest new risks for consideration.

The pandemic significantly impacted the 2020/21 risk register, with most risks being directly or indirectly negatively impacted by Covid-19. An Incident Management Team was formed in March 2020 to oversee impacts on the Council and to implement mitigations.

Throughout the year, the Incident Management Team have continued to monitor and identify risks and implement mitigations, meeting three times a week to consider impacts. The Incident Management Team have had a clear escalation route to the Senior Leadership Team when additional governance and mitigations are required.

The Statutory Officers' Panel has important links with the Audit Committee and the Overview & Scrutiny Panel. It has a rolling programme of works which are set out in a Forward Plan.

All Committee reports include a reference where relevant to the potential impact on the Council's priorities and corporate strategy themes, and address as appropriate any financial, staffing, risk, legal and property implications, and are monitored by appropriate senior officers (including the S151 Officer and the Monitoring Officer).

With regards to managing performance throughout the year we have continued to maintain performance to meet the needs of our customers.

We have systematically reviewed areas of poor performance, streamlined processes, embedded new IT solutions and delivered staff training.

To manage performance the Council ensures the following:

- Continuous managerial review of services to ensure continuous improvement and the economic, effective and efficient use of resources
- Financial management arrangements, where managers are responsible for managing their services within available resources and in accordance with agreed policies and procedures. Quarterly budget monitoring reports are presented to the Executive.
- Active performance management arrangements including regular reports to Overview & Scrutiny Panel and Development Management Committee on performance measures
- A robust complaints/ compliments procedure is in place and is widely publicised, with the Ombudsman's Annual Report being reported to the Overview and Scrutiny Panel
- Freedom of Information requests are dealt with in accordance with established protocols

## **PRINCIPLE G**

### **Implementing good practices in transparency, reporting, and accountability**

The Council follows the Government Communication Service guidance on providing clear and accurate information and has a number of measures in place to demonstrate transparency and accountability.

An Audit Committee meets five times a year and its role is to provide an oversight of the financial reporting and audit processes plus the system of internal controls and compliance with laws and regulations.



The Council also has two internal audit staff managed by the Devon Audit Partnership who provide an opinion on the internal control environment and governance processes. In March 2019 (Minute A.53/18), it was recommended to Council for South Hams to join the Devon Audit Partnership as a 'nonvoting' partner. This was approved by Council in March 2019 with the Council joining the partnership as a nonvoting partner from 1 April 2019.

Three applications for exemptions to Contract/Financial Procedure Rules were received in the year, two were approved and one remains for approval.

External audit was provided by Grant Thornton for 2019/20 and in October 2020 they reported that they had concluded that the Council had made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources. (The 2020/21 Accounts will be reported on by Grant Thornton by September 2021).

To further ensure transparency the council undertakes the following:

- Provide training to Members on the Overview and Scrutiny Panel on effective scrutiny practices
- Ensure all Member decisions are formally minuted
- Streams all of its public meetings online
- Publishes all Council decisions online together with background reports
- Produces an Annual Report detailing Council performance and spend

### **Process for maintaining and reviewing effectiveness of the Council's Governance arrangements**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This responsibility is in practice carried out by Senior Managers, with the Chief Executive informing the Executive of any significant matters warranting their attention. The Council ensures the delivery of services in accordance with Council policies and budgets, which includes long term financial planning, good financial management and ensuring up to date risk management across the Council. The Overview and Scrutiny Panel is responsible for performing a review function and on 1<sup>st</sup> April 2021 they considered their Annual Report for 2020/21, which set out a summary of the work programme they have considered during that year. The Annual Report of the Committee can be seen [here](#) (O&S.53/19)

### **The Audit Committee**

The Audit Committee has a specific role in relation to the Council's financial affairs including the internal and external audit functions and monitors the internal workings of the Council (broadly defined as 'governance'). It is responsible for making sure that the Council operates in accordance with the

law and laid down procedures and is accountable to the community for the spending of public money. The Audit Committee will provide:-

- i) independent assurance of the adequacy of the risk management framework and the associated control environment
- ii) 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
- iii) oversees the financial reporting process.

The review of effectiveness of the system of internal control is informed by three main sources: the work of Internal Audit; by managers who have responsibility for the development and maintenance of the internal control environment; and also by comments made by external auditors and other review agencies/inspectorates.

### Internal Audit

The Council's responsibility for maintaining an effective internal audit function is set out in Regulation 6 of the Accounts and Audit Regulations 2011. This responsibility is delegated to the S151 Officer.

The Internal Audit Shared Service Team operates in accordance with best practice professional standards and guidelines. It independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic, efficient and effective use of resources. All audit reports go to the Senior Leadership Team who agree any recommendations. Members receive an annual report of internal audit activity and approve the annual audit plan for the forthcoming year.

The Internal Audit annual report for 2020/21 was considered by the Audit Committee on 1<sup>st</sup> July 2021. The report contains the Head of Internal Audit's Opinion for the 2020/21 year which is that of "Reasonable Assurance" on the adequacy and effectiveness of the Authority's internal control framework.

The Covid-19 pandemic impacted on the ability of the Internal Audit Team to carry out the full planned programme of audits with 70% of planned Audits being carried out. This was primarily due to the involvement of the internal audit team on supporting the delivery of Government business support grants related to the pandemic.

### Senior Managers

Individual managers are responsible for establishing and maintaining an adequate system of internal control within their own sections and for contributing to the control environment on a corporate basis. There are a number of significant internal control areas which are subject to review by internal audit. All managers acknowledge their responsibilities and confirm annually that they have implemented and continuously monitored various significant controls.

### External auditors and other review agencies/inspectors

Our external auditors (Grant Thornton) will issue their 'External Audit Report ISA260 report' for 2020/21 in September 2021 which will be considered by the Audit Committee. The document will summarise their key findings in relation to their external audit of the Council for 2020/21 and will contain an opinion on the Council's financial statements, the control environment in place to support the production of timely and accurate financial statements and the Council's significant risk areas.

The key messages from Grant Thornton's External Audit 'The Audit Findings' report for 2020/21 (which will be presented to the Audit Committee in September 2021) will be inserted here in September 2021

### **Value for Money (VFM) arrangements**

The key message from Grant Thornton's External Audit 'The Audit Findings' report for 2020/21 will be inserted here in September 2021.

Grant Thornton's Value for Money work will provide a commentary on the work Grant Thornton have undertaken to address the key elements of governance, financial sustainability and how to improve economy, efficiency and effectiveness.

## Significant Governance Issues

The following action plan has been drawn up to address the weaknesses identified and ensure continuous improvement of systems or to deal with governance issues:

<b>Issues and action plan from the System of Internal Control</b>		
<b>Issue Identified</b>	<b>Action to be Taken</b>	<b>Responsible Officer &amp; Target Date</b>
<p><b>Financial Uncertainty</b></p> <p>The Council continues to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending and the additional pressures as a result of Covid-19</p> <p>The Council has to be entirely independent to fund all of its services on a net budget of just over £9million, as the District Council no longer receives any main Government Grant (Revenue Support Grant).</p> <p>A Member budget workshop was held on 27th August 2020 to explore potential options for addressing the budget shortfall for the current financial year. At their meeting on 24th September 2020, Full Council approved a revised budget for 2020/21 with measures totalling £1.313m being agreed. The Deputy S151 Officer continues to submit monthly DELTA returns to Central Government that details the current additional expenditure and loss of income streams suffered by the Council on a monthly basis (due to Covid19), with predictions for future months.</p> <p>The financial forecasts are based on a number of assumptions including the level of income losses and support from the Government. In addition there continue to be a number of uncertainties that could affect the financial position in the future. These include the impact of further waves and any additional restrictions imposed. The S151 Officer will continue to monitor income streams and the overall impact of Covid-19.</p>	<p>The Council will prepare its Medium Term Financial Strategy for the period covering 2022/23 to 2024/25 and this will be presented to the Executive at its September 2021 meeting, alongside the Budget Monitoring report for the first few months of 2021/22.</p> <p>The Council will continue to respond to national funding consultations and lobby alongside other Devon Councils and national organisations such as the District Councils' Network for a multi-year financial settlement, to aid long term strategic financial planning.</p> <p>The Budget Gap over the next two years is likely to be in excess of £0.8million and work is already underway to address this. Much will also depend on the next Government financial settlement for 2022/23 and confirmation on funding items like Negative Revenue Support Grant.</p>	<p>Director of Strategic Finance By September 2021</p>

**Issues and action plan from the System of Internal Control**

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b><u>Delivery of Waste and Recycling Changes</u></b></p> <p>The Council's Waste and Recycling Provider began to implement its 'Super Recycler' scheme in March 2021.</p> <p>Implementation of waste changes has been impacted by a range of issues resulting in an unacceptable level of missed collections per week and jeopardised the roll out of the new recycling service (Devon Aligned Service)</p> <p>Major issues with the new service are being experienced at the time of the update. The Council is working with FCC (the Council's contractor) to resolve ongoing issues through an Improvement Plan.</p> <p>An extraordinary meeting of the Overview and Scrutiny Committee was held on 10th June 2021 to receive an update from the Portfolio Holder for Waste and Recycling on the progress in resolving the issues.</p> <p>On 17th June 2021, an Extraordinary meeting of Council was held to discuss performance and receive an Improvement Plan from FCC.</p> <p>In the short term, 26,000 residents will continue to have their recycling sorted at the kerbside into the new vehicles. 11,000 residents will have their recycling collected in a different vehicle and it will be sorted at a local sorting facility. 8,000 residents will remain on the clear and blue sack system for the time being.</p>	<p>Continuous dialogue between the Council's contractor (FCC) and the Council. Action plan being monitored and South Hams staff supporting FCC on the ground.</p> <p>Executive meet with FCC Directors on a weekly basis to monitor the situation and ensure progress in resolving the issues.</p> <p>Improvement plan being considered and subject to continuous monitoring.</p>	<p>Deputy Chief Executive – September / 2021</p>

**Issues and action plan from the System of Internal Control**

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>All residents are being asked to continue to separate their recycling following the instructions, regardless of which vehicle arrives on their collection day.</p> <p>The Executive Director Service Delivery has embedded a number of Council Officers within FCC to support them with rectifying the issues.</p> <p>The expectation is that FCC will collect recycling on the right day for all residents by the middle of July</p>		
<p><b>Business Continuity Management Strategy and Work Programme</b></p> <p>On 7<sup>th</sup> February 2019, the Executive considered a Business Continuity Strategy and Work Programme (Minute E.74/18).</p> <p>The Management Strategy and Work Programme was adopted.</p> <p>During 2018/19, an Internal Audit review noted that there were 'Fundamental Weaknesses' primarily due to not ensuring Business Continuity Plans were kept updated (or missing). During 2019/20, a further review noted that updated plans were now in place and considered that the overall status had improved to 'Improvements Required'</p> <p>At the end of 2019/20, the leadership team undertook an extensive review of our business continuity arrangements along with in depth planning sessions including responding to a pandemic flu outbreak. This put the Council in a good position to act quickly in response to Covid19.</p>	<p>A work programme is in place and will continue to be updated.</p> <p>Incident Management Team to continue to meet to assess the business continuity implications of Covid-19 and the anticipated additional pressures over the summer</p>	<p>Head of Practice (Environmental Health)/ Director Customer First and Support Services</p> <p>Timescales as set out in Work Programme</p> <p>Head of Practice (Environmental Health) / Head of Strategy August 2021</p>

**Issues and action plan from the System of Internal Control**

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b><u>Covid-19 Response &amp; Recovery</u></b></p> <p>The Covid-19 pandemic required the Council to quickly take action to ensure compliance with government guidance. While the full impact will not be understood for some time, immediate impacts are being considered and a recovery plan being developed.</p> <p>The pandemic has significantly increased the Councils risk profile in a number of areas:-</p> <p><b><u>Financial Sustainability</u></b></p> <p>See 'Financial Uncertainty' issue at the top of this table for update</p> <p><b><u>Impact on Business as Usual activities</u></b></p> <p>The Council is fortunate that it was quickly able to require the majority of its employees to work from home, even ahead of formal government guidance. This mitigated any spikes in sickness absence or impact on service provision in many areas in the first couple of weeks of the lockdown. We have however had to refocus areas such as business rates and housing teams to focus on the Business Grants scheme and our Community Response. This has had an impact on service delivery</p>	<p>Continue to monitor resource demands as a result of pandemic</p>	<p>Director Customer Service &amp; Delivery with support from Incident Management Team</p> <p>Ongoing</p>

**Issues and action plan from the System of Internal Control**

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b>Impact on Corporate Priorities</b>                      The Council has adopted its corporate priorities and desired outcomes for the period to 2023 based on its Medium Term Financial Plan. Clearly the impact of Covid-19 has had a significant impact on the Council's ability to achieve its desired outcomes and they have therefore been reviewed.</p> <p>A draft Corporate Strategy has been developed during 2020/21 with adoption proposed for September 2021</p> <p><b>Changes to Council Governance arrangements</b>                      The Councils have been fortunate that Officers and Members have been using remote meeting technology for some time. As soon as the legislation to enable remote meetings was passed, we were able to recommence meetings for essential business and enable the democratic process to function.</p> <p>Since May 2021, Council have had to resume face to face meetings which does pose challenges while we continue to deliver on our duty of care to Members and employees which means many of our rooms are too small to maintain social distancing. To date, South Hams Full Council meetings have been held in the West Devon Council Chamber.</p>	<p>Commence public consultation on draft Corporate Strategy, 'Better Lives for all'.</p> <p>Develop detailed delivery plans for Corporate Strategy in order for Council to consider adoption</p> <p>Develop plans for immediate issue of meetings for September 2021 being held at Follaton House</p> <p>Support lobbying government for new legislation which enables remote and/or hybrid meetings</p>	<p>Head of Strategy August 2021</p> <p>Director of Governance / Head of Strategy September 2021</p> <p>Director of Governance August 2021</p> <p>Chief Executive December 2021</p>



### ***Issues and action plan from the System of Internal Control***

<b>Issue Identified</b>	<b>Action to be Taken</b>	<b>Responsible Officer &amp; Target Date</b>
<b>Internal and External Audit Reports</b> Some issues have been identified in audit reports by the Council's shared in-house internal audit team and the Council's external auditor, Grant Thornton Individually the recommendations do not impact on the wider system of internal control, but action plans for remedial action have been agreed where appropriate	All remedial actions detailed in external and internal audit reports will be completed in line with the agreed timescales. These actions will be monitored by the auditors' 'follow up' procedures.	Extended Leadership Team (ELT) S151 Officer Internal Audit Manager In line with agreed timescales

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

### **CONCLUSION**

The Council is satisfied that appropriate governance arrangements are in place. However it remains committed to maintaining and where possible, improving these arrangements, in particular by addressing the issues identified by Internal Audit and External Audit in their regular reports to the Audit Committee.

**Signed:**

**Cllr J Pearce**

**Leader of South Hams District Council**

**Signed:**

**Andy Bates Chief Executive**

**On behalf of South Hams District Council**

Date: Draft issued on 30<sup>th</sup> July 2021 (to be signed in September 2021, on the conclusion of the Audit of the Accounts for 2020/21)