



**South Hams  
District Council**

**South Hams District Council**

**Annual Governance Statement 2022/23**

**(Audited)**

# 1. Scope of Responsibility

## Introduction

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.

## Governance Responsibilities

The role of the Chief Executive is to implement the plans and policies that support the strategic direction of the Council as set by Members. The Chief Executive leads the Senior Leadership Team consisting of the Directors of Strategic Finance, Customer Service and Delivery, Strategy & Governance and Place & Enterprise, who are in turn supported by Assistant Directors and Heads of Service.

The Council's Director of Strategic Finance is a qualified accountant 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' or 'Chief Financial Officer'

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 Governance Framework

## The Council's Governance Arrangements

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.

## Governance Responsibilities

The governance framework was in place at South Hams District Council for the year ended 31 March 2023 and is expected to continue up to the date of approval of the Accounts by the Audit and Governance Committee.

This Statement explains how South Hams District Council has met the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and set out in the 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 as set out to the right.

- Principle A: Behaving with Integrity, demonstrating a strong commitment to ethical values and respecting the rule of law
- Principle B: Ensuring openness and comprehensive stakeholder engagement
- Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits
- Principle D: Determining the intervention necessary to achieve intended outcomes
- Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F: Managing risks and performance through robust strong financial management
- Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

## Principle A: Behaving with Integrity, demonstrating a strong commitment to ethical values and respecting the rule of law

### Steps we take to uphold the principle

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. The Council also reviews and adopts annually its Constitution which comprises rules of procedure and codes of conduct.

All Council decisions incorporate a legal implications section within the report and these are published on the Council's website as part of our agenda packs.

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 including:

- ✓ Having Codes of Conduct in place for Members and Officers which include arrangements for registering interests and managing conflicts of interest. This is supported by an e-learning course for officers and face to face training through Member Induction.
- ✓ The Council's Constitution defines the roles and protocol of Members and officers in their dealings with each other.
- ✓ Staff are assessed against a set of key behaviours to establish the right organisational values and culture both during the recruitment process and throughout the year through the Performance Management process.
- ✓ The Council has effective counter fraud and anti-corruption arrangements which are maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPA, 2014). The Council also participates in the National Fraud Initiative (NFI).
- ✓ The Council's whistle-blowing (Confidential Reporting) policy, has been updated and approved at Full Council on 19th May 2022 and subsequently promoted to staff
- ✓ Operating a robust information governance regime including promoting a culture of openness and encouraging reporting and investigation of data breaches. 21 breaches were reported through the year, none meeting the threshold to report to the Information Commissioner.
- ✓ Commissioning an Annual IT Health check from an accredited external security specialist who found our overall security to be 'Excellent'

## Principle B: Ensuring openness and comprehensive stakeholder engagement

### Steps we take to uphold the principle

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

During this year we have taken further steps to enhance the technology enabling remote participation at meetings (for non-committee members and officers). This has meant that other partner agencies have been able to participate in meetings such as Overview & Scrutiny who may not typically have been able to attend.

During the year the Council has undertaken a number of consultation & engagement exercises including the following topics:

- Council Tax reduction scheme
- My Place, My Views consultation
- Homelessness Strategy development
- Electric Vehicle Charging Points
- Budget engagement with businesses

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

- ✓ 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.
- ✓ Streams all public council meetings to Youtube and Facebook live enabling anyone to access the content of meetings.
- ✓ 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.
- ✓ Produces specific e-bulletins for various interest groups including Business, Housing, Neighbourhood Planning, etc.
- ✓ Prepares an Annual Report, extracts of which are in the Statement of Accounts (Section 1 – Narrative Statement)

## Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

### Steps we take to uphold the principle

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 set out in the Better Lives for All Strategy and detailed delivery plans. These can be seen [here](#). These include:

- a commitment to mitigating climate change and increasing biodiversity
- promoting the coastal and visitor economy
- Supporting the strategic employment and infrastructure
- Supporting town and businesses
- Ensuring we have a sustainable built and natural environment
- Buying local where possible

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.

In addition the Council undertakes the following to define outcomes in terms of sustainable economic, social and environmental benefits:

- Demonstrates the work of the Council through an Annual Report of Achievements
- Provides quarterly updates to Executive on progress against our adopted priorities
- Shows how the Council supports its priorities in the decisions it makes in each report that the Council considers
- Demonstrates its commitment to sustainability in the planning applications it determines
- Delivery of more EV installations on Council land
- Working with partners on an approach to tackling rural poverty
- Facilitating urban tree planting

## Principle D: Determining the interventions necessary to achieve intended outcomes

### Steps we take to uphold the principle

The Council has implemented an enhanced performance management framework to report on the progress against our adopted Better Lives for All strategy. This framework includes:-

- Quarterly Integrated Performance Management Reports to Executive
- Monthly 'Deep-dives' in to a specific theme by Overview & Scrutiny Committee
- Six monthly Key Performance Indicator reports considered by Overview & Scrutiny
- Six-monthly Strategic Risk reports to Audit & Governance Committee setting out the key risks in achieving our ambitions
- An Annual Report of achievements aligned to our strategic priorities

During this year, the performance management framework has been further enhanced with the implementation of a number of officer boards and we have taken further steps to enhance our performance management framework including :

- Establishing a Strategic Delivery Board consisting of the Senior Leadership Team, Assistant Directors and other Heads of Service as required. This board has oversight of key strategic programmes including corporate strategy delivery.
- Establishing a Performance Board to be responsible for overseeing organisational performance and to take operational service based decisions around resource deployment and management
- Establishing Waste, Planning and Capital Programme Management boards to oversee progress of these key service areas.
- Audit report tracking

### Partnerships & Governance

The Council has several 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 & Scrutiny Panel or informally through the weekly Member Bulletin.

During 2022/23, the Council has taken steps to extend funding to those key partners that contribute to our priorities. Agreement was made to extend funding for partners such as Citizens Advice, Council for Voluntary Service and community transport schemes for a further two years. We have also increased funding to Citizens Advice in recognition of the additional collaboration required to respond to the Cost of Living Challenges.

## Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

### Steps we take to uphold the principle

Through regular staff briefings, e-bulletins, team meetings and an online staff appraisal system, South Hams District Council ensure that all staff understand our corporate priorities and how their work contributes to them.

During 2022/23 there has been a significant focus on organisational development (including a clear OD Plan developed with input from staff) and people management with the bringing together of core functions (HR, Comms, Organisational Development and Strategy).

In September we carried out an employee survey (delivered by the LGA). This has enabled us to identify the key drivers to unlocking further potential within the organisation as well as benchmarking with other similar authorities. We will be following this up with a further survey during 2023/24 to see how we're progressing.

In addition the Council undertakes the following to develop the entity's capacity of its leadership and the individuals within it:

- Delivered a Management Development Programme for a cohort of over 30 senior officers within the Council
- Provided a Member training and development programme
- Promoted to staff the use of "Learning Pool" an extensive online learning resource
- Delivered focused training on specific issues (e.g. complaints, data protection, information security)
- Worked in partnership with local authorities and other bodies to achieve economies of scale -West Devon for our full Shared Services, Teignbridge District Council for Procurement support and Plymouth City Council through our Joint Local Plan.
- Conducted a staff survey to gauge employee satisfaction and assist in improving how the organisation performs.
- Held a Staff Awards ceremony to recognise outstanding performance, and highlighted compliments paid to staff from customers and colleagues in the weekly staff bulletin

## Principle F: Managing risks and performance through robust internal control and strong public financial management

### Steps we take to uphold the principle

There is a culture of risk ownership and management throughout the Council with Strategic Risks being logged centrally and are updated regularly. For each risk, the uncertainties are identified, along with the consequences, likelihood of occurrence and strategic impacts that would result.

Elected Members have the opportunity to raise concerns with the mitigating actions being taken by officers and can suggest new risks for consideration. In addition to continuing to report risks to the Council's Audit Committee twice a year, an overview of the risk profile is provided to the Executive on a quarterly basis.

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.

In addition, the Council undertakes the following to manage risks and performance:-

- 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 considered by the Executive.
- Active performance management arrangements including regular reports to Overview & Scrutiny Panel and Development Management Committee on performance measures.
- Identifies key risks for each service as part of its annual service planning cycle
- Maintains risk registers for significant projects – capital programme, future IT etc.
- 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.
- Fraud/Irregularity - There have been no irregularities to report regarding the day-to-day operation of the Council. However, there have been 23 cases investigated (value of £96,577) which relate to COVID-19 business grant applications. None of these were proven to be fraud but were errors or non-compliance with the grant conditions. As a result, £77,050 has been repaid to the Council and central Government. Any cases identified have been reported to Devon Audit Partnership's Counter Fraud Team and to the National Anti-Fraud Network (NAFN).

## Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

### Steps we take to uphold the principle

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 & Governance Committee meets between five and six 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 'non-voting' partner. This was approved by Council in March 2019 with the Council joining the partnership as a non-voting partner from 1 April 2019.

### **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, the Council's Constitution, good financial management and ensuring up to date risk management across the Council.

In addition the Council undertakes the following to implement good practices in transparency, reporting and audit:-

- Appointing an external auditor (Grant Thornton) for 2022/23 to make conclusions on our accounting and value for money arrangements
- Ensured 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

## How we ensure the Governance Framework and controls are effective

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.

### The Audit & Governance Committee

The Audit & Governance 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 & Governance Committee 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. oversight of the financial reporting process.

### 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 function operates in accordance with best practice professional standards and guidelines to independently and objectively review 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. The Senior Leadership Team consider all Internal Audit reports and ensure that agreed recommendations are implemented.

The Internal Audit annual report for 2022/23 was considered by the Audit & Governance Committee on 9th March 2023 (Minute AG.36/22). The report contains the Head of Internal Audit's Opinion for the 2022/23 year which is that of "Reasonable Assurance" on the adequacy and effectiveness of the Authority's internal control framework

### 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.

### External Auditors and other review agencies/ inspectorates

Our external auditors (Grant Thornton) have issued their 'Audit Findings report for the Council' for 2022/23 and this will be considered by the Audit and Governance Committee on 28 March 2024. The document summarises their key findings in relation to their external audit of the Council for 2022/23 and contains 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 'Audit Findings' report concludes that Grant Thornton have substantially completed an audit of the financial statements and subject to outstanding queries being resolved, they anticipate issuing an unqualified audit opinion following the Audit and Governance Committee meeting on 28 March 2024.**

### Value for Money Arrangements

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

The Value for Money arrangements for 2021/22 were not able to be considered during 2022/23 due to capacity issues for our Auditor, Grant Thornton. **A joint Value for Money report was undertaken for 2021/22 and 2022/23.**

**On 14 December 2023 the Audit and Governance Committee considered an interim Auditor's Annual Report from the Council's external auditors, Grant Thornton. This gave commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The report stated that 'The Council has demonstrated a good understanding of its role in securing economy, efficiency and effectiveness in its use of resources. Our work has not identified any significant weaknesses in arrangements.'**

## Significant Governance Issues

Over the coming pages, we set out key issues for the Council during the year and the actions we will take to address any weaknesses identified in our governance system. The issues identified within this section of the report are informed by our own testing and assessment including any significant risks from our Strategic Risk Register.

Issue Identified	Action to be taken	Responsible Officer and target date
<p><b><u>Financial Uncertainty</u></b></p> <p>The Executive considered the Medium Term Financial Strategy for the Council in September 2022. The Council has continued to work in partnership with West Devon Borough Council which has allowed us to achieve annual savings of £3.9m and more importantly, protect frontline services.</p> <p>The Council does however continue 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 inflationary increases to its goods and services. We had expected a longer term financial settlement to be made in December 2022 however Government again made only a single year settlement. It did however set a commitment for consultation on further funding reforms to come forward during 2023.</p> <p>In February 2023, Full Council considered, and agreed, a balanced budget for 2023/24</p>	<p>The Council will continue to lobby Government for fairer funding for rural services, and respond to the committed consultation on funding reforms which we anticipate to be launched in 2023.</p> <p>Following the commencement of the new Council term in May 2023, officers will work with the Leader and his Executive to update the Medium Term Financial Strategy and review the existing capital programme and reserves. This activity will be aligned to the development of a new Corporate Strategy for the next 4 year period.</p>	<p>Director Strategic Finance – 2023</p> <p>Director Strategic Finance – September 2023 Executive meeting</p>

Issue Identified	Action to be taken	Responsible Officer and target date
<p><u>Delivery of Waste and Recycling</u></p> <p>In the 2021/22 Annual Governance Statement, we highlighted the issues being experienced by our waste contractor in delivering the Waste and Recycling Service.</p> <p>Throughout 2022/23, the Council continued a significant focus on trying to resolve issues with its waste and recycling service.</p> <p>On 12 July 2022, Executive considered a report, with advice from the Council's Waste Working Group. The Waste Working Group advised that the Council and FCC Environment have reached a mutual agreement to end their contract for waste, recycling, street and toilet cleaning services. Both parties agree that the past few years have presented a number of extremely challenging circumstances.</p> <p>In the best interests of the residents of the South Hams, it was proposed that the services will be operated by the Council from Monday 3 October 2022. This decision was subsequently approved by Full Council on 14 July 2022.</p> <p>The Council developed a project team to ensure a smooth transition of services back to the Council, with the services returning to the Council's control as planned on 3 October.</p> <p>Since the service has been returned to the control of the Council, service performance has stabilised and improved significantly. We have taken steps to reduce the amount of agency resource employed to further provide stability for the service. The introduction of a chargeable garden waste service progressed and launched in March 2023. As reported to the Executive on 13<sup>th</sup> April 2023, there has been a fundamental improvement in performance and in February 2023, for the first time in over three years, the service has achieved the national industry standard performance target of no more than 80 missed bins per 100,000 collections.</p>	<p>The Council is now progressing plans to purchase end of life fleet replacements and the fleet required in order to roll out the remaining properties (approx. 23,000) onto the Devon Aligned Services (anticipated to be in October 2023). The estimated cost is £2.16m and the Council is utilising the Vehicle and Plant Earmarked reserve and the one-off implementation budget to purchase the fleet. The rationale for implementing this service is to improve recycling rates and reduce recyclable materials entering the residual waste stream, ultimately contributing to the national climate change targets.</p> <p>The Council also intends to progress with improvements to the Torr Depot in order to provide further performance improvements.</p>	<p>Assistant Director Waste and Operations – October 2023</p> <p>Assistant Director Waste and Operations – October 2023</p>

Issue Identified	Action to be taken	Responsible Officer and target date
<p><u>Inadequate Staffing Resource</u></p> <p>During 2022/23, the risk that the Council is unable to retain existing and attract new staff has continued to increase, to the point where it is an issue rather than a risk.</p> <p>The last few years have seen Local Government stepping up to provide significant and varied support to our residents, communities and businesses in addition to maintaining our core service delivery. In addition to increasing the pressure on our workforce, it has resulted in longer term changes to recruitment and retention.</p> <p>Throughout 2022/23, the Council has experienced recruitment and retention challenges. In February 2022, we introduced a market supplement policy that enables an enhancement to be made to the salary of certain roles where there is a demonstrable difficulty in recruiting (such as Planning and Legal Officers). These supplements are for an initial 2 year period and kept under review.</p> <p>The Council has also undertaken a job evaluation exercise on all principal professional and technical roles, comparing salaries to other similar employers and considering any recruitment and retention challenges. Steps taken have ensured that all Council employees will have received a minimum 6% pay increase since April 2022.</p>	<p>The Council will continue to monitor the issue and impacts of recruitment and retention challenges. In January 2023 we developed a comprehensive Organisational Development Plan setting out all of the steps we will implement to place the Council as an employer of choice, supporting and developing our workforce to deliver our future priorities. The delivery of this plan will be a significant focus throughout 2023/24.</p> <p>In the Autumn, we will undertake a further employee survey and, if required, adapt our plans in response.</p>	<p>Assistant Director Strategy and Organisational Development – 2023/24 ongoing</p>

Issue Identified	Action to be taken	Responsible Officer and target date
<p><b>Health and Wellbeing Service Provision</b></p> <p>Leisure services continue to be provided at the leisure centres. Leisure services nationally continue to be significantly impacted by the increases to energy costs and other supplies and services, with the issue being further compounded as individuals consider their own levels of expenditure and focus on essential spending – with discretionary spending on items such as leisure being areas where individuals consider making savings.</p> <p>The Council continues to regularly meet with the Chief Executive and Financial Director of Fusion Leisure to understand the impacts. We are actively taking steps to support the fusion progress plan for the decarbonisation of its sites which will, longer term, result in a reduction of energy costs – although this does not address the immediate impacts. Plans are already in place and have been approved to install solar panels on each leisure centre. The Council will apply to the Swimming Pool Support Fund, with applications being opened in the Summer. This was the £60m of new government funding that was announced in the Spring 2023 Budget. The Government funding is being distributed by Sport England although the amounts of funding available to leisure centres is likely to be minimal. Total memberships of the four leisure centres are 93.4% of the pre-covid levels in March 2020 (4,542 in March 2023, compared to 4,865 in March 2020).</p>	<p>The Council has regularly met with the Chief Executive of our outsourced Leisure Service (Fusion Leisure) to monitor the impacts. We are actively taking steps to progress plans for the decarbonisation of its sites which will, longer term, result in a reduction of energy costs – although this will not address the immediate impacts.</p> <p>The Director of Place and Enterprise and Section 151 Officer will work with the provider and bring further updates to Members as required.</p>	<p>The Director Place and Enterprise and Section 151 Officer – 2023/24</p>

Issue Identified	Action to be taken	Responsible Officer and target date
<b>Internal Audit Recommendations</b>	<p>During the year, the Council’s internal audit team have carried out a number of reviews in order to provide an annual opinion of the adequacy and effectiveness of the Councils internal control framework. At the meeting of the Audit and Governance Committee on 9th March 2023, the Head of Internal Audit concluded an opinion of Reasonable Assurance for the 2022/23 financial year. This means that following Internal audits undertaken during the year, the Internal Audit team consider that there are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified with the most significant recommendations being as follows.</p> <p><b><u>Building Maintenance Works Scheduling – Follow Up Audit (Limited Assurance)</u></b></p> <p>This follow up Audit has carried forward a number of High Priority recommendations which relate to:-</p> <ul style="list-style-type: none"> <li>•Creating a formal building maintenance strategy and delivery plan to guide and prioritise building maintenance work.</li> <li>•Review the resourcing and roles and responsibilities of the Building Maintenance Team, and prioritise their work</li> <li>•Consider the balance between planned and reactive maintenance work and review the staff resource allocated</li> </ul> <p><b><u>Procurement Audit (Limited Assurance)</u></b></p> <p>Two high priority recommendations were made</p> <ul style="list-style-type: none"> <li>•Follow an appropriate procurement route when current energy contracts expire</li> <li>•Maintaining a central contract register</li> </ul>	<p>Head of Assets – Target date June 2023</p> <p>Head of Assets – July 2023</p> <p>Head of Assets – March 2024</p> <p>Head of Assets – Target September 2024</p> <p>Assistant Director Strategy – Feb 2023</p>

## 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 and Governance Committee.

**Signed:**

**Signed:**

**Cllr Julian Brazil**

**Andy Bates Chief Executive**

**Leader of South Hams District Council**

**On behalf of South Hams  
District Council**

Date: 28 March 2024