



## **Draft Annual Governance Statement 2024/25**

**SUBJECT TO CONSIDERATION AND APPROVAL BY THE AUDIT COMMITTEE**  
**SUBJECT TO REVIEW AND SIGNING BY THE LEADER AND CHIEF EXECUTIVE**

## **1 Introduction**

- 1.1 Hart District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. We have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvements in the way in which our functions are exercised, whilst having regard to a combination of economy, efficiency and effectiveness.
- 1.2 We are responsible for putting in place proper arrangements for the governance of our affairs and facilitating effective exercise of our functions. The Accounts and Audit Regulations 2015 require the Council to conduct a review at least once a year of the effectiveness of its system of internal control and to publish an Annual Governance Statement (AGS).
- 1.3 This AGS set out the governance arrangements in place for the year ended 31 March 2024. This draft will be subject to consideration and approval by the Audit Committee and, if necessary, it will be updated to include any significant post year-end events. It has been prepared in accordance with the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' and its seven principles.

## **2 The Council's Governance Framework**

- 2.1 The governance framework generally refers to the culture, values, systems, and processes by which an organisation is directed, controlled and held to account. The Council's governance framework aims to ensure that in conducting its business it operates in a lawful, open, inclusive and honest manner, makes sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively, maintains effective arrangements for the management of risk and secures continuous improvement in the way that it operates. Additionally, an effective governance framework enables the Council to monitor the

achievement of its corporate objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

- 2.2 Underpinning the governance framework is the Council's Local Code of Corporate Governance. A document that details the key policies, procedures and systems by which the Council is controlled and governed. The Local Code is reviewed and updated when necessary to ensure it reflects current working practices. Once updated it is reviewed and approved by the Audit Committee.

### **3 Effectiveness of the Governance Framework**

- 3.1 The effectiveness of the governance framework is reviewed by the Executive Director of Corporate Services, supported by the Senior Leadership Team.

The review considered the following areas:

- a) Adherence to the Local Code of Corporate Governance. The Local Code is based upon the 2016 CIPFA / SOLACE framework, Delivering Good Governance in Local Government. Our self-assessment against the Code is included at Annex A.
- b) The work of Internal Audit and their assurance opinion on the adequacy and effectiveness on the Council's internal control environment for the year to date, reported to the Audit Committee in March 2025. In 2024/25 financial year there were issued one substantial, five reasonable and five limited levels of assurance. No area reviewed was classified as having 'no' assurance.

The delivery of the Internal Audit Service is outsourced to the Southern Internal Audit Partnership (SIAP). This has strengthened the IA approach, provided greater resilience and brought learning and experience from an established specialist IA provider. SIAP undertake Internal Audit functions for many local authorities and other public sector bodies and Hart has joined the governance board. The Internal Audit Charter for 2024/25 was approved by Audit Committee March 2024.

- c) The external Auditors, EY, have now concluded their 2023/24 accounts audit, although it was completed on a 'disclaimer' due to the government's 'reset' approach to clear the backlog. However, EY reported their Value for Money conclusion report for 2023/24 to Audit Committee in March 2025 which concluded that the Council has proper arrangements to; plan and manage

its resources, make informed decisions and manage its risks, and to enable it to use information about its costs and performance to improve the way it manages and delivers its services.

- d) The role played by Members, as accountable democratically elected representatives, in providing community leadership, delivering clear policy and financial direction, scrutinising decisions as well as fulfilling regulatory and quasi-judicial duties. Annex B details the key governance impacts of Members' work.
- e) The work of the Senior Leadership Team who have responsibility for the development and maintenance of the control and governance environment.
- f) The Monitoring Officer has monitored the Council's compliance with the law and considers that, overall, high standards of conduct have been maintained by both officers and members. The Monitoring Officer has managed any amendments to the Constitution and has ensured the decision-making process has been transparent.
- g) The Director of Corporate Services is the Council's Section 151 Officer. They have had in place an appropriate internal control framework that has ensured financial transactions have been properly accounted for. They are a member of the Senior Leadership Team and ensured financial implications are considered in the delivery of corporate objectives and overseen the effectiveness of the overarching strategic financial processes (e.g., budget setting, financial planning, revenue and capital expenditure monitoring, treasury management).
- h) As part of their business-as-usual operations, Service Managers frequently review and amend their risk registers. The Corporate Risk Register was reported to Overview & Scrutiny and Cabinet in November 2024 and April 2025. The Audit Committee also considered the effectiveness of the risk management framework in March 2024 and approved a revised Risk Management Policy.
- i) The report of the Local Government and Social Care Ombudsman reported in their annual review letter 2024. Four complaints were received by the Ombudsman. After review they decided that none were upheld.
- j) A revised Corporate Complaints Policy was approved in the year which reflects the latest guidance. The high level trend data on complaints is provided to Overview and Scrutiny as part of the corporate suite of data provided on a quarterly basis.

- k) The Council has a wholly owned company, Hart Housing Property Management Company Ltd (Co. No. 13459808). The company lease, maintain and rent out on an affordable basis, residential assets procured by the Council in its pursuance of its objective to increase the supply of affordable housing in the district. The company forms part of the Council's broader strategy to innovate in the provision of its activities and functions. As part of the governance arrangements, a Housing Scrutiny Panel (HSP) was established, comprising three members appointed by the Overview and Scrutiny Committee. In April 2024 the governance arrangements were reviewed and changes made to reflect the current operation of the company.
- l) The provision of regular management and performance information, formally to both Cabinet and Overview & Scrutiny Committee and informally through discussions with Members at Service Panels.
- m) The ongoing review throughout the year of policies and procedures that underpin the delivery of services alongside new initiatives introduced to enhance governance and/or service delivery. These include:
- Medium Term Financial Strategy revised in Feb 2025 following a mid-year report to O&S and Cabinet in November 2024
  - Scrutiny and approval of service plans 2024/25 to support the delivery of the Corporate Plan 2023-27.
  - New policy and governance arrangement for Health and Safety was introduced during 2024/25.
  - Mandatory training for staff in cyber awareness, equalities and data protection.
  - Accreditation against the Government's Cyber Assurance Framework (CAF)
  - The Chairman of the Overview and Scrutiny Committee presented the Committee's 2023/24 Annual Report to Council
  - Developed cyber resilience plan and tested response through a live exercise during the year, with external expert facilitation.
  - Reviewed operation and effectiveness of Project Board, the overarching governance for major projects
  - Grievance policy reviewed and approved by Staffing Committee.
  - Continued oversight of major contracts through agreed governance arrangements for the Capita 5 Cs contract and the Serco waste contract and through IAAs with shared/outsourced service provider local authorities.
  - Hart Property Company governance arrangements reviewed and approved
  - Contract Procedure Rules and guidance and Financial Regulations reviewed in 2024/25 and approved by Council
  - New Digital Strategy approved by Cabinet Oct 2024 following scrutiny
  - Climate Change Action Plan monitoring to SLT, O&S and Cabinet twice a year.

#### 4 Significant Governance Issues 2024/25

- 4.1 The effectiveness review has concluded that corporate governance arrangements and the internal control environment are generally effective. It is acknowledged that improvements can always be made, and the following matters are considered significant enough to be specifically highlighted. The action taken to address these is set out below.

Governance Improvement Plan – arising from the 2024/25 review of effectiveness of governance arrangements				
	Issue	Action	Responsible Officer	Delivery
1	The Whistleblowing Policy has not been reviewed for 3 years. It is timely to review in the light of a recent disclosure, as reported to the Audit Committee in March 2025.	Review policy and report to Audit Committee for consideration and approval.	Monitoring Officer	October 2025
2	Consider any governance and risk matters arising from the LGA Peer Review report	When the report is received, develop an action plan to implement any improvements to the governance framework	Director of Corporate Services/Monitoring Officer	Sept 2025
3	Ensure that robust governance arrangements and risk management is in place for Local Government Reorganisation	As the project develops, prepare a governance framework that is appropriate and effective.	Chief Executive	During 2025/26

Governance Improvement Plan - As identified in the 2023/24 Annual Governance Statement				
	Issue	Current position (May 2025)	Responsible Officer	Target Date
1	Shared and outsourced services must have effective oversight and decision-making arrangements. Recent internal audit reports have identified improvements in some areas.	Review of legal and licensing complete with revised deeds and SLAs Cabinet approved revised building control arrangement Capita 5Cs contract governance and client monitoring will be revised from October 2025 under the new extension arrangements. Internal audits identified good oversight for street cleaning and grounds maint.	Director of Corporate Services	Complete
2	Ensure that the council's overarching governance framework is effective, widely understood and adhered to	Internal and external audits have confirmed good governance overall. Audit Committee's annual report also considered the framework to be effective	Chief Executive and the Monitoring Officer	Complete – to be kept under review
3	Ensure robust and effective scrutiny is in place to support decision making	O&S Chairman's annual report for 2024/25 summaries the extensive activity of the committee.	Director of Corporate Services	Complete – to be kept under review
4	Review complaints process to ensure it is effective and meets the needs of customers.	Report considered by O&S then approved by Cabinet 2025 with new policy aligning to Ombudsman new guidance	Director of Corporate Services	Complete

	<b>Issue</b>	<b>Current position (May 2025)</b>	<b>Responsible Officer</b>	<b>Target Date</b>
5	Independent review of governance and how the council operates and performs - learning from others	Corporate peer challenge undertaken in April 2025. Report expected June, action plan to be created and reported to O&S and Cabinet	Chief Executive	Sept 2025
6	Ensure effective arrangements for following up management actions arising from internal audit reports, particularly those reports assessed as limited assurance	Monthly check on progress with relevant service manager, with any changes to agreed actions and/or target date agreed with the S151 Officer Report to October 2024 Audit Committee on progress against the limited assurance audit actions SIAP report Qtly to Audit Cttee on progress	Director of Corporate Services	Complete

**5 Approval of the Annual Governance Statement**

The 2023/24 review has concluded that corporate governance arrangements and the internal control environment are generally effective.

A few areas for improvement have been identified. We propose to take steps to address the issues identified at paragraph 4.1 and will report on the action taken to the Audit Committee both during the year and as part of future annual governance reviews.

**Cllr David Neighbour,  
Leader of Hart District Council**

**Daryl Phillips, Chief Executive**

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Signature	Date

### Self-assessment against the Local Code of Corporate Governance

The Council's commitment to good governance.	How it is achieved.
<p>The Council has clear, transparent decision-making processes which align with our ethical values. Decisions that have been made are lawful and Codes of Conduct set out expectations on behaviour and integrity.</p>	<ul style="list-style-type: none"> <li>➤ Codes of Conduct are in place for both members and officers. These are used to promote the standards of behaviour expected of both members and employees.</li> <li>➤ All members are required to sign a declaration of interests annually, these are readily available on our website. They are also required to declare any such interests at public meetings prior to the relevant item being discussed.</li> <li>➤ Member training is provided and an appropriate induction process in place for all new members.</li> <li>➤ The Standards Committee is in place to ensure ethical behaviour is maintained.</li> <li>➤ Statutory Officers are in post. These being the Chief Executive, who acts as the Head of Paid Service, and the Development Manager who is the Monitoring Officer. The Head of Corporate Services is the Section 151 Officer.</li> <li>➤ Hart Values are in place and describe how the Council expects employees and members to behave when carrying out their roles and, how we expect our residents and stakeholders to be treated.</li> </ul>

The Council's commitment to good governance.	How it is achieved.
	<ul style="list-style-type: none"> <li>➤ The Constitution and Scheme of Delegation define the roles and responsibilities of officers and members, and set out the rules on how the Council conducts its business. The Constitution is subject to an on-going review by senior management to ensure it is fit for purpose, any amendments will require the approval of Full Council.</li> <li>➤ The Council has measures to address breaches of its legal and regulatory powers. The Council's Monitoring Officer has statutory reporting duties in respect of unlawful decision making and maladministration.</li> </ul>

The Council's commitment to good governance.	How it is achieved.
<p>The Council exists to serve its residents and local businesses. We work with a wide variety of stakeholders and work effectively in partnership. Consultation and engagement mechanisms are in place.</p>	<ul style="list-style-type: none"> <li>➤ The Council will work with residents, businesses, communities, and partners to help us prioritise what we do, and to have a say over our approach.</li> <li>➤ During 2024/25 all Council meetings have been conducted in public, decisions have been properly recorded and are in the public domain. This ensures transparency and that the impact and consequences of decisions are clearly stated.</li> <li>➤ Minutes and Agendas for all meetings provide a formal record of decisions that are made and are readily available on our website.</li> <li>➤ Hart District Council is committed to working with residents, businesses, and charities to improve the services it delivers across the district. Consultation is an essential part of this, and we need to know your thoughts on changes that we intend to make.</li> <li>➤ We use social media including X and Facebook, as a way of engaging with the community and promoting awareness of services we provide. All our social media updates are provided by our Communications Team to ensure a consistent approach is taken.</li> <li>➤ Newsletters are sent to Parish and Town Councils, MP's and County Councillors.</li> <li>➤ Meetings take place between Hart Officers and Unison</li> <li>➤ Peer review Action Plan</li> </ul>

The Council's commitment to good governance.	How it is achieved.	
	<ul style="list-style-type: none"> <li>➤ Monthly staff briefings take place keeping officers up to date with new initiatives and feedback of ongoing work</li> <li>➤ Customer Care Standards and Complaints policy are in place.</li> <li>➤ The Council encourages feedback on the services it provides. We have a feedback form on our website, and its address is included on generic email signatures.</li> <li>➤ The table below details the governance arrangements in place for both outsourced services and those services provided in partnership with other Councils. Regular meetings occur to discuss service, performance and financial issues.</li> </ul>	
	<b>Service</b>	<b>Governance</b>
	Revenues and Benefits, IT, Land Charges, Customer Services.	5 Councils Management Board Central Client Team Inter Authority Agreement
	Everyone Active (Leisure Services)	Monthly Management Meeting Leisure Client Officer
	Basingstoke and Deane Borough Council (Legal Services, Waste, Licensing, Grounds Maintenance).	Partnership Board and Joint Governance Board Joint Waste Board with Serco
	Rushmoor Borough Council (Building Control)	Joint Governance Group
	Southern Internal Partnership – Internal Audit provider	Quarterly partner meetings

<b>The Council's commitment to good governance.</b>	<b>How it is achieved.</b>
<p>The Council works with communities to plan outcomes. In setting policies and strategies, the Council takes account of sustainable economic, social and environmental benefits.</p>	<ul style="list-style-type: none"> <li>➤ The Corporate Plan 2023 – 2027 has been developed with members and outlines the priorities of the Council.</li> <li>➤ The Council's Medium Term Financial Strategy was approved by Council in February 2025. There is a robust budget process in place to ensure financial resources are allocated to corporate priorities.</li> <li>➤ The Council has set out an Equality Policy which identifies how we will work towards agreed equality objectives. Where required Equality Impact Assessments are also carried out.</li> </ul>

The Council's commitment to good governance.	How it is achieved.
<p>The Council takes decisions on interventions based on its clear vision for services, engaging with communities, stakeholders and the expertise of professional service officers.</p>	<ul style="list-style-type: none"> <li>➤ A performance framework exists to monitor progress on intended outcomes, it is also used to support our decision-making process. Performance indicators have been reported to Overview and Scrutiny during 2024/25.</li> <li>➤ Service Plans are in place that outline clear visions for the services we provide. Service Plans also help ensure resources are allocated to corporate priorities. The content and reporting of service plans was reviewed during 2024/25 and reported to qtlly Service Panel meetings of O&amp;S councillors.</li> <li>➤ The Council's budget process ensures financial resources are aligned to corporate priorities.</li> <li>➤ The Scheme of Delegation clearly outlines who is responsible for the decision-making process, and where responsibilities lie for the functions of the Council. The Scheme of Delegation is contained within the Constitution.</li> <li>➤ Decision makers receive objective analysis, information and risk assessments on options that are available to achieve intended outcomes.</li> <li>➤ The Council makes use of collaborative and joint working, where appropriate. Community benefit and improved resilience is often a key consideration in how services are procured.</li> </ul>

The Council's commitment to good governance.	How it is achieved.
<p>The Council maintains an effective relationship between the Leader of the Council and the Joint Chief Executives. We encourage the development of all employees to ensure they are able to carry out their roles effectively.</p>	<ul style="list-style-type: none"> <li>➤ There are regular meetings between the Chief Executive, Directors and the Leader of the Council. Similar meetings take place between the directors and Portfolio Holders. These have ensured an effective line of communication exists between senior managers and members.</li> <li>➤ Member and Officer training programmes are in place. The Corporate Training Programme is designed to target areas of training that were identified from personal development reviews.</li> <li>➤ Induction Training has been provided to new employees throughout the year. Training is also provided to new members.</li> <li>➤ Mandatory training has been provided to all managers during the year on Cyber Security, Fraud Awareness and Safeguarding.</li> <li>➤ The performance framework includes personal development reviews (PDR's) for individuals. These are linked to both Corporate and Service Plans. Training needs to all employees are considered as part of the PDR process.</li> <li>➤ Roles and responsibilities of senior management are clearly identified. The Scheme of Delegation makes it clear the protocols that must be followed for the decision-making process.</li> <li>➤ An appropriate protocol is in place to enable Elected Members and Senior Officers to have a shared understanding of their respective roles.</li> </ul>

<b>The Councils commitment to good governance.</b>	<b>How it is achieved.</b>
<p>The Council has transparent processes in place to ensure our decisions are in the public domain through our website, financial reporting is robust.</p>	<ul style="list-style-type: none"> <li>➤ Information on the decision-making process is readily available to all stakeholders via the Council’s website.</li> <li>➤ An appropriate committee structure is in place to ensure there is an effective decision-making process and, that all relevant information is reported in a timely manner to those making key decisions. Key decisions are subject to an appropriate level of scrutiny.</li> <li>➤ An Audit Committee is in place. The committee reviews the work of both Internal and External Audit, approving the Statement of Accounts and providing assurance on the Council’s governance arrangements.</li> <li>➤ A Local Code of Corporate Governance is in place and is reviewed when necessary. It complies with the requirements of the CIPFA/SOLACE Framework.</li> <li>➤ The Council produces an Annual Governance Statement, which explains how we comply with CIPFA’s “Delivering Good Governance in Local Government (2016)”.</li> <li>➤ Internal Audit will review the internal control framework on an on-going basis, the key financial systems. Findings and risks identified during reviews are reported to both senior management and the Audit Committee.</li> <li>➤ Internal Audit provide an annual report to the Audit Committee that includes an objective opinion on the internal control framework. The report for 2024/25 was presented to the March 2025 Audit Committee and contained a ‘satisfactory’ opinion.</li> <li>➤ External Audit review the arrangements that the Council has in place to secure value for money. They also provide an opinion on the accuracy and completeness of the Council’s Statement of Accounts. The external auditors will not complete their work until after this draft AGS has been reviewed by the Audit Committee. The AGS will be</li> </ul>

The Councils commitment to good governance.	How it is achieved.
	updated to reflect the external auditors' findings from their review of the 2024/25 statement of accounts.

<b>The Councils commitment to good governance.</b>	<b>How it is achieved.</b>
<p>The Council maintains an appropriate internal control framework, Financial management is robust to ensure council spending is within agreed budgets.</p>	<ul style="list-style-type: none"> <li>➤ The Council has a risk management framework in place that identifies and reports risk and how it is being managed.</li> <li>➤ The effectiveness of the risk management framework is reported to the Audit Committee.</li> <li>➤ The content of the corporate risk register is reviewed by the Senior Leadership Team on a regular basis. It is reported to Overview and Scrutiny and Cabinet half yearly.</li> <li>➤ As part of the process for approving the budget for the council, appropriate statements were made by the Head of Corporate Services (Section 151 Officer), regarding financial risk, and the outlook for the short to medium term.</li> <li>➤ The system of internal control is reviewed on an on-going basis by Internal Audit and management. An opinion on the effectiveness of the internal control system for 2024/25 was reported to the Audit Committee in March 2025. The Internal Audit Plan is approved by SLT and the Audit Committee.</li> <li>➤ The Director of Corporate Services is responsible for the financial management of the council and is the Section 151 Officer. We have a strong culture of good financial management which ensures public money is properly safeguarded.</li> <li>➤ A Medium-Term Financial Strategy</li> <li>➤ Robust budget monitoring arrangements are in place for both capital and revenue with budget reporting at both senior management and members occurring at least quarterly.</li> </ul>

## **THE MEMBER GOVERNANCE FRAMEWORK**

The Council operates and discharges its function via the Constitution which establishes the roles and responsibilities for Members of the Executive, Overview and Scrutiny Committee, Audit Committee and other Regulatory Committees.

The core functions of the main committees are described below.

### **FULL COUNCIL**

- a) Received minutes of Cabinet, Overview and Scrutiny and Audit Committees.
- b) Received regular reports from the Joint Chief Executive on the work of the Council.
- c) Responded to regular questions from the public on a wide variety of issues.
- d) Approved the annual budget.
- e) Received updates from members who represent the Council on outside bodies.

### **CABINET**

Cabinet carry out the role of the Executive as required by the Council's constitution. It is the main decision-making body. In terms of reviewing and monitoring the governance framework during 2024/25 Cabinet has:

- a) Received regular reports throughout the year on the Council's financial position.
- b) Reviewed in April 2024 Service Plans for 2024/25 to ensure the content of plans aligned with the Corporate Plan and priorities.
- c) Reviewed and approved key strategies and policies throughout the year.
- d) In February 2024 reviewed the Medium Term Financial Strategy for 2024/25.
- e) In February 2024 Cabinet set the budget for 2024/25 and recommended to Council its approval.

### **OVERVIEW & SCRUTINY**

In terms of reviewing and monitoring the governance framework during 2024/25 the Overview and Scrutiny Committee has:

- a) Received half yearly reports on the content of the corporate risk register to review and challenge the content.

- b) Reviewed proposed strategy or policy documents and provided constructive comments to Cabinet.
- c) Made comments to Cabinet on the content of future years' service plans (which set out the key actions each service will undertake during the coming year to deliver the Council's objectives and priorities, as well as core services).
- d) Received reports from representatives on Outside Bodies on their involvement and make any recommendations to Cabinet on the continuing value.
- e) Received regular reports during the year on council performance from Heads of Service.
- f) Received the annual report from the Local Government and Social Care Ombudsman.
- g) Reviewed regular budget monitoring information and treasury management performance.
- h) In January 2025 the Committee reviewed and provided comment to Cabinet, on the content of the draft budget for 2025/26 and medium-term financial strategy 2024/25 – 2026/27.
- i) Been kept properly informed of the Cabinet work programme and so allowed the Committee to fulfil its role of holding the Executive to account.
- j) Presented in April 2025 an annual report of its work to Council in 2024/25.

## **AUDIT COMMITTEE**

The Audit Committee is responsible for providing effective assurance on the adequacy of the governance framework. In terms of reviewing the governance framework, the Audit Committee has:

- a) Reviewed the Council's Annual Governance Statement, to confirm the content accurately reflects the council's governance framework.
- b) Received regular reports on the work carried out by the Council's External Auditors.
- c) Received regular reports on the work of Internal Audit. This has allowed the committee to monitor their work and ensure the service is able to substantially deliver the audit plan.
- d) Received the Annual Report of the Internal Audit Manager. This provides the committee with the Audit Managers opinion on the effectiveness of the Council's internal control framework.
- e) Approved the Statement of Accounts
- f) Reviewed regular reports on the effectiveness of the Council's risk management arrangements and challenged the framework to ensure it remains fit for purpose.
- g) Reviewed the reports about specific matters of interest.