

## **ANNUAL GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR 2018/2019**

**DRAFT**

### **Explanatory Note**

Torbay Council's governance arrangements changed on 2 May 2019 with the election of the new Council and the move to a Leader and Cabinet model of governance. This Annual Governance Statement covers the Financial Year 2018/2019 during which the Council operated an Elected Mayor model of governance. Therefore, whilst this Annual Governance Statement covers significant governance issues up to the date of approval of the Statement of Accounts, the governance system described throughout is that which was in place during the 2018/2019 financial year.

### **Scope of responsibility**

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

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

Torbay Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The code is included in the Council's Constitution which is available on the Council's website at <http://www.torbay.gov.uk/DemocraticServices/ieListMeetings.aspx?CId=458&info=1>

This statement explains how Torbay Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement on internal control.

### **The purpose of the governance framework**

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it 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 Torbay Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Torbay Council throughout the year ending 31 March 2019. As set out in the Explanatory Note, the governance framework from 2 May 2019 up to the date of approval of the statement of accounts was based on a Leader and Cabinet model.

## **The Governance Framework**

### The Constitution

The Constitution sets out the main elements of the governance framework of Torbay Council, in particular how decisions are made and the procedures which are followed to ensure that these are efficient and transparent and that decision makers are accountable to local people. It explains that (for the 2018/2019 financial and municipal years) the Council is made up of the Elected Mayor and 36 Councillors who, together, are responsible for approving the Council's Budget and Policy Framework. The Elected Mayor was responsible for decisions which are consistent with the Budget and Policy Framework and was supported by Executive Lead Members who oversaw and advised on specific areas. Matters outside the Budget and Policy Framework have to be referred to the Council for decision.

The Constitution includes Standing Orders, Financial Regulations and the Scheme of Delegated Powers and is available on the Council's website. It is underpinned by Codes of Conduct for Members and Employees and a range of local protocols. The Constitution includes the Council's Code of Corporate Governance.

The Overview and Scrutiny Board is responsible for the overview and scrutiny function of the Council. It assists in the development of policy and holds decision makers to account. In addition, any five members of the Council can "call-in" executive decisions to the Overview and Scrutiny Board for further debate.

The Audit Committee is responsible for all internal and external audit matters, treasury management as well as monitoring the effective development and operation of performance and risk management and corporate governance in the Council. It meets on a bi-monthly basis.

The Standards Committee's remit includes the conduct of members and investigating complaints in respect of individual members. The Standards Committee promotes and embeds ethical standards for members.

Some regulatory functions remain the responsibility of the Council rather than the Elected Mayor and most of these are delegated to a small number of committees appointed annually by the Council.

All members are inducted into the importance and processes of good governance and have informal and, if required, formal ways of raising governance issues with the

Chief Executive, Monitoring Officer, Chief Finance Officer and the Senior Leadership Team.

### The Corporate Plan and Decision-making

Included within the Policy Framework is the Council's Corporate Plan which is the main strategic document under which all other Policy Framework documents sit. The Delivery Plans associated with the Corporate Plan continue to be delivered. The Council also has a Medium Term Resource Plan which is reviewed on an on-going basis to take into account new information and changed circumstances. Both of these documents provide a framework for planning and monitoring resource requirements.

The Council's Transformation Programme continued to be delivered during 2018/2019. This aims to ensure that the ambitions within the Council's Corporate Plan are met whilst seeking to maximise efficiencies, income and savings (in accordance with the requirements of the Medium Term Resource Plan) and create service resilience. The Elected Mayor's Policy Development and Decision Groups received reports and made recommendations to him on Executive decisions. The Elected Mayor then, in the majority of cases, took those decisions at meetings of the Policy Development and Decision Group. All reports to members include sections on the financial and legal implications and the risks of the proposed decision. Prior to publication, these reports are cleared by the Chief Executive, Chief Finance Officer and the Monitoring Officer or one of their senior staff.

All meetings of the council and its committees are open to the public but a small number of matters are considered in private when the press and public are formally excluded from meetings. It is the Council's objective to keep these private matters to a minimum with only those elements of reports that are considered exempt from publication being included within appendices. This aims to ensure open and transparent decision making is undertaken at all times.

The Member Development Programme provides a structured approach to member development to support members in their roles. In addition to the Personal Development Plans, Members have the opportunity to have a one to one Councillor Development discussion with their Group Leader. The purpose of these reviews is to discuss each member's progress and how they can contribute in meeting the Council's priorities.

### Community and Service User Engagement

There are a number of Community Partnerships across Torbay which provide an opportunity for people who live or work in those parts of Torbay to discuss issues of common concern, influence the way in which services are provided and improve their local area.

In developing proposals for service change, consultation with service users and the public is undertaken. In particular, the impact on vulnerable groups and those with characteristics protected under the Equality Act 2012 is assessed and documented in

Equality Impact Assessments which are considered by decision-makers prior to decisions being made.

### Partnership Working

The Torbay Strategic Partnership (known as Torbay Together) has continued to meet regularly throughout the year and the partnership, which consists of public, private and voluntary sector organisations, has continued to seek ways to deliver "Your Torbay, Your Future" which sets out the Partnership's vision for Torbay in the future.

The Health and Wellbeing Board and the Community Safety Partnership provide forums where multi-agency issues which impact on the Torbay population can be debated. Safeguarding Boards are also in place for both children and adults.

The Council owns (either in its own right or with partners) a number of companies, namely the Torbay Economic Development Company (TDA), TOR2, Careers South West and Torbay Housing Company Ltd. The Council has representatives on the Boards of these companies together with a number of reserved matters which are set out in the Articles of Association and Memorandum of Understanding.

Performance and monitoring arrangements are in place in respect of service specific partnerships such as the Torbay and South Devon NHS Foundation Trust and the Torbay Coast and Countryside Trust.

The Council is a member of the Heart of the South West Joint Committee which will be delivering the Productivity Strategy for the region and maximising the opportunities for Government funding in Devon and Somerset. In addition, the Council is working with partners on the Wider Devon Sustainability and Transformation Plan and the Improved Better Care Fund. From 1 June 2019 the Council entered into a contractual relationship with Plymouth City Council for a Joint Director of Children's Services.

### Performance and Risk Management

The Council records performance information using performance-reporting software called SPAR.net. The Senior Leadership Team continuously monitors the Council's performance and risks and receives formal updates on a quarterly basis. These updates were shared with the Elected Mayor and Executive, Group Leaders and the Audit Committee. Any areas of concern are highlighted and appropriate corrective action will be considered, scrutinised and monitored. The Council uses a range of benchmarking information to measure performance against comparators and to identify authorities from whom the Council could learn.

The Senior Leadership Team is responsible for the implementation and monitoring of the Performance and Risk Framework. A Strategic Risk Register is maintained which identifies strategic risks facing the Authority together with clearly identified measures for mitigation. Directors and Executive Heads are responsible for managing risk within their Business Units.

## Senior Management

The **Head of the Paid Service** is the Chief Executive who is responsible and accountable to the Council for all aspects of operational management.

The Head of Finance is the **Chief Financial Officer**. He has direct access to all members, the Chief Executive and senior officers of the Council. He works with Directors and Assistant Directors to identify any financial issues which may require management action. Regular discussions were held with the Elected Mayor who was the Executive Member with responsibility for finance. The Chief Financial Officer has responsibility for ensuring the Council operates secure and reliable financial and accounting systems.

Members are briefed on key financial issues with revenue and capital budget monitoring reports being considered by the Overview and Scrutiny Board and the Council on a regular basis. The Council agrees the Treasury Management Strategy on an annual basis on the recommendation of the Audit Committee.

The Director of Corporate Services is the **Monitoring Officer**. She is responsible to the Council for ensuring that agreed procedures and protocols are followed and that all applicable Statutes and Regulations are complied with.

The Head of the Paid Service, Chief Financial Officer and Monitoring Officer meet regularly to ensure that appropriate governance arrangements are in place.

Officers in politically restricted posts and those responsible for negotiating contracts are required to register their personal interests.

## Training and Information

The Torbay Managers Forum meets on a quarterly basis enabling all managers to be briefed on current issues, reflect on achievements and engage in the development of action plans, ensuring that best practice across the Authority is shared and that plans for the future are collectively owned. Events known as “Connect” are routinely held which are open for all members of staff to attend to share their views with the Chief Executive and members of the Senior Leadership Team. The Elected Mayor also held Mayoral Connect Forums to enable members of staff to hear directly from him and to share their views with him.

A focussed forum for Managers called the Extended Leadership Team (ELT) has been established, so as to provide for even greater communication and opportunities for empowerment throughout the organisation. A member of ELT attends all Senior Leadership Team meetings.

Internal communication approaches are in place to ensure all staff are aware of issues and new policies and practices. Newsletters and daily updates are sent to all staff to advise them of relevant information, HR policy and legislation changes. Learning and Development courses that are available and support for staff are also included within these.

There is a positive working relationship with Trades Unions through quarterly formal meetings and informal meetings with the Director of Corporate Services, and consultation where appropriate.

The Council's intranet contains a range of policies, procedures and guidance for all staff including i-Learn training modules, Information Governance Policies, Code of Conduct, Freedom of Information Policy, Data Protection Policy and the Corporate Plan and Constitution. Human Resources (HR) Policies are available to all staff via the MyView web platform.

The Council has a Counter Fraud and Corruption Policy which is reviewed regularly and has been communicated to all staff and is available on the Council's Intranet.

Corporate training needs are identified through the Senior Leadership Team. The Council has strongly supported staff development, particularly through programmes such as the Institute of Leadership and Management to develop Team Leaders and Managers.

Change management training has been communicated to all staff, including senior management, to support their understanding and implementation of change. Coaching and counselling are also offered as an additional means of support to individuals.

The Corporate Induction module on i-Learn signposts and informs new employees about the range of policies and procedures they need to be aware of, including the Code of Conduct, Information Governance, Acceptable Behaviour, Driver's Policy and Handbook and Whistleblowing Policies. Managers are responsible for local induction arrangements with corporate induction courses being run on a regular basis.

#### Customer Feedback, Whistleblowing and Prevention of Fraud

The Council has a customer feedback recording, tracking and reporting system to which all staff have access via the Intranet. The system captures compliments, complaints, queries, enquiries and Local Government Ombudsman complaints. Letters from Members of Parliament as well as enquiries made through local councillors are also recorded through this system.

The system enables all complaints to be recorded and tracked with root causes identified providing the Council with a useful analysis of why issues are being received. It also enables the tracking of the implementation of recommendations and actions.

The Information Compliance Team report to the Senior Leadership Team on a quarterly basis, these reports include the type of complaint, service area, outcomes and any learning points. This results in further actions being identified and implemented. This Team continues to undertake the actions necessary in respect of the implementation of General Data Protection Regulations.

The Council's Whistleblowing Policy is available on the Council's website and intranet site. The Council has an established phone line that any whistleblowing call can be made to and which goes directly to Internal Audit which has responsibility for dealing with these issues in the first instance. The Probity and Ethics Group; comprising of the Monitoring Officer, the Chief Finance Officer, Internal Audit and the Head of Human Resources, continue to meet to consider and progress as appropriate all matters of concern.

The Council has a Fraud and Counter Corruption Officer who is accountable to the Head of Finance. The Council's website enables members of the public to report any suspicions of anyone committing fraud or corruption.

### Information Management

The Council holds and processes a significant amount of information. It is critical that the information held is of good-quality, accurate and kept up-to-date to inform decision making. Equally important is the requirement to process personal and sensitive information in accordance with the data protection legislation. To support this, there is an Information Governance Steering Group, which consists of the Head of Information Governance (who is also the Council's Data Protection Officer), the Senior Information Risk Owner (SIRO) and the Council's Caldicott Guardian. This Group reviews the Council's approach to information management and sharing. There is also an Information Security Group which is made up of operational staff to review and update policies and processes to ensure that the day to day handling of information is carried out in accordance with legislative requirements. Under this framework there are a number of operational policies and procedures including a suite of information security policies. These policies are subject to regular review and updates communicated to all staff.

The Council has in place a General Data Protection Regulation (GDPR) project plan and team, whose focus is ensuring that information management across all departments complies with data protection legislation. Part of this work is regular review of the Information Asset Register which specifies the information assets held across all Council departments and allows the Council to understand the risks associated with different information assets.

### Internal Audit

The internal audit service is provided by Devon Audit Partnership (DAP). This is a shared service arrangement between Torbay, Torridge District, Plymouth City and Devon County Councils and is constituted under section 20 of the Local Government Act 2000. Devon Audit Partnership undertakes the role of auditing the Council's systems to give assurance to the organisation.

The Council's Internal Audit Plan, which is risk based, is agreed annually by the Head of Finance, Senior Leadership Team and the Council's Audit Committee. This provides the basis for the review of internal control and governance within the Council and includes the following: -

- Annual reviews of the Council's key financial systems by Internal Audit against known and evolving risks.
- Reviews of internal controls in operation within each service area against known and evolving risks based on a detailed risk assessment. These reviews consider the strategic and operational risks identified in the Corporate Risk Register, as well as materiality, sensitivity and previous audit and inspection findings.
- Work in relation to the investigation of any potential irregularities identified either from audit work or through the Council's whistle-blowing policy.
- Advice and support to ensure future safeguards when implementing new systems.
- Value for money work in relation to assessing the efficiency, economy and effectiveness of the Council's operations and recommending improvements as necessary.

The Council also receives assurance from the NHS Internal Audit Confederation (Audit South West) over the controls in operation at Torbay and Southern Devon NHS Foundation Trust which covers the provision of adult social care services.

Achievement against the Audit Plan is reported to the Audit Committee on a twice yearly basis. This report also includes an opinion and assurance about the system of internal control throughout the Council.

Regular meetings are held between the Chief Finance Officer and a representative of the Devon Audit Partnership to discuss specific issues that have arisen.

### **Review of Effectiveness**

Torbay Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of the Devon Audit Partnership's annual report, and also by comments made by the External Auditors and other review agencies and inspectorates. This review is demonstrated through the Annual Governance Statement.

As in previous years, Devon Audit Partnership undertook certain assurance work on behalf of the Council and to give assurance to the external auditors as part their audit opinion.

The effectiveness of the governance framework has been evaluated over the course of the year against the seven core principles within Torbay Council's Code of Corporate Governance. Details of the evaluation is included in the sections which

follow. Whilst some governance issues have been identified (and are detailed below), the Council believes that its arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

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

The Council's Corporate Plan was adopted in September 2015 with the associated Delivery Plans adopted in May 2016. The Delivery Plans set out the challenges faced by the Council, where it aimed to be in 2019 and the areas on which the Council would focus. The Performance and Risk Dashboards set out how the Council will measure its performance towards meeting the ambitions of the Corporate Plan and the actions in the Delivery Plans. This included progress against each action within the Delivery Plans and an identification of the priorities for the coming months.

The Council established a Strategic Partnership for Torbay (Torbay Together) which developed "Your Torbay, Your Future" which sets out the long term aspirations for Torbay. This was adopted by the Council in June 2017 as an Annex to the Council's Corporate Plan.

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

The Council's Constitution has been continually reviewed throughout the year by the Monitoring Officer, Chief Financial Officer and Governance Support Manager in consultation with the Elected Mayor and Group Leaders whereby improvements and changes to the constitution were made and agreed. In addition, work was also undertaken during the year to revise the Constitution to take account of the change in the system of governance to Leader and Cabinet from May 2019.

The Members' Development Programme continues to be delivered including training on RIPA, Data Protection and the Port Marine Safety Code and communication with councillors was supplemented by Councillor Conversations which take place to provide an informal opportunity to discuss forthcoming issues. The Elected Mayor and Group Leaders met monthly to discuss a range of issues aimed at working better together.

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

The Standards Committee was re-appointed and met as required during 2018/2019. The Monitoring Officer continues to meet with the Independent Person (appointed to assist the Standards Committee in the Member Complaint Process) to hear their views and opinions on various matters relating to Members' conduct. The Independent Person assisted with a number of complaints and provided views throughout an investigation that was subsequently considered by a Standards Hearing Sub-Committee.

The Council's Code of Conduct, Information Governance, Whistleblowing and Acceptable Behaviour policies are available for all staff on MyView. They are also referred to within employees' terms and conditions of employment and are binding upon employees during the course of their employment with the Council. Reminders are sent out to staff via newsletters and internal communications, including the Chief Executive's Letter. The Council's induction programme also signposts to the above policies for new starters.

The Head of the Paid Service, the Chief Financial Officer and the Monitoring Officer continue to meet regularly to ensure that there is a forum to ensure that the values of the authority are promoted and that good governance is demonstrated.

Business ethics, values and culture are an important part of improving an organisation's governance process and we continue to place great importance on this.

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

The Policy Development and Decision Groups are well-established, enabling reports to be presented and recommendations made to the Elected Mayor in the public domain. The Elected Mayor then, in the majority of cases, took those decisions at meetings of the Policy Development and Decision Group.

The Overview and Scrutiny Board has met throughout the year to hold the Elected Mayor and Executive to account, and the Audit Committee has also met regularly. This aims to provide assurance within the decision making process.

The Audit Committee has received the Internal Audit Plan together with updates on the progress against the Plan. The Committee has received the Council's Statement of Accounts and Treasury Management Strategy.

The Performance and Risk Dashboards have been reviewed by the Committee on a regular basis with the Committee continuing to have the ability to refer suggested areas for further investigation to the Overview and Scrutiny Board.

The Overview and Scrutiny Board has undertaken a range of work from reviewing draft Policy Framework documents to matters arising from budget monitoring reports. Four decisions of the Elected Mayor have been called-in over the course of 2018/2019.

Two Monitoring Working Parties – one for Children's Services and one for Adult Services and Public Health have met over the course of the year which provide an informal opportunity to discuss forthcoming decisions, issues arising, and performance and financial monitoring information. A Liaison Group was also in place to discuss issues relating to the Joint Operations Team.

The Council's Information Asset Register has been compiled and is subject to regular review as part of the Council's GDPR project plan, this allows the Council to

understand the information being processed across all departments, the lawful basis for processing and the security measures associated with the information asset.

#### Developing the capacity and capability of members and officers to be effective

The Constitution Working Party reviewed the preparation by the Monitoring Officer of a new Constitution for a Leader and Cabinet model of governance for implementation in May 2019 and identified member development needs to ensure an effective transition to the new governance arrangements. This work has informed the development of the Member Induction Programme for 2019.

The Senior Leadership Team has kept the operation of its meetings under review over the course of the year in order to increase their capacity to focus on those issues of strategic importance.

Following on from the corporate leadership programme which provided development opportunities for senior managers to get involved in leading and implementing projects, an Extended Leadership Team (ELT) has been introduced to improve communication and offer opportunities for wider involvement in key challenges facing the Council.

The Staff Wellbeing Group has overseen the introduction of Mental Health First Aiders across the Council.

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

Consultation and service user engagement has continued to take place in relation to service change. The majority of this work has been related to the proposals for budget savings.

There continues to be good engagement from partners within Torbay Together and an independent Chairman has led the partnership over the last year. A strong commitment and intent to work together to deliver the Partnership's ambitions as set out in "Your Torbay, Your Future" remains and has matured over the year. This commitment was most prominent when a delegation from the partnership met with Jake Berry MP, the Minister for Local Growth, in June 2018. Discussions took place on how the Government could support Torbay in delivering its high level objectives and has led to further commitments from the Government to visit Torbay to discuss how Government could aid the partnership.

The Annual Report of the Overview and Scrutiny Board has been published and considered by the Council.

The Statement of Accounts provides a Narrative Report which explains the Council's achievements against the Corporate Plan over the past year alongside the Council's financial performance.

The Council has commenced a Community Governance Review to determine whether changes should be made to the existing local governance arrangements, including whether or not to establish new town or parish councils for parts of Torbay where they do not currently exist. The first stage of community engagement ended on 15 March 2019.

Securing continuous improvement in service delivery and ensuring that its agreed policies, priorities and decisions are implemented on time, in a manner consistent with the needs of its user and in the most effective way

The Performance Dashboards (including progress against each action within the Corporate Plan Delivery Plans) have been reviewed regularly by the Senior Leadership Team, Elected Mayor and Executive, Group Leaders and the Audit Committee. This has enabled any areas of concern to be highlighted and recovery plans to be prepared, scrutinised and monitored. The Audit Committee refer matters by exception to the Overview and Scrutiny Board where it was felt that further investigation is required.

A tracking system has been put in place to ensure that actions to address areas identified by Internal Audit as requiring improvement are monitored by the Joint Operations Management Team.

Ofsted re-inspected our children's social care services in June and July 2018 and concluded that overall they remained inadequate. A revised Improvement Plan is in place and is being implemented. The Post Ofsted Improvement Board is in place to monitor its implementation and impact. Ofsted have held two Monitoring Visits since the Inspection and it is recognised that some progress is being made, albeit the progress is fragile.

Following the recommendation of the Government-appointed Children's Commissioner, Torbay Council entered into a contractual partnership with Plymouth City Council and a Joint Director of Children's Services is now in post who reports to both Councils' Chief Executives and politicians under a set of managerial and political arrangements which remain unchanged.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

### **Significant governance issues**

As outlined above, Ofsted re-inspected our children's social care services in June and July 2018 and concluded that overall they remained inadequate. A revised Improvement Plan is in place and being implemented. The Post Ofsted Improvement Board is in place to monitor its implementation and impact. Ofsted have held two Monitoring Visits since the Inspection and it is recognised that some progress is being made, albeit the progress is fragile.

The internal audit report on Better Care Fund (2017-2018) (March 2018) found that the national conditions pertaining to the development and production of the 2017-19 Better Care Fund (BCF) Plan for Torbay had been appropriately met, including agreement to the Plan by the Health and Wellbeing Board and formal approval by NHS England; and that the associated section 75 agreement, relating to use of pooled funds under the NHS Act 2006, was in place.

However, assurance was unable to be provided as to whether BCF monies had been spent appropriately in line with approved Plans due to a lack of financial information relating either to overall expenditure or a breakdown of expenditure for each individual project approved within the Plan. In response to the report, BCF governance continues to be enhanced with a focus on stage payments against milestones.

The internal audit report on the Brixham Express Ferry (March 2018) identified fundamental weaknesses as there was a lack of documentary evidence available to provide assurance that the all-year round ferry project, and the related contract with Brixham Express Ltd, were managed and monitored effectively. The recommendations within the report in relation to the filing and retention of documentation relating to projects have been accepted and implemented for future projects.

The internal audit report on the compliance of Tor Bay Harbour Authority with the Port Marine Safety Code found that improvements were required and that there was a lack of compliance against the requirements of the Code. The management response and action plan has been agreed and is currently being implemented.

Devon Audit Partnership conducted a follow-up of its 2015-2016 audit of Sports Pitch Leases and the report was published in March 2018. The audit opinion remained as improvements required. Whilst a new policy is in place, assurance was unable to be provided regarding the effectiveness of its operation or in relation to the realisation of the intended benefits.

A follow-up of the 2014-2015 audit of Section 106 Agreements was also undertaken and report published in July 2018. The initial audit opinion had been one of "Fundamental Weaknesses" but this has now been revised to "Improvements Required". Whilst the recommendations relating to the calculation of Section 106 contributions have been implemented, there remains a need to establish effective Section 106 Agreement monitoring to ensure that income is collected and used in line with the Agreement.

In addition to the above, there were a number of reviews undertaken by internal audit during the course of the year which found that improvements were required. In most cases management actions plans have been put in place and these will be monitored on a regular basis via the Joint Operations Management Team. In those cases where management action plans have yet to be agreed, the Chief Executive will ensure that plans are developed as a matter of urgency.

## **Conclusion**

Overall, during the course of the year we have ensured that we are delivering against our agreed action plans in order to maintain our robust corporate governance arrangements. Our decision making processes are understood by members and officers and the mechanisms which support those processes operate effectively.

We have recognised where there are areas for further improvement as outlined within this Statement. We propose, over the coming year, to take the steps detailed in the attached action plan to address these areas to further enhance our governance arrangements. We are satisfied that these steps will address the issues identified and we will monitor their implementation and operation as part of our next annual review.

Steve Parrock  
Chief Executive

Councillor Steve Darling  
Leader of the Council

<b>Action</b>	<b>Responsible Officer</b>	<b>Deadline</b>
Implement Leader and Cabinet model of governance	Chief Executive	31 March 2020
Agree the future arrangements for adult social care once the current Risk Share Agreement ends	Director of Adult Services and Housing	31 March 2020
Continue to deliver the Children's Services Ofsted Improvement Plan	Director of Children's Services	31 March 2020
Develop operational risk registers	Senior Leadership Team	31 March 2020
Deliver the Action Plan in response to the Internal Audit report on the Better Care Fund	Director of Adult Services	31 March 2020
Deliver the Action Plan in response to the Internal Audit report on the Port Marine Safety Code	Director of Place	31 March 2020