
NON-EXEMPT

HAVANT BOROUGH COUNCIL

AUDIT & FINANCE COMMITTEE

10 July 2023

ANNUAL GOVERNANCE STATEMENT 2022-23

FOR DECISION

Cabinet Lead: Cllr Bowdell

Key Decision: No

Report Number: HBC/019/2023

1. Purpose

- 1.1. This paper is submitted to Audit & Finance Committee to provide them with an opportunity to make any comments on the Annual Governance Statement and to approve the current version for onward inclusion in the draft Statement of Accounts 2022-23
- 1.2. This approved final version will then go forward to the Leader and Chief Executive for signature.

2. Recommendation

- 2.1. Members are requested to approve the Annual Governance Statement 2022-23 for inclusion into the draft Statement of Accounts 2022-23.

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 2022-23 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 Chief Policy Officer, the Annual Governance Questionnaire (a survey made available to all staff), a review and consideration by Statutory Officers and the work of internal audit and external audit. The Annual Governance Statement 2022-23 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

Section 151 Officer comments

Date: 27 June 2023

The Annual Governance Statement is a key requirement of the final published Financial Statements. It is therefore vital that we have a relevant statement, signed off by the Leader and Chief Executive that supports the standards of good governance within Havant Borough Council.

This report and the proposed statement has my approval.

Steven Pink – Chief Finance Officer (S151)

7.2. Human Resources – none.

- 7.3. Information Governance Implications – none.
- 7.4. Climate and environmental implications – none
- 7.5. Other resource implications – none.

8. Legal Implications

- 8.1. The publication of the Annual Governance Statement details the governance framework, including the key elements of the Council's governance arrangements.

Monitoring Officer comments

Date: 29/06/23

The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council's Statement of Accounts.

The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance fulfils this requirement. The format of the Annual Governance Statement reflects the good practice guidance from CIPFA.

Jo McIntosh, Monitoring Officer - 29 June 2023

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 Executive Leadership Team and updates on progress against actions have been received from relevant Executive Heads. Cabinet have also been provided with the latest draft Annual Governance Statement.

10.2. The final version will be signed by the Leader and Chief Executive.

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 2022-23.

13. Background papers

13.1. None.

Agreed and signed off by:

Executive Head: Matt Goodwin 27 June 2023

Cabinet Lead: Cllr Bowdell 26 June 2023

Monitoring Officer: Jo McIntosh 29 June 2023

Section 151 Officer: Steven Pink 27 June 2023