

HAMPSHIRE COUNTY COUNCIL

Decision Report

Committee:	Audit Committee
Date:	23 July 2020
Title:	Annual Governance Statement
Report From:	Director of Transformation and Governance and Director of Corporate Resources

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Purpose of this Report

1. The purpose of this Report is to seek the Audit Committee's approval of the Annual Governance Statement for 2019-20

Recommendation(s)

2. That the Audit Committee approve the 2019-20 Annual Governance Statement.

Executive Summary

3. Annex 1 to this Report contains the draft Annual Governance Statement for the year ending 31 March 2020. Pursuant to the Accounts and Audit Regulations 2015, the Annual Governance Statement must be approved by the Audit Committee in order for it to accompany the signed and dated Statement of Accounts. The Annual Governance Statement must subsequently be signed by the Leader of the County Council and the Chief Executive.

Contextual Information

4. The County Council is required pursuant to the Accounts and Audit (England) Regulations 2015 to produce a broad-based Annual Governance Statement.

- 4.1. Once approved by this Committee the Annual Governance Statement must be signed on behalf of the County Council by the Leader of the Council and the Chief Executive.
- 4.2. The Annual Governance Statement is an important and integral part of the County Council's Corporate Governance regime.
- 4.3. The Annual Governance Statement provides a review of the effectiveness of the County Council's internal control systems and gives assurances about how effectively they operate.
- 4.4. Guidance supplied by the Chartered Institute of Public Finance Accountancy (CIPFA) has been considered in the preparation of the draft Annual Governance Statement.

Committee on Standards in Public Life

5. A report to the Conduct Advisory Panel on 24 October 2019 informed Members about the recommendations and best practice proposed by the Committee on Standards in Public Life (CSPL) because of its review into Local Government Ethical Standards
6. One of the best practice recommendations was that Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.
7. The County Council has two current joint ventures with other local authorities, the Hampshire and Kent Commercial Services LLP with Kent County Council for the temporary and contract recruitment of staff; and the Reading Hampshire Property Partnership Limited a property joint venture with Reading Borough Council. Details of the governance of these arrangements are set out in the Annual Governance Statement. While their Board agendas and minutes are not public due to the commercial nature of their activities all appropriate statutory reporting is undertaken.
8. As the approval of the Annual Governance Statement falls within the remit of the County Council's Audit Committee the Conduct Advisory Panel agreed that the Monitoring Officer be asked to draw the attention of the Audit Committee to this aspect of the CSPL's report.

Methodology

9. In early 2020 departmental assurance statements were sent out to all departments seeking assurances about departmental governance arrangements.
- 9.1. In March 2020 Officers performing key corporate roles on behalf of the County Council were asked to produce an appropriate position statement based on the CIPFA guidance.
- 9.2. A copy of the emerging Annual Governance Statement has been sent to all Chief Officers, officers undertaking key corporate roles on behalf of the County Council and the Leader of the County Council for comment. The comments received have been considered in preparing the draft Annual Governance Statement in Annex 1.

Draft Annual Governance Statement

10. The content of the draft Annual Government Statement follows the CIPFA guidance and has been prepared in relation to the County Council's Code of Corporate Governance. Members of this Committee now have the opportunity to comment upon it and to indicate whether or not they wish to see any amendments made.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because:

The preparation and approval of an Annual Governance Statement is a Statutory Requirement.

Other Significant Links

Links to previous Member decisions:

<u>Title</u>	<u>Date</u>

Direct links to specific legislation or Government Directives

<u>Title</u>	<u>Date</u>
Accounts and Audit (England) Regulations	2015

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
Delivering Good Governance in Local Government 2016 Edition	
Departmental Assurance Statements	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

- 2.1. No equality impacts have been identified relating to the decision recommended in this Report.