

ANNUAL GOVERNANCE STATEMENT

Introduction

The Leader of the Council (Councillor Alex Rennie) and Chief Executive (Steve Jordan) both recognise the importance of having good systems in place to manage and deliver services to the residents of Havant Borough. Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements have been working. This AGS is in respect of the 2022-23 financial year.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves. The framework brings together an underlying set of legislative requirements, good practice principles and management processes and enables the Council to monitor the achievement of its strategic aims and aspirations 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 an acceptable level. It cannot eliminate all risk of failure to achieve the Council's aims and aspirations and seeks to provide reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks to the achievement of the Council's aims and objectives.

The governance framework addresses the way the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The framework recognises that the Council's business is focused upon its strategic aims and aspirations and seeks to facilitate delivery to our local communities.

The risk management processes and other internal control systems such as standards of conduct and audit form part of this framework. Members and senior Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This task is managed by the Executive Leadership Team which comprises the Chief Executive, Executive Heads, Chief Finance Officer (Section 151 Officer) and the Monitoring Officer. The Executive Leadership Team is further supported and provided with assurance by:

- a) the Corporate Governance Board, which provides oversight of decision reports going forward to Cabinet, Council and committees through peer review, problem solving and check against strategic fit.
- b) the Information Governance Steering Group, chaired by the Senior Information Risk Officer, which provides oversight on data protection, information security and information risk.

Governance during the transition from shared management to a standalone Council

Towards the end of 2021-22 Havant Borough Council agreed with East Hampshire District Council to end their 12 year partnership and establish their own management teams so they could focus on their different strategic priorities and deliver outcomes for their communities more quickly. On 16 March 2022 Havant Council approved the preferred option and business case for managing the transition and withdrawal from the joint management and shared staffing arrangements at both authorities and move towards a standalone Council. East Hampshire approval followed on 17 March 2022. The Council meeting reviewed the business case, options appraisal and report from CIPFA in making its decision. During the initial decision making process, Kim Sawyer was confirmed as the Acting Chief Executive at Havant and remained in post for the remainder of 2022-23.

Following the formal decision in late March, work was undertaken to progress the transition to ensure the ending of shared management arrangements and the establishment of a new management structure which was put in place during the course of 2022/23. In the 2021-22 AGS, an area for improvement was identified as the management of the transition, ensuring the right governance process was in place for a smooth transition.

A project team was put in place to manage the transition with three workstreams covering process (finance, policy/governance and ways of working), technology and people. Regular updates were provided to Managers who were leading on transition for their areas and all staff through the staff Intranet (The Fountain). Tools and checklists were produced for managers to work through and a HR managed process was put in place for staff transitioning from shared roles alongside an updated policy on redeployment. A timeline was produced for staff transitioning from each service area into the new structure and this was shared with staff.

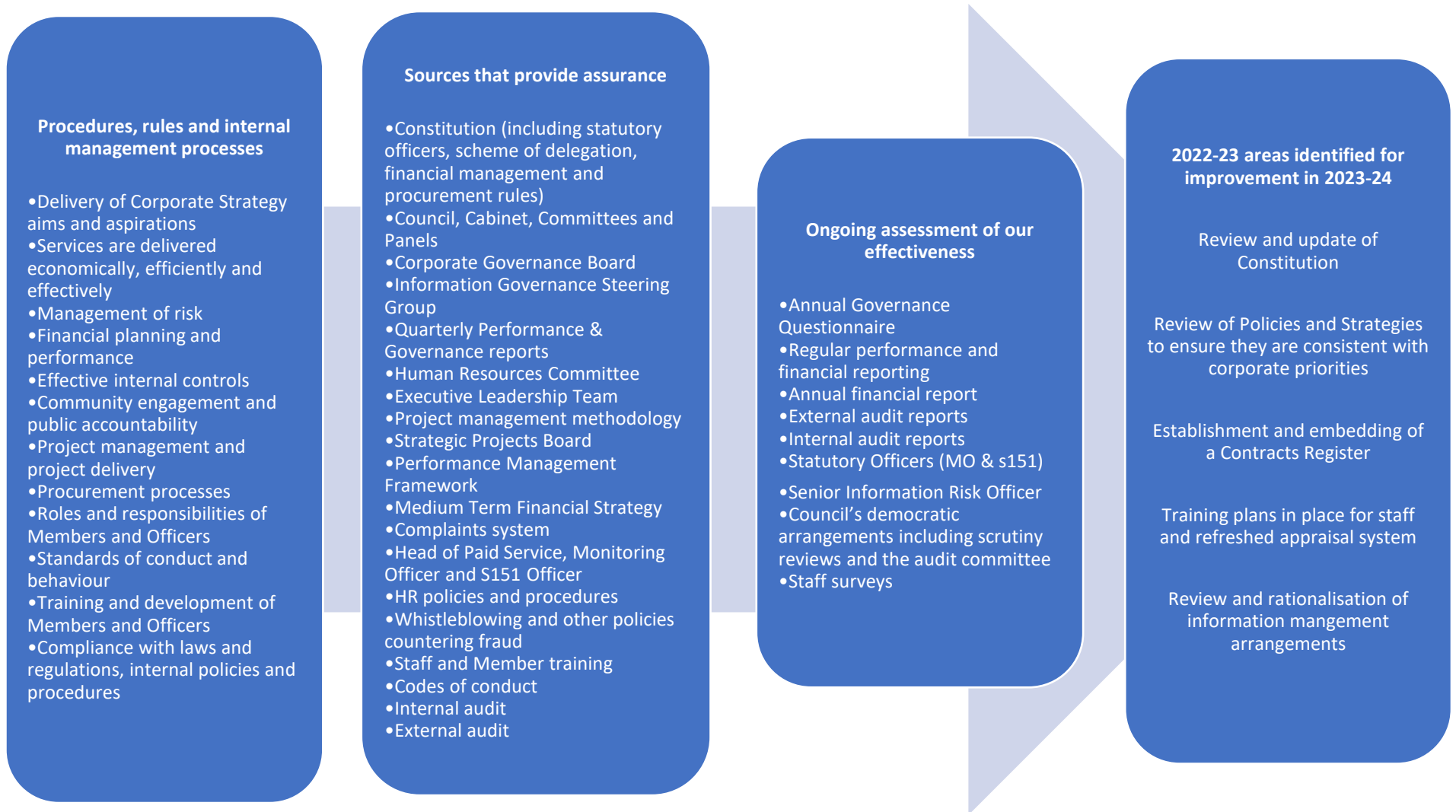
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The Joint Management Team Agreement (JMTA) was formally ended on 31st December 2022, there were some areas of work that remained shared post 31st December 2022. These areas have been agreed and managed through separate Inter Authority Agreements for each one and will be reviewed on an ongoing case by case basis as to whether sharing is the most appropriate mechanism.

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How do we know it is working?

The annual process that we use to maintain and review effectiveness of our governance arrangements is outlined below:



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How we apply the governance framework to the Local Code of Corporate Governance

The Council aims to achieve effective corporate governance through the Local Code of Corporate Governance. The table below highlights examples of how the Council has adhered to its governance commitments as set out in the Code and includes hyperlinks to sources of further information which include more detail about how the Council has implemented its commitments.

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF LAW	
How the Council meets these principles	Where you can see Governance in action
<p>There are codes of conduct in place for all Councillors and Officers which can be found in Part 4 of the Constitution. The Council has appointed independent persons to investigate any allegations of misconduct, and the Standards Committee receives regular reports from the Monitoring Officer on any complaints regarding Councillors.</p> <p>The Council's Constitution contains the standing orders, scheme of delegation, financial regulations and contracts procedure rules. The Constitution also contains the policies for anti-fraud and corruption, anti-bribery and whistleblowing. The Constitution will be reviewed and updated to reflect the Council operations and structure during 2023-24.</p> <p>All Council employees have clear conditions of employment, and roles and responsibilities are set out in job descriptions.</p> <p>There is a requirement for Councillors to make a Declaration of Disclosable Pecuniary Interests within 28 days of taking office and to notify the Council of any changes to the interests made in this declaration within a specified time period. Councillors must also disclose interests which are not registered but which are relevant to matters to be discussed at a meeting of the authority. Councillors are barred from participating in any discussion on, or voting on, the matter in relation to which the Member has a disclosable pecuniary interest. There is an up-to-date register of gifts and hospitality, and an annual register of declarations. Any declarations of interest made during meetings are recorded in the minutes.</p> <p>The Council has in place a complaints procedure including weekly reminders to relevant managers responsible, on the progress of cases. The ultimate arbiter of complaints for Local Government is the Local Government Ombudsman. This body reports performance annually.</p> <p>The Council has a Monitoring Officer who is a member of the Executive Leadership Team. They are kept appraised on the Council's projects and actions and are ultimately responsible for legal compliance. The Monitoring Officer also chairs the Corporate Governance Board.</p> <p>Statutory officer roles are the Head of Paid Service who is the Chief Executive, the Chief Financial (S151) Officer, who carries overall responsibility for the Council's financial administration, and the Monitoring Officer, who ensures the Council acts lawfully. The Data Protection Officer is also a statutory role under the UK GDPR legislation.</p>	<p>Councillor Code of Conduct Staff Code of Conduct</p> <p>Standards Committee</p> <p>Audit & Finance Committee</p> <p>Constitution</p> <p>Anti Fraud & Corruption Policy including Fraud Response Plan Whistleblowing Policy</p> <p>Declarations of interest</p> <p>Complaints procedure</p> <p>Havant Borough Council - Local Government and Social Care Ombudsman</p> <p>Management structure</p>

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT	
How the Council meets these principles	Where you can see Governance in action
<p>The Council has laid out its purpose, strategic aims and aspirations in its Corporate Strategy which can be obtained either on the Council's website or from the Council's offices. The Council Corporate Strategy is reviewed on a regular basis. During 2022-23 the Corporate Strategy received a</p>	<p>Corporate Strategy</p>

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<p>comprehensive refresh and a new, updated Strategy was produced and approved by full Council.</p> <p>The Council is committed to transparency and an open culture and publicises information in line with the publication scheme under the Freedom of Information Act. In addition, we subscribe to the government’s transparency agenda and publish information such as remuneration for senior management and information on items of expenditure over £500.</p> <p>The Council’s democratic function is responsible for ensuring agendas and key decisions are published in line with the statutory legal requirements. They are also responsible for supporting the scrutiny function of the Council and publishing a corporate calendar of dates annually. Meetings are held face to face and are livestreamed for the public to view.</p> <p>The Council usually carries out a residents’ survey every two years, but during the Covid-19 pandemic has increased the frequency to be able to monitor the concerns and feelings of residents as the situation changes. A full residents’ survey is planned for 2023-24. The Council has an online panel of residents who volunteer to take part in questionnaires and polls to express their views on council services and the local area.</p> <p>In addition, the Council has a Facebook page and Twitter feed which is actively promoted and used. To promote transparency and wider engagement with Council decisions, residents can use social media such as Facebook, Twitter, LinkedIn and Instagram to get updates from and interact with the Council.</p> <p>The Council’s website is set out in a clear and easily accessible way, using infographics and plain language. The information which residents use most, such as Council Tax and Waste and Recycling, can be accessed quickly and easily from the homepage. The website will be reviewed and upgraded during 2023-24.</p> <p>The Statement of Accounts provides a clear summary of the Council’s activity over the previous year, so that residents can see where money has been spent and what this has achieved.</p> <p>The Council has a joint venture partnership (Norse South East) for waste collection which is governed by the Norse South East Board. There are members from Norse Commercial Services and the Council on the Board. Norse South East is responsible for the procurement and efficient management of waste and recycling collections, street cleaning, public convenience cleansing, grounds maintenance and associated service facilities for the treatment and disposal of residual waste.</p>	<p>Freedom of Information</p> <p>havant.gov.uk/publication-scheme/transparency</p> <p>Committees and Papers</p> <p>Resident Views</p> <p>HBC Facebook Twitter Instagram</p> <p>http://www.havant.gov.uk/</p> <p>http://www.havant.gov.uk/accounts</p> <p>http://norsesoutheast.co.uk/</p>
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C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS	
How the Council meets these principles	Where you can see Governance in action
<p>A new Corporate Strategy has been developed and was approved in February 2023; the new Corporate Strategy contains the following themes:</p> <ul style="list-style-type: none"> • Wellbeing – the health of our communities • Pride in Place – creating a great place to live, work and enjoy • Growth – building our future 	<p>Corporate Strategy</p>

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<p>These evidence based themes are used to guide the Council's corporate planning and decision making.</p> <p>The Council has also developed a Digital Strategy which supports the Corporate Strategy delivery and to create digitally 'savvy' staff and councillors and services designed to be accessible and convenient for our customers. The Council is committed to moving towards a Software-as-a-Service (SaaS) solution for business IT systems as they markedly reduce the maintenance required by Council staff and ensure that staff have access to the latest features and functionality. SaaS products also help reduce the service deliverability risk in business continuity planning for wider infrastructure disruption scenarios.</p> <p>The Council takes an annual approach to strategic planning, business planning and budget setting, underpinned by a close link between business and financial planning. The Medium Term Financial Strategy is reviewed annually and forms the basis of the annual budgeting process.</p> <p>The Corporate Strategy has been prepared to detail the key actions that are required to deliver the overall strategy. Within the Corporate Strategy the aspiration, aims, initiatives and benefits are listed under each theme. Each service's Key Performance Indicators are monitored corporately and reported to the Executive Leadership Team on a quarterly basis to ensure that the objectives in the Corporate Strategy are on target. Financial forecasts are submitted to the Executive Leadership Team and quarterly to Councillors alongside the quarterly performance report. We monitor and track performance through our Corporate Performance Scorecard which is published on our website</p> <p>The Council uses evidence based insight to inform decision making and uses the data available to understand residents and local businesses better. The Council is committed to consulting with and engaging with residents and local businesses in the planning and delivery of services to meet the needs of the community. For example through our online residents panel.</p>	<p>Digital Strategy</p> <p>Council Budget</p> <p>Corporate Performance</p> <p>Resident Views</p>
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D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES	
How the Council meets these principles	Where you can see Governance in action
<p>The Council has a Medium Term Financial Strategy (available on the Council's website as part of the budget for the forthcoming year) which is used to align resources to key priorities.</p> <p>The Council has report templates to ensure authors cover all the requirements to enable a decision to be made; they include options appraisal (if required), cost and risk analysis in addition to key signatories such as legal and finance and must include the Cabinet lead. This process has been significantly improved in recent years to increase the robustness of decision making.</p> <p>All decision-making meetings are held in public and decisions made by Cabinet members and Officers are published in line with the statutory legal requirements, although some items are considered as exempt. Minutes of all Council meetings are made available to the public, and members of the public have the opportunity to contribute to Council meetings.</p> <p>The Council has a complaints and feedback system, which records and monitors customer comments, complaints and requests for information.</p> <p>The Council has an internal audit service sourced through the Southern Internal Audit Partnership. The internal audit service has an annual audit plan based on a risk analysis carried out by the auditors each spring. Audit recommendations are</p>	<p>Medium Term Financial Strategy</p> <p>Council Decisions</p> <p>Complaints procedure</p>

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F. MANAGING THE RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT	
How the Council meets these principles	Where you can see Governance in action
<p>The Council ensures that the roles and responsibilities for decision making and governance arrangements are defined and allocated, so that there is clear accountability for decisions made and actions taken. The Council does this by appointing a Leader and a Cabinet, which allocates specific executive responsibilities.</p>	<p>Council structure</p>
<p>There are also a number of committees appointed to discharge regulatory and scrutiny functions. Each committee has clear terms of reference setting out its roles and responsibilities. All leadership roles, the roles of key Officers and the Council's Scheme of Delegation are set out within the Council Constitution.</p>	<p>Committee structure</p>
<p>The Cabinet operates within the policy framework set by Full Council, and makes key decisions. All Cabinet meetings are held in public, with the exception of exempt items. All decision records are publicly available, and the Forward Plan and Key Decision notice is published on the Council website. Decisions made by Cabinet can be called in for review by the Overview & Scrutiny Committee. Decisions can also be made by Officers under delegated powers and reported to Councillors in line with the Council Constitution. Authority to make decisions is given in the Scheme of Delegation and by specific delegation by Cabinet or Council.</p>	<p>Forward Plan</p>
<p>Risk is considered and recorded throughout the year as part of the quarterly review of performance and financial management (quarterly performance report). The Council has a wide range of performance indicators, which are used to measure progress against the Council's priorities. Performance indicators are reported quarterly to the Executive Leadership Team and to Cabinet. Performance indicators clearly link individual services to the corporate objectives and include details of national and local performance indicators and risk. Performance indicators are reviewed annually to ensure they continue to be relevant and stretching.</p>	<p>Corporate Risk Policy</p>
<p>The Council's budget report contains a summary of the budget that was set for Havant Borough Council for 2022-23, as approved by the Council on the 23rd February 2022. It shows on what service areas money is spent, and how this expenditure is funded. Also within this document is information showing the forecast financial position over the next five years, taking into account changes in government funding, other income and spending. This budget included a commitment to establish a Budget Working Group to review the Medium Term Financial Strategy to ensure the Council is in a strong financial position going forward. A refreshed budget and updated Medium Term Financial Strategy was approved by full Council in mid 2022. The refreshed Medium Term Financial Strategy resulted in a more balanced position going forward than had previously been the case and this was as a result of the work that was completed by the Budget Working Group. The most recent budget for year 2023-24 was approved by the Council on the 22nd February 2023.</p>	
<p>Procurement frameworks are in place for the purchase of goods and services and to ensure all contracts are appropriately procured and managed. Details on procurement are published on our website as well as data about the contracts that the council has with external suppliers.</p>	<p>Procurement Havant Borough Council</p>
<p>A Corporate Governance Board has been established with an objective of providing a pragmatic layer of assurance to the business. Specifically, the Corporate Governance Board ensures that the organisation develops and implements an effective approach to corporate governance which enables the business and affairs of the Council to be carried out, directed and managed with</p>	<p>Governance Havant Borough Council</p>

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<p>the objective of enhancing value to the public. This is underpinned by the Local Code of Corporate Governance. In addition, the Corporate Governance Board is responsible for ensuring that an adequate risk management framework and associated control environment exists within the Council, and for monitoring the arrangements in place for the identification, monitoring and management of risks. The Board's Terms of Reference were reviewed in 2022-23 with a particular focus on reviewing Council papers going forward for decision to ensure they were robust and provided the necessary information for Councillors to make an informed decision.</p> <p>The Council has in place a number of policies and procedures to ensure decisions made are robust. These include the Finance and Contracts Procedure rules in the Constitution. Compliance with these policies is the responsibility of all Officers. In addition, a Policy Register was prepared during the year in order to provide oversight of all policies at the Council.</p>	<p>Local Code of Corporate Governance</p> <p>Policy Hub</p>
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G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY	
How the Council meets these principles	Where you can see Governance in action
<p>The Council complies with data protection legislation, which includes UK GDPR (UK General Data Protection Regulation) and the Data Protection Act 2018 (DPA 2018). This ensures that such processing is carried out fairly, lawfully, and transparently. The Council reviews and supplements its policies, and also keeps its processing activities under review, to ensure they remain consistent with the law, and any compliance advice and codes of practice issued from time to time by the Information Commissioner.</p> <p>The Council ensures that officers handling personal data are trained to an appropriate level in the use and control of personal data. It is made clear that all staff and Members are personally accountable for using the Council's information responsibly and appropriately. All staff must undertake protecting information e-learning training, and this forms part of the induction process for new staff. Data protection also forms part of the induction programme for new Members and new staff.</p> <p>The council believes in the importance of publishing as much data as possible and as part of our transparency we routinely publish and keep updated information on apprenticeships, business rates, contract spend, property assets, parking income and expenditure, monthly payments over £500.</p> <p>Information Governance is overseen by the Information Governance Steering Group chaired by the Executive Head of Internal Services who is the Senior Information Risk Officer for the Council (SIRO).</p> <p>The Council publishes the Statement of Accounts annually within the statutory timescales. Accounting statements incorporate the full requirements of best practice guidance.</p> <p>The Council has an Audit and Finance Committee to provide assurance to the Council on the effectiveness of internal audit and the robustness of the Council's Annual Accounts. Risk management is controlled through the Corporate Governance Board and reported to the Executive Leadership Team through the quarterly governance report. Risks rated as above the risk threshold are reported as part of the quarterly performance report to Councillors at the Audit & Finance Committee.</p> <p>Full Council is responsible for agreeing new policies and amendments to existing policies. It also sets out the policy and budget framework, and approves the</p>	<p>Data Protection</p> <p>Transparency Havant Borough Council</p> <p>Statement of Accounts</p> <p>Audit and Finance Committee</p>

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annual budget. The Audit and Finance Committee approves the Statement of Accounts.

The Council is subject to independent external audit currently by Ernst & Young. The external audit plan outlines the work undertaken and the timing of external audit reports.

The Council supplements this work with an internal audit service sourced through the Southern Internal Audit Partnership. The internal audit service has an annual audit plan based on a risk analysis carried out by the auditors each spring. This minimises the risk of fraud and error, and provides management with assurance that policies and procedures are robust. The Chief Internal Auditor is required to provide a written status report to the management team, summarising the assurance opinions arising from the internal audit reviews carried out during the year.

The Council has appointed the Chief Finance Officer as the Section 151 Officer with the statutory responsibility for the proper administration of the Council's financial affairs.

[Full Council](#)

[Internal audit](#)

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Review of effectiveness

The 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 following areas:

Area	Review of effectiveness
Political leadership	<ul style="list-style-type: none"> • A new Corporate Strategy covering the period from 2022 to 2026 was developed and approved during 2022-23, to ensure that it best reflects the Council's ambitions for the Borough in the coming years. All councillors were given an opportunity to comment on the draft of the Corporate Strategy. The Corporate Strategy is a key strategic document that articulates the vision, aims and aspirations of the organisation and provides a framework for putting the Council's resources to best use. • During the year the Overview & Scrutiny Committee considered numerous items, including the Climate Environment Action Plan, paperless meetings, business grants during Covid-19, Housing Development strategy, Regeneration Strategy, Future ICT infrastructure provision, the annual budget and Southern Water discharges.
Officer leadership	<ul style="list-style-type: none"> • During the year officers worked with Councillors on the development of the new Corporate Strategy in addition to considerable work on development of a new set of values and behaviours for the organisation. • A new organisational structure was put in place to reflect the move away from shared management and a new Executive Leadership team was recruited. • Updates are provided to Audit and Finance Committee through the quarterly performance and governance reports which have undergone significant improvements during 2022-23 both in format (through the use of PowerBi) and content, with an extended range of quantitative performance indicators now being included. • The Corporate Governance Board Terms of Reference were reviewed to reflect the new management arrangements in place during 2022-23 and to act as a final point of review for any decision making papers going forward.
Internal assessment and monitoring	<ul style="list-style-type: none"> • There are regular reporting arrangements in place regarding the financial affairs of the Council with financial performance being reported on a quarterly basis to Members. • Effective operation of the Performance Management Framework throughout the year: monitoring information on key areas of performance has been provided by the Governance Hub for review and action. The majority of service performance indicators were met during the year. • The Annual Governance Questionnaire is a survey run every January which asks officers for their self-assessment of the effectiveness of governance arrangements in their service area. Participation has improved in recent years following the extension of the questionnaire to all staff to reflect that good governance is everyone's responsibility • The results of the questionnaire highlighted the following: <ul style="list-style-type: none"> ○ There were reasonable levels of confidence in governance arrangements, indicated by the majority of scores assigned to 1 ('Evidence of consistently meeting criteria') or 2 ('Meets criteria, but room for improvement'). ○ Areas of strength: <ul style="list-style-type: none"> ▪ Regular meetings between managers and staff ▪ Compliance with FOI procedure ▪ Welcoming peer challenge, audit review and implementing recommendations ○ Areas for improvement: <ul style="list-style-type: none"> ▪ Training plans in place for all staff ▪ Completion of mandatory e-learning ▪ Awareness of structure of the council ▪ Induction of new staff • These are likely to have been influenced by the split from EHDC and the subsequent need to re-establish a standalone HR function. • Compared to previous years there are several areas which have improved, and these are; engaging with members (46% to 62%), use of evidence based decision making (27% to 43%), welcoming peer challenge (42% to 62%) and seeking feedback from stakeholders (29% to 46%).

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	<ul style="list-style-type: none"> In addition, due to the work on values and behaviours, 100% of respondents said they feel able to raise any issues of improper or unethical behaviour. <p>Areas that scored poorly in the questionnaire will be targeted with a programme of improvements throughout 2023-24 and the questionnaire will be repeated to see if any trends can be identified.</p>
<p>Chief Finance Officer (s151)</p>	<p>The Chief Finance Officer (S151) is the Responsible Financial Officer and is a member of the Executive Leadership Team. They are responsible for delivering and overseeing the financial management arrangements of the Council.</p> <p>The main channels used by the s151, to ensure and assure effectiveness over 22/23 were:</p> <ul style="list-style-type: none"> Active participation in the Transition Programme overseeing exit from arrangements with East Hampshire District Council, with specific focus on ensuring the Council was in a strong financial position on separation. Reviewing and resetting the budget for 22/23 to reflect the move to a standalone council Working with the Budget Working Group to reset the Medium Term Financial Strategy to ensure the Council was in a stronger financial position going forward Setting the new structure and recruitment to the new finance team as well as recruitment of the new s151.
<p>Chief Legal Officer (MO)</p>	<p>The Chief Legal Officer (Monitoring Officer) is a member of the Executive Leadership Team whose role in the organisation is to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of councillors and officers and to be responsible for the operation of the council's constitution.</p> <p>The main channels used by the s151, to ensure and assure effectiveness over 22/23 were:</p> <ul style="list-style-type: none"> Active participation in the Transition Programme overseeing exit from arrangements with East Hampshire District Council. Establishment of a new Legal Partnership with Southampton City Council to provide legal services to the Council Resetting of the Corporate Governance Board to ensure decision papers going forward were robust and considerate of all relevant issues Introduced a new decision making process 'Say, Write, Decide' to provide clarity to the organisation on how decisions are made Recruitment of the new MO
<p>Senior Information Risk Owner (SIRO)</p>	<p>The Senior Information Risk Officer for the Authority is the Executive Head of Internal Services. This role is supported by deputies, nominated from time to time. The role of the SIRO includes the following:</p> <ul style="list-style-type: none"> Lead and foster a culture that values and protects information, and ensures its use for public good. Ensure there is a plan to achieve and monitor the right culture across the organisation. Takes step to ensure that plan is delivered. Ensures that the organisation has key staff in place, who are skilled and supported. Oversees effective responses to security incidents. Own the information risk policy and risk assessment process, ensuring regular update and review of the risk register. <p>The main channels used by the SIRO, to ensure and assure effectiveness over 22/23, were:</p> <ul style="list-style-type: none"> Completion of formal training in the role Close working with key roles such as the Governance Manager, Data Protection Officer and Information Governance Team, and the Digital Services Manager (on cyber security).

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	<ul style="list-style-type: none"> • Active participation in the Transition Programme overseeing exit from arrangements with East Hampshire District Council, with specific focus on data protection, information security, information management and post transition agreements in this space. • Monitoring of risks and information governance performance, via formal Authority mechanisms for these areas. • Establishment and promotion of a new Information Governance Steering Group, who members include the Monitoring Officer, the Data Protection Officer, the Chief Policy Officer and IT. This met for the first time in April 2023, and is focussing on a new work plan for the coming year. • Participation as a standing member and attendee of the Executive Leadership Team and Cabinet Briefing, ensure that information risk items can be, and are, tabled at the highest governance levels in the Authority. This ensures that the SIRO is a 'Board' level officer, as needed.
Internal audit	<ul style="list-style-type: none"> • The Council's internal audit programme is provided by the Southern Internal Audit Partnership which is hosted by Hampshire County Council. An audit plan, based on a full risk evaluation, is approved annually. • Progress against the audit plan is reported quarterly to the Audit and Finance Committee. Any outstanding high risk actions are addressed as a matter of priority. • Any outstanding management actions are reported to the Executive Leadership Team to ensure that these are escalated where necessary and completed within a reasonable timescale. • The Southern Internal Audit Partnership delivered 9 internal audit opinions over the course of the year ending 31 March 2023 with 2 'substantial' assurance reports, 6 'reasonable' assurance reports, 1 'limited' assurance report and no 'no assurance' reports. Additional reviews were conducted which did not lead to an audit opinion as they were advisory reviews and/or follow-up reviews. • The Chief Internal Auditor's annual opinion of Havant Borough Council's framework of governance, risk management and management control is reasonable and audit testing has demonstrated controls to be working in practice.
External audit	<ul style="list-style-type: none"> • The Council's external audit requirement is provided by Ernst & Young LLP. • The role of external audit is to ensure that the Council's Accounts are free from material error, to provide a value for money conclusion and to certify key grant claims. • The Council's external auditor provided the Council with an unqualified opinion on the last set of accounts approved within their Audit Results Report. • Ernst & Young LLP also provided an unqualified opinion of the Council's arrangements to secure Value for Money.

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Last year's key improvement areas

In the 2021-22 Annual Governance Statement, three key issues were identified for improvement. Below are the issues and actions taken during 2022-23.

Improvement area	Issue of concern	Objective and actions taken
<p>Ensure a smooth transition to a standalone Council with appropriate governance in place</p>	<p>The Council has committed to move towards a standalone Council, ending the current shared management arrangements with East Hampshire District Council.</p> <p>The move towards a standalone Council after 12 years of shared management presents a number of challenges that need to be overcome and carries a number of risks that will need to be appropriately managed.</p>	<p>New structure was established and put in place and recruitment completed to those teams where vacancies existed.</p> <p>Workstreams were put in place to ensure people, processes and technology were reviewed and necessary action taken as part of the transition</p> <p>The vast majority of services were operating as standalone in time for the ending of the JMTA in December 2022 and work on the transfer of data continues.</p> <p>A small number of services continue to be shared into 2023, pending further decision and transition arrangements – these are covered by separate Inter Authority Agreements. Project closure documentation was completed and transition risk removed from Corporate Risk Register</p>
<p>Review of the 2022/23 budget and MTFS</p>	<p>The current MTFS as approved at Council in February 2022 highlights significant deficits in the years from 2023 onwards. Historically, although balanced budgets have been set there have been repeated forecasts of future deficits which need to be addressed.</p>	<p>The MTFS Budget Working Group concluded its work with a report to Full Council on 16 November 2022 and a new rebased budget and updated MTFS which provided a much stronger base for the Council to operate. The budget was further reviewed and updated as part of the annual budget setting in February 2023.</p> <p>The overall risk on the MTFS has been reduced on the Corporate Risk Register and will be reviewed regularly in line with financial reporting.</p> <p>Internal Audit reviewed the Financial Stability of the Council during 2022-23 and gave a 'substantial' assurance with no management actions identified</p>
<p>Establishment of corporate governance arrangements</p>	<p>As the Council moves towards a standalone Council it is important to ensure that governance arrangements are in place and understood to ensure the smooth running of the authority.</p>	<p>Corporate Governance Board met fortnightly to discuss reports coming forward for decision.</p> <p>Rigorous recruitment process undertaken to appoint to Executive Leadership team completed during the year.</p> <p>Constitution review work was not completed and would be taken forward during 2023-24</p> <p>Internal audit reviewed governance arrangements during 2022-23 and gave a 'substantial' assurance rating and no management actions identified.</p>

Progress of the above actions was monitored during the year with quarterly reporting to Executive Leadership Team and Audit & Finance Committee.

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Identified key improvement areas

The Council is generally satisfied with the effectiveness of corporate governance arrangements and internal control. As part of its continuing efforts to improve governance arrangements the following issues, as highlighted in this Statement, have been identified for improvement in 2023-24.

Issue of concern	Key improvement	Lead officer	Action required
Review and update of Constitution	The Constitution is required to be updated and reviewed as a result of the ending of the JMTA with East Hampshire District Council and the need to provide greater clarity to officers around the Scheme of Delegation in place for decision making.	Chief Legal Officer (MO)	Review of Constitution Updated Scheme of Delegation Training for officers and members on the new Constitution Clear guidance provided on decision making process
Review of policies and strategies to ensure they are consistent with corporate priorities	There are a number of policies and strategies which have not been updated for a number of years and need to be reviewed. A robust Policy Register needs to be fully embedded across the organisation to capture those policies/strategies which require review.	Chief Policy Officer and Chief HR Officer	Policy Register in place and being maintained Review of critical policies and strategies that need updating Update of internal HR policies
Establishment and embedding of a Contracts Register	The Council has identified the need to put in place a more robust system for monitoring and review contracts when they are due for renewal.	Executive Head of Commercial	Contracts Register in place and being maintained Appropriate reporting of Contracts coming up for renewal
Training plans in place for staff and refreshed appraisal system	Highlighted within the AGS questionnaire as an area for improvement was to ensuring appropriate training plans are in place for officers. In addition, there is a requirement to ensure that officers have a clear link with our corporate priorities and their objectives through a refreshed appraisal system is required.	Chief HR Officer	Training plans discussed with all staff and training needs highlighted Refreshed appraisal system rolled out to all staff Monitoring of completion of objective setting, mid-year reviews and end of year reviews.
Review and rationalisation of information management arrangements	This is has two drivers: <ul style="list-style-type: none"> To address issues identified following the transition exercise, in regard to the volume, location and form of information held. To prepare the ground for re-procurement of the IT solution, and a 	Executive Heads of Internal Services & Commercial	Review and reinforcement of retention schedules. A physical document review and clear out. Generation of an appropriate, cloud based, information management and document management structure.

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	firm move to further cloud based solutions.		
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Opinion

It is our opinion that corporate governance, along with supporting controls and procedures, is strong. We propose over the coming year to take steps to address the above matters to further enhance our corporate governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and we will monitor their implementation and operation as part of our next annual review.

Signed

CEO

Leader