



**GOSPORT**  
Borough Council

**GOSPORT BOROUGH COUNCIL**

**ANNUAL GOVERNANCE STATEMENT 2020/21**

**Scope of responsibility**

Gosport Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for; and is used economically, efficiently and effectively. Gosport Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Gosport Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

This statement explains how Gosport Borough Council has complied with the Code and also meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015.

**The purpose of the governance framework**

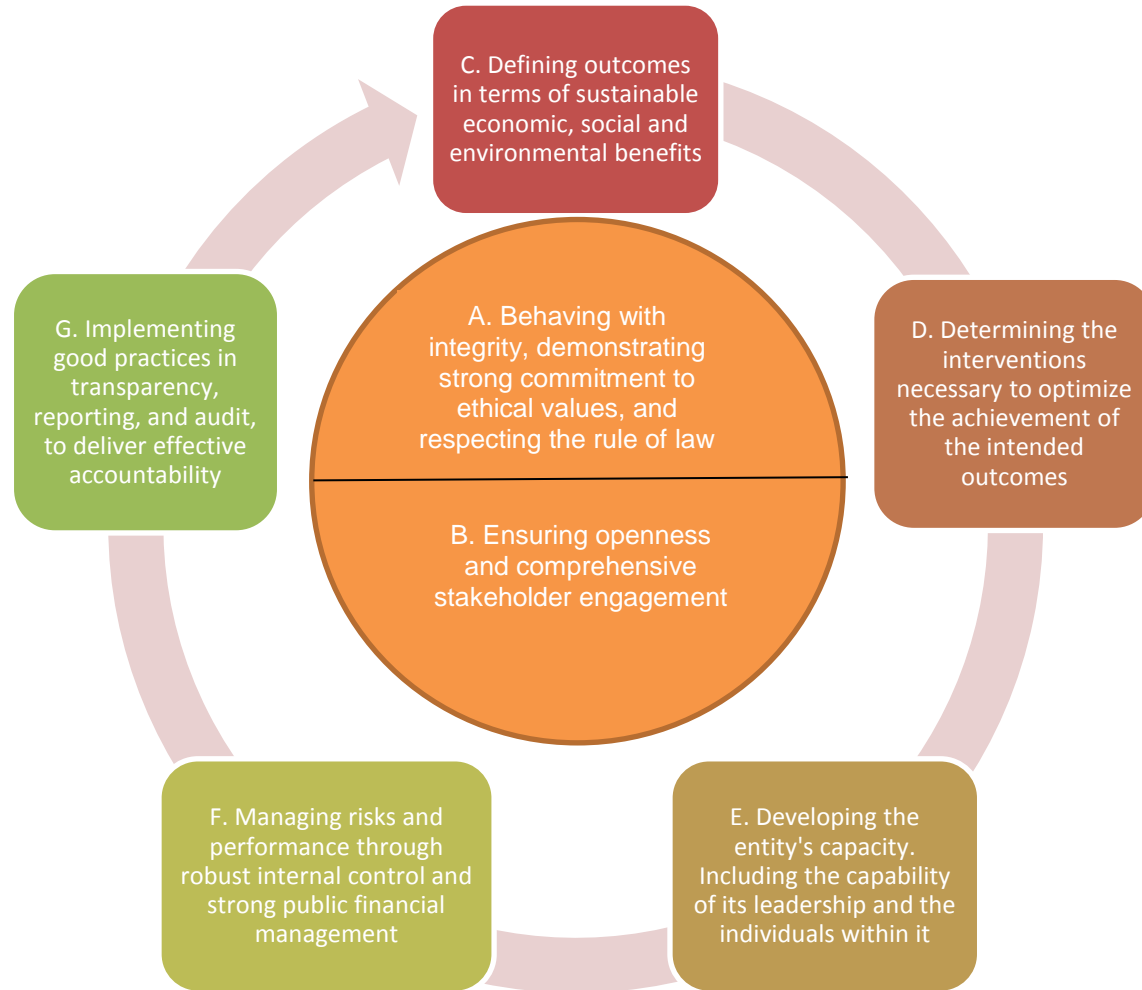
The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives 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 a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Gosport Borough Council's policies, aims and objectives to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.



**The governance framework**

Gosport Borough Council's Governance Framework derives from the updated 2016 publication 'Delivering Good Governance in Local Government'. The Framework identified 7 principles that should underpin the governance arrangements in a Local Authority.



Each principle will be outlined below and how the Council meets them:

**A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

*Constitution*

The Constitution sets out how the Borough Council operates, the roles and responsibilities of officers and members, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The constitution is managed by the Borough Solicitor/Monitoring Officer and was subject to a review to update factual elements such as job titles and changes in senior management during 2019/20. The Constitution is often a working document to enable changes made in relation to boards and Council decisions.

*Key Statutory officers*

Head of Paid Service - Section 4 of the Local Government and Housing Act 1989 requires a Local Authority appoint a Head of Paid Service and provide that officer with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his duties under this section to be performed. For Gosport Borough Council this officer is David Williams, Chief Executive.

Monitoring Officer - An officer, appointed under section 5 of the Local Government and Housing Act 1989, who is required to report to the Council where it appears to them the authority has done, or is about to do, anything which would contravene the law or which would constitute maladministration. For Gosport Borough Council this is the Borough Solicitor, Paul Grant.

S151 Officer - As required with the Local Government Act 1972, s151, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs. For Gosport Borough Council, this responsibility is that of the Borough Treasurer, Chris Ward.

*Councillors*

Local government is accountable and transparent in a number of ways. Elected local authority members are democratically accountable to their local area and this gives them a clear leadership role in building sustainable communities. All members must account to their communities for the decisions they have taken and the rationale behind those decisions.

**Councillor Board Structure**

As the Council chose to adopt 'alternative arrangements' following publication of the Local Government Act 2000, a Board/Committee structure is in place and each party is represented proportionally on each Board and Committee according to the number of seats held. Consequently the



Council enjoys a high level of transparency when it comes to decision making and any Member of the Council is afforded the right to sit on the Boards if they are nominated for such a position at the commencement of the Municipal Year.

All decision making reports are structured and the contents demonstrate all relevant information in order to reach an informed decision.

A report on Governance was taken to Council in May 2016 to review the arrangements for the discharge of the Council's Functions and proposed changes to the Boards and Committees. The composition remains unchanged for 2020/21:

### **Composition of Boards**

The following is the composition of the Boards;-

Board/Sub Board	Number of Members
Policy and Organisation Board	12
Community Board	12
Economic Development Board	12
Regulatory Board	12
Standards and Governance Committee	12
Housing Board	13
Climate Change Board	12

Decisions are made by Boards and Sub-Boards of the Council with the following having the responsibility for the majority of decision making:

***Council***  
***Policy and Organisation Board***  
***Community Board***



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***Economic Development Board  
Regulatory Board (Licensing Sub-Boards)***

As the Regulatory Board deals only with planning applications and the Licensing Sub-Boards with Licensing matters the law does not allow their work to be scrutinised by other Councillors. This is because the decisions made by these Boards are already subject to an appeal process, either through an independent inspector or the courts.

In addition to the Boards, there is also a Standards and Governance Committee in place to promote and maintain the highest standards of conduct by members and officers of the Council. The Committee undertakes the core functions of an Audit Committee identified in CIPFA's practical guidance. Additionally, the Monitoring Officer is enabled to convene an Initial Filtering Panel with three Councillors of the Standards and Governance Committee and/or the Council's Independent Person to determine allegations of failure to comply with the Council's Code of Conduct, in accordance with the Council's arrangements for dealing with such allegations.

*Officers of the Council*

Officers give advice, implement decisions and manage the day-to-day delivery of its services. Some officers have specific duties to ensure that the Council acts within the law and uses its resources wisely. A protocol contained in the Constitution governs the relationship between officers and members of the Council. In certain circumstances, senior and other officers of the Council can make decisions under delegated authority, as detailed in the Borough's Constitution.

The Council Management Team (CMT), consisting of Chief Executive, Assistant Chief Executive, and Monitoring Officer, Head of Finance, Head of Benefits Procurement and Insurance, Head of Streetscene, Head of Housing, Chief Internal Auditor and Head of IT, meets periodically to develop policy and strategic issues commensurate with the Council's strategic priorities. Members of CMT meet collectively and individually with the Leader of the Council and other leading members of the Administration to consider new policies and strategies as well as managing, monitoring and reviewing existing policy and strategy. The Leader holds frequent meetings with the Chief Executive Officer, Assistant Chief Executive and Monitoring Officer to review progress in achieving the Council's strategic priorities for action, performance management and finance forward planning for major issues and projects.

Information that would be of benefit to other members of the Council staff is disseminated through regular meetings between Line Managers and the relevant Senior Manager, and then through to the rest of the Council via periodic section meetings.



Information on policy, priorities, procedures and current issues is also disseminated to all staff through the Chief Executive (email) and staffroom (email) communications at least monthly.

The Council has also adopted a number of codes and protocols that will govern both member and officer activities. These include:

- Code of Conduct for Members of Gosport Borough Council
- Code of Conduct for the Guidance of Employees
- Code of Conduct for Councillors in the Regulatory Process
- Protocol for Councillor/Officer Relationships
- Whistleblowing Policy

It is the shared responsibility of the Chief Officers [primarily the Chief Executive, Assistant Chief Executive, Monitoring Officer and Borough Treasurer] and the Human Resource section to ensure compliance with established policies, procedures, laws and regulations. Issues of conduct and governance must often be considered by the Standards and Governance Committee, in which case a report and recommendations are prepared by the Monitoring Officer. All posts within the authority have a detailed job specification and training needs are identified on an on-going basis and also through the Personal Development Scheme.

#### *Boundary Review*

The Local Government Boundary Commission for England (LGBCE) informed the Council that they would be undertaking a statutory review of the electoral arrangements with regard to the Electoral Ward boundaries at an informal meeting with The Leader of the Council, the Chief Executive and the Electoral Registration Officer in January 2020.

The LGBCE stated they are 'conducting a review of Gosport Borough Council ('the Council') as the value of each vote in borough elections varies depending on where you live in Gosport. Some councillors currently represent many more or fewer voters than others. This is 'electoral inequality'. Our aim is to create 'electoral equality', where votes are as equal as possible, ideally within 10% of being exactly equal.'

This electoral review is being carried out to ensure that:

- The wards in Gosport are in the best possible places to help the Council carry out its responsibilities effectively.
- The number of voters represented by each councillor is approximately the same across the borough.



Following the review the LGBCE, the following recommendations were made

- Gosport should be represented by 28 councillors, six fewer than there are now.
- Gosport should have 14 wards, three fewer than there are now.
- The boundaries of all wards should change except Lee East and Lee West wards.

The recommendations will be consulted on until 30<sup>th</sup> August 2021. As such, a further update will be included within the 2021/22 Annual Governance Statement.

## **B. Ensuring openness and comprehensive stakeholder engagement**

### *Complaints*

Gosport Council has a clear and publicised 3 stage complaints procedure in place to allow the public an opportunity to raise an issue where they feel the Council has not performed the service it should have. In addition, should a complaint not be resolved within the process, the option to raise the issue with the Local Government Ombudsman is also advertised. GBC report statistical information on complaints relating to the Ombudsman.

### *Partnerships*

Partnerships allow the Council to work with organisations, other local authorities and groups to aid in the delivery of the Council's services and objectives. The Borough has strong links with Hampshire County Council in relation to education within the Borough and highways management. In addition GBC also has formal partnership agreements with Fareham Borough Council in relation to Environmental Health, Licensing and Building Control Engagement. In addition, Gosport has partnerships with Portsmouth City Council in relation to the sharing of senior management and services such as HR, Communications and Internal Audit.

Gosport also works with local organisations such as Citizens Advice and Gosport Voluntary Action to ensure further engagement with the local area.

### *Consultations*

The Council frequently consults residents both where there is a legal duty to consult and also on matters of particular interest including, but not limited to planned developments within the Borough.



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The Council makes decisions at public meetings of its Boards and Committees. Members of the public are able to address the Council's Boards and Committees using the Council's process for public questions and deputations available in the Council's Constitution and on the Council's website. During 2020/21 all Council meetings were held remotely due to the Covid 19 Pandemic and therefore the meetings were live streamed on the internet to ensure the meetings were still deemed as public. Following Government guidance, the meetings of the Council's board will resume being held in public for 2021/22.

The Council complies with the Freedom of Information Act (2000) and requests can be submitted electronically or in person to be considered by the service unit concerned within 20 working days.

**C. Defining outcomes in terms of sustainable economic, social, and environmental benefits & D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

*Financial Planning*

Over the past 10 years (since 2011/12), Central Government funding to Councils has reduced by over 40% in real terms. The Council has a strong track record of being able to live within its means, make savings and secure financial resilience.

The medium term financial strategy is designed to meet the following criteria "In year" expenditure matches "in year" income over the medium term whilst providing sustainable high quality public services, improving the overall prosperity of residents and businesses and ensuring adequate financial resilience.

Over the next 3 years, the Council has a forecast budget deficit to remedy amounting to £2.1m (+/- £0.5m arising from future uncertainty). This compares to a forecast deficit of £1.7m estimated in February 2020 and reflects the following: (i) The challenges posed by the Covid-19 pandemic and the lack of opportunity to fully develop and implement a savings programme consistent with the forecast savings requirement of £0.570m for 2021/22 as set out in the Budget Report in February 2020 The rolling 3 year forecast moving on a further year to now incorporate 2024/25.

The Administration's strategy to meet this challenge is a multi-faceted approach to maintain a stable financial position and undertake targeted investment in services to improve sustainability and safeguard resilience. These were outlined as part of the agreed Full Council budget for 2021/22 in February 2021.

*Financial Management Code*





The Chartered Institute of Public Finance and Accountancy (“CIPFA”) has published a new Financial Management Code for authorities to adhere to. The CIPFA Financial Management Code 2019 (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets out the standards of financial management for local authorities, based on broad principles. It does not prescribe the financial management processes that local authorities should adopt but requires each authority to demonstrate that its processes satisfy the principles of good financial management. 2020/21 was the ‘shadow’ year for the implementation of the FM Code with the first year of compliance being 2021/22.

The Council will undertake a rapid review against the new FM Code in order to identify any areas for development.

#### *Climate change*

In 2020 Gosport Borough Council voted to implement a Climate Change Board. This board has the responsibility to formulate policies and initiatives in relation to climate change.

#### *Council Plan*

The Council’s plan on a page sets out Gosport Borough Council’s mission and core values (ambitious, supportive, collaborative, adaptable and efficient). The Plan also identifies the Council’s strategic priorities (raise aspirations, enhance the environment, develop the economy, empower our residents and deliver effective services) which are based on a combination of factors including what matters most to local people, national priorities set by the Government and the challenges from Gosport’s changing social, economic and environmental context. The Council continues to keep its plan relevant and up to date; the plan has been developed through engagement with both the Council Management Team and officers of the Authority.

The Council also has a Local Plan 2011-2029. The Local Plan sets out the Council’s proposals for the development and use of land from 2011 – 2029, and forms the basis for dealing with planning applications. The Local Plan has gone through several stages to adoption and was supported by an evidence base and a Sustainability Appraisal. In accordance with Government guidance the Council is required to keep its Local Plan up to date. The Council has now started to prepare a revised Local Plan to cover the period to 2038.



The Council's Mission statement:

**“Build on our strengths to empower and support our communications and ensure the potential of the borough and all of our residents is achieved”**

The Council has continued to evolve its approach to performance management by promoting a transparent and open performance culture amongst Section Heads, who are responsible for managing performance on a day-to-day basis. Whilst in transition, key outcome based performance management measurements have been retained whilst new and relevant measures are being further developed. Section Heads are accountable for performance to the Council's Management Team and to elected members.

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

##### *Recruitment & training*

The Council has a robust recruitment process in place which includes tailored applications and interviews with the view to ensuring the right candidates are selected for the roles advertised. The Council also has an induction process linked to essential training and mandatory policies which must be read and understood by all new starters.

Gosport Borough Council also has access to the Portsmouth Learning Gateway (PLG) which has a host of Local Authority specific training courses for all staff to access as and when required.

The Council also utilises its partnership with Portsmouth City Council to recruit and employ individuals on the apprenticeship scheme, utilising the Government funded Apprenticeship Levy. Apprenticeships provide an opportunity for us to develop our workforce and provide employment and training opportunities for people in our community. As at March 2021 GBC has 1 apprentice and 2 staff studying apprenticeships as part of their existing role.

The Council plans to continue to recruit fresh talent into the workplace as well as looking at career pathway opportunities for existing staff.

A designated Members' Portal covers a wide range of useful materials and guidance. This is available for Members to view on the intranet system. This resource enables the Council to better provide for Members the opportunity to locate important stored information and data. Within the Portal is the Members' Information Pack which provides Members with detailed corporate, strategic and financial information as well as

relevant policies and other useful information such as floor plans and complaints guidance. Note – access to this is impacted by Covid-19 as members need access to the Town Hall or via a GBC laptop.

New Members are provided with an induction training programme to prepare them for their new role, commencing with an induction evening hosted by the Chief Executive, Assistant Chief Executive, Borough Solicitor and Borough Treasurer that covers topics such as the role of the councillor, finance, standards, code of conduct and major projects. Briefings such as those on planning and licensing issues are held throughout the year to correlate with the Board cycle.

There is a wide range of further training opportunities available to Members to increase their knowledge base from skills development (e.g. chairing skills, dealing with challenging people and media and image) to need-to-know subjects (e.g. Code of Conduct, planning local government finance) detailed in the ' Training Opportunities for Members' booklet within the Members Information Pack.

## **F. Managing risks and performance through robust internal control and strong public financial management & G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability**

### *Risk Management*

The Council is committed to embedding a culture of risk awareness within everyday activities such that formal processes and unnecessary documentation can be minimised, but that risk management remains an effective part of the governance framework.

GBC approved a new risk management policy in 2020 which aims to embed risk management throughout the Authority with all sections taking ownership of their risks. Periodically, section risk registers are reviewed and analysed by a Risk Management Group to determine the risks which will form the Council's strategic risk register. The Risk Management Group consists of the Assistant Chief Executive, Borough Solicitor, Chief Internal Auditor and Senior Auditor.

The Corporate Governance Group, consisting of the Chief Executive, Assistant Chief Executive, Monitoring Officer and Chief Internal Auditor, deep dive on the corporate risk register to challenge the risk level, mitigation and any subsequent actions on a quarterly basis.

### *Value for money*

The Council has put significant focus on improving procurement processes within the organisation which has included the implementation of a new electronic procurement system. In addition, the Council is currently having its Contract Procedure Rules (CPRs) reviewed by a specialist at



CIPFA to ensure they are robust in ensuring compliance with relevant procurement legislation. A recent internal audit has highlighted areas for improvement in relation to the adherence to the Council's CPRs and suitable actions have been agreed to address this issue.

External Auditors provided the Council with an unqualified opinion in 2019/20 with regards to Value for Money following their review of the financial accounts

#### *Financial management*

The Council maintains an objective and professional relationship with their appointed external auditors (Ernst & Young LLP) and statutory inspectors, as evidenced by the various reports being presented to the Standards and Governance Committee (available on the Council's website). The Council uses the evidence and recommendations contained in those reviews to support performance improvement and risk management.

The Financial Procedure Rules and Contract Procedure Rules are under constant review and these are incorporated in the Council's Constitution

#### *Data Management*

The organisation is a registered data controller with the Information Commissioners Officers and has both a Senior Information Risk Owner (SIRO) and a Data Protection Officer (DPO). Within 2020, a Data Protection Group has been setup, including the aforementioned officers, to tighten controls on data protection and ensure continued compliance with the General Data Protection Regulation (GDPR) and Freedom of Information Act. All staff are required to sign acceptance of the Council's information governance policy and data protection forms part of the induction process for all employees.

Transparency agenda. On an annual basis, from 2021, the SIRO will report to the Standards and Governance Committee, information on the Council's effectiveness regarding information governance including any data breaches which may have occurred.

#### **Review of effectiveness**

Gosport Borough 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 work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework includes:

1. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes.
2. Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant service manager. The report includes 'agreed actions' for any issues/risks that have been identified. These issues/risks are graded as Critical, High, Medium or Low. All critical risk issues/risks are followed up within 3 months of the final report being issued. If a high risk issue is raised, the audit will be followed up in the next financial year.
3. An Internal Audit Annual Report is taken to the Standards & Governance Committee (as per the Accounts and Audit Regulations 2015) and this provides the overall opinion on the Council's internal control environment.

The Standards & Governance Committee also received Internal Audit monitoring reports throughout 2020/21.

The Council entered into an arrangement with Portsmouth City Council for shared Senior Management primarily as a means to address the future financial challenges faced by the Council. The roles and responsibilities of the shared posts will continue to include those relating to the Governance of this Council in accordance to the policies and procedures of this Council.

The shared management arrangement has brought costs savings (through the reduction in the cost of Senior Management) and improved operational resilience with the ability to call on resources and expertise from Portsmouth City Council which otherwise were not readily available.

The Senior Management Team have been charged by the Administration to review the effectiveness of all of the Council's activities on a continuous basis. Service reviews are ongoing across the Council focused on ensuring that customer demands are met with the changing landscape and working practices enforced by the global pandemic. Ensuring processes are effective, and that services have adequate capacity and resilience. These are especially prevalent since the Covid-19 pandemic which has required services to work remotely and flexibly to meet the current demands.

The financial management of the Authority is conducted in accordance with the financial rules set out in the Constitution and underpinned with Financial Procedure Rules. The Council has designated the Borough Treasurer as Chief Finance Officer complying with the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010) requiring the Chief Finance Officer to report directly to the Chief Executive and to be a member of the 'Management Team'.

The Standards and Governance Committee promotes, monitors and enforces probity and high ethical standards amongst the Members, as well as providing a vessel for audit, risk and compliance issues to be considered. All Governance reviews and the results of audits are considered by the Standards and Governance Committee

#### Annual Audit Opinion

During 2020/21, 19 audit reviews & 6 full follow up reviews were undertaken and completed. The number of audits completed was affected by the Coronavirus pandemic with the plan being reduced by 1 audit overall but with several changes to accommodate work on certifying and reviewing grants.

72% of the audits undertaken achieved a level of 'Full Assurance' or 'Reasonable Assurance' and 24% of the audits completed resulted in a 'Limited Assurance' level with 4% (1) obtaining 'No Assurance'. This is an increase of 19% of Full or Reasonable assurance being given for audits on the previous year and therefore a reduction of 19% in limited assurance results.

In addition, the number of High risk exceptions raised has reduced from 25 to 19 this year, however 1 Critical risk exception was raised in relation to Procurement compliance whereas no critical risk exceptions arose during 2019/20.

The implementation of 'Agreed Actions' from previous year's audits has been low. Only 27% of the agreed actions stated by Sections has been closed as part of the follow up testing undertaken. The reasoning given for the majority of the open exceptions is that managing the Covid pandemic has caused these actions to slip. While this is understandable, it should also be noted that the risks initially identified therefore do still remain open. A breakdown of these statistics is on page 9.

Significant work and discussions have been held throughout the year to aid in the management of governance issues arising from the Covid 19 pandemic. A Covid summary report reviewed 7 areas including 3 substantial grants received as part of the Government response to the pandemic. The results of these were generally positive, especially with regards to confirming the eligibility of the grants paid. (Any errors which were found within the grants reviews, steps have been taken to reclaim that money). Audit will continue to provide assurance on the grants into the 2021/22 Audit Plan.

Four audit opinion levels are in place and these are: no assurance, limited assurance, reasonable assurance and full assurance. Where there are mainly medium or low risk exceptions the annual audit opinion would be reasonable or full assurance. 72% of audits completed obtained



Reasonable or Full Assurance, therefore the Annual Audit Opinion for 2020/21 is Reasonable Assurance on the internal control governance and framework for risk management and control within Gosport Borough Council.

No Assurance	Limited Assurance	<b>Reasonable Assurance</b>	Full Assurance
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2019/20 was the first full year in which the Authority conducted the audit process using a full risk based approach and some consideration is needed to be given that following the audit plan for 2020/21, around 35% of the full audit universe will have now been reviewed under this practice. While the early results have a positive element, future years results will allow for a more comprehensive and rounded view of the Authority's Governance, risk management and internal control framework.

Internal Audit will continue to work with Section Heads, the Assistant Chief Executive and the Chief Executive to improve on specific areas of control, risk management and governance weaknesses

Any significant corporate weaknesses and agreed actions will be reflected in the Annual Governance Statement. The impact of the Internal Audit work for 2020/21 may affect that year's work for External Audit. It may also inform their work for 2021/22 and where they consider there are weaknesses in control that could materially affect the accounts they may need to carry out further work to gain the necessary audit assurance required for a true and fair view of the financial position and compliance with professional codes of practice.

### **Coronavirus Governance**

On the 17<sup>th</sup> March 2020, as a result of the global pandemic regarding Covid-19, Gosport Council moved to running business critical services only. This resulted in the majority of staff either working from home or being redeployed to critical services. GBC enacted its emergency procedures and created a Covid-19 Emergency Response Team lead by the Assistant Chief Executive. The composition of the team includes leads in the key areas of the Council deemed critical along with statutory officers such as the Monitoring Officer and Head of Emergency Planning.

Decisions made by the Covid-19 Response group have been documented.

As part of the audit plan a number of Covid related grants and processes were audited to ensure the Council had managed the fast paced challenging environment created by the pandemic.



As a result of the global Covid 19 pandemic the Authority along with multiple agencies and organisations have responded and performed their role in safeguarding lives, maintaining critical services and functions and protecting the most vulnerable amongst our communities. The Authority has also administered government grants at pace and on some occasions against a changing framework. Internal Audit has aided the Authority in various activities one of which has been to provide independent assurance on normal activities, but also for those additional areas of service performed.

Significant work and discussions have been held throughout the year to aid in the management of governance issues arising from the Covid 19 pandemic. A Covid summary report reviewed 7 areas including 3 substantial grants received as part of the Government response to the pandemic. The results of these were generally positive, especially with regards to confirming the eligibility of the grants paid. (Any errors which were found within the grants reviews, steps have been taken to reclaim that money). Audit will continue to provide assurance on the grants into the 2021/22 Audit Plan.

### **Significant governance issues**

The following governance issues have been identified as a result of the review of arrangements and by the work of external and internal audit in 2020/21.

NO	YEAR RAISED	GOVERNANCE ISSUE	SOURCE	ACTION	PROGRESS TO DATE	RESPONSIBLE OFFICER
1	2018/19	Create and embed a new corporate risk management process	Chief Executive	Devise a new corporate risk management process which allows the Council to identify and manage its departmental and corporate risks.	Completed	Chief Internal Auditor
2	2018/19	Internal Audit Service not compliant with Public Sector Internal Audit	Chief Internal Auditor	Implement the proposed actions to rectify the non-conformance highlighted	Completed	Chief Internal Auditor





NO	YEAR RAISED	GOVERNANCE ISSUE	SOURCE	ACTION	PROGRESS TO DATE	RESPONSIBLE OFFICER
		Standards (PSIAS)		as part of the PSIAS assessment		
3	2018/19	Lack of Counter Fraud framework and resource	Chief Internal Auditor	Key Fraud areas to be evaluated and determination made on the required provision	Delayed due to Covid-19, now In progress	Chief Internal Auditor
4	2018/19	Departure of officer resulting in Statutory roles being vacant.	Chief Executive	Personnel arrangements to fill vacant statutory roles to be put forward to Full Council	Completed	Chief Executive
5	2018/19	Complaints against Councillors Procedure requires revision	Chief Executive	Revise the complaints against Councillors procedure. Revisions to be considered by Full Council.	Completed	Chief Executive
6	2019/20	Post Covid-19 Assurance	Chief Internal Auditor	Undertake post assurance checks on Covid-19 related directions/grants	Ongoing	Chief Internal Auditor
7	2020/21	Procurement Compliance	Chief Internal Auditor	An audit of Procurement has been conducted, together with work with Cipfa on potential	Contract Procedure Rules are in a draft format	Chief Executive



NO	YEAR RAISED	GOVERNANCE ISSUE	SOURCE	ACTION	PROGRESS TO DATE	RESPONSIBLE OFFICER
				improvements to the CPRs to address localised issues and anticipated national changes		
8	2020/21	New ways of working in relation to pandemic, remote working, hybrid teams	Risk Register	Meetings to be held with Section Heads re future service delivery and transition from current arrangements, factoring in results from staff survey and views from Leadership.	Meetings with Section Heads currently being arranged.	Assistant Chief Executive
9	2020/21	Significant increase in grants creating demand on stretched resources	CMT	Business Grants process to be kept under review and recruitment being progressed. Regen related grants – resourcing currently under review with recruitment to existing vacant posts being progressed.	Ongoing	Assistant Chief Executive



NO	YEAR RAISED	GOVERNANCE ISSUE	SOURCE	ACTION	PROGRESS TO DATE	RESPONSIBLE OFFICER
10	2020/21	Staff capacity and succession planning. In addition, staff wellbeing following the pandemic.	Risk Register	Review of vacant posts has been undertaken with job evaluation and design considered where posts have been hard to fill. Significant attention and support given to staff well-being during the pandemic and this will continue.	Ongoing	Chief Executive
11	2020/21	Compliance with GDPR and protecting the Council's information	Audit Report	Actions have been put in place and are progressing to meet ongoing requirements of GDPR	Ongoing progress. Follow up audit highlighted improvement	Senior Information Risk Owner

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed .....



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**Leader of the Council**

**Chief Executive**