

AUDIT COMMITTEE

DATE OF MEETING: 25 JULY 2023

TITLE OF REPORT: DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23

Report of: Section 151 Officer

Cabinet Portfolio: Finance

Key Decision: No

Confidentiality: Non Exempt

PURPOSE OF REPORT

1. To seek approval of the draft Annual Governance Statement 2022/23.

RECOMMENDATION

2. That the Audit Committee review and approve the draft annual governance statement 2022/23 attached at Appendix 1.

BACKGROUND

3. The Council is required by statute to prepare an annual governance statement (AGS), so allowing it to report publicly on the extent to which it complies with its own local code of corporate governance. The AGS is a backward look at the governance arrangements in place in the previous financial year. From 2023 the deadline for publishing the draft has been brought forward to 31 May, Hart achieved this deadline.

MAIN ISSUES

4. The Senior Leadership Team consider that there are proper arrangements in place for the governance of the Council's affairs and facilitating the effective exercise of functions.
5. They are of the opinion that improvements can always be made and have identified three areas for improvement which are listed in the statement.
6. Ahead of presenting the AGS to the Committee for final approval (alongside the Statement of Accounts), it will be reviewed and updated to reflect any changes to the governance framework.

CORPORATE GOVERNANCE CONSIDERATIONS

Relevance to the Corporate Plan and/or The Hart Vision 2040

7. Good corporate governance arrangements underpin delivery of all aspects of the Corporate Plan.

Service Plan

- Is the proposal identified in the Service Plan? No
- Is the proposal being funded from current budgets? Yes
- Have staffing resources already been identified and set aside for this proposal?
Yes

Legal and Constitutional Issues

8. Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, require the Council to 'prepare an annual governance statement'. The statement shall be

prepared following the review of the effectiveness of the system of internal control.

9. The AGS is required by the 2015 Regulations to be published alongside the annual Statement of Accounts. The Audit Committee's terms of reference require it to review and approve the draft AGS.

Financial and Resource Implications

10. There are no financial implications arising from this report.

Risk Management

11. The external auditors in forming their value for money (VFM) opinion, review the AGS as part of considering the 'proper arrangements' that secure economy, efficient and effectiveness in the use of resources. If they consider the AGS is not reflective of the governance arrangements a qualified VFM opinion may be issued.
12. Whilst the AGS does not need to be approved by the Committee until the external auditor has completed their review of the Statement of Accounts, good practice is for the Audit Committee to have early sight of the draft AGS to allow them to review and provide comment, prior to it being forwarded to the external auditor for review.

EQUALITIES

13. There are no equality issues arising from this report.

CLIMATE CHANGE IMPLICATIONS

14. No direct carbon/environmental impacts arising from the recommendations.

ACTION

15. The draft AGS 2022/23 is approved.

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Appendices

Appendix 1. Draft Annual Governance Statement 2022/23.

Background Papers: None