
NON-EXEMPT

HAVANT BOROUGH COUNCIL

AUDIT & FINANCE COMMITTEE

28 July 2022

DRAFT ANNUAL GOVERNANCE STATEMENT 2021-22

FOR NOTING

Portfolio Holder: Cllr Denton

Key Decision: No

Report Number: HBC/070/2022

1. Purpose

- 1.1. This paper is submitted to Audit & Finance Committee for information and to provide them with an opportunity to make any comments on the draft Annual Governance Statement prior to the final version coming for approval alongside the Statement of Accounts 2021-22.

2. Recommendation

- 2.1. Members are requested to note the draft copy of the Annual Governance Statement 2021-22 and provide any comments for consideration in the final version which will be brought back to a future Audit & Finance Committee alongside the Statement of Accounts 2021-22.

3. Executive Summary

- 3.1. The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code of Corporate Governance and

prepare a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.

- 3.2. The draft Annual Governance Statement 2021-22 at Appendix A details the governance framework, including the key elements of the Council's governance arrangements, a review of the framework outlining the annual review process and overall opinion, and further improvement areas.
- 3.3. In terms of overall corporate governance it is the Chief Executive's opinion that the overall governance arrangements of the Council are sound. The Annual Governance Statement is informed by the self-assessment of compliance against the principles of good governance by the Governance Manager, the Annual Governance Questionnaire (a survey made available to all staff), and the work of internal audit and external audit. The Annual Governance Statement 2021-22 will be published with the Annual Statement of Accounts.
- 3.4. Part of the Audit Committee's remit is to assess the effectiveness of internal controls, risk management, and governance arrangements in place and this includes to be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives'¹

4. Additional Budgetary Implications

- 4.1. None.

5. Background and relationship to Corporate Strategy and/or Business Plans

¹ CIPFA guidance note for local authorities 'Audit Committees' (2013)

5.1. Corporate governance comprises the systems and values by which Havant Borough Council is directed and controlled and through which it is accountable. To demonstrate compliance with the principles of good corporate governance, Havant Borough Council must ensure that it does the right things and in the right way. The Council must also ensure that this is done in a timely, inclusive, open, honest and accountable manner.

6. Options considered

6.1. A new 'CIPFA/SOLACE Framework' was published in 2016 to ensure it remains fit for purpose, which applies to Annual Governance Statements prepared for the financial year onwards. The revised Framework defines the seven core principles of good governance.

6.2. The Framework urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code of Corporate Governance and prepare a governance statement and report compliance on an annual basis.

7. Resource Implications

7.1. Financial Implications – none

7.2. Human Resources – none.

7.3. Information Governance Implications – none.

7.4. Other resource implications – none.

8. Legal Implications

8.1. It is a requirement of the Accounts and Audit Regulations that all local authorities must produce an Annual Governance Statement. The purpose of an Annual Governance Statement is to clearly set out the processes and procedures which ensure that the Council is efficiently and effectively run, its activities are transparent and that it is accountable to its residents. In addition, the Annual Governance Statement provides assurances over the Council's governance arrangements and identifies areas for future focus and improvement.

Monitoring Officer comments

Date: 15 July 2022

A matter expressly reserved to the Audit and Finance Committee is reviewing and approving the Annual Governance Statement and considering whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control (Constitution Part 2 Section E5 paragraph 2.3).

9. Risks

- 9.1. The document is a vital part of ensuring that Council business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 9.2. Failure to produce and report the document would carry the risk that the Council was failing in its duty to evidence that it was operating in accordance with the law and proper standards and that public money is safeguarded and properly accounted for.

10. Consultation

- 10.1. The Annual Governance Statement has been shared with the Corporate Governance Board and updates on progress against actions have been received from relevant Executive Heads.

11. Communication

- 11.1. Once incorporated into the Annual Statement of Accounts and approved by Audit & Finance Committee the final version will be published on the HBC website.

12. Appendices

- 12.1. Appendix A – Draft Annual Governance Statement 2021-22.

13. Background papers

13.1. None.

Agreed and signed off by:

Executive Head: Matt Goodwin: 7 July 2022

Monitoring Officer: Mark Watkins: 15 July 2022

Section 151 Officer: Malcolm Coe: 7 July 2022

Cabinet Lead: Cllr Denton: 12 July 2022