



Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director of Finance and Public Protection

Report to:	Audit Committee
Date:	21 September 2015
Subject:	Approval of the Council's Annual Governance Statement 2015

Summary:

Each year the Council is required to reflect on how well the Council's governance framework has operated during the year and identify any governance issues that we need to draw to the attention of Lincolnshire's residents.

Good governance underpins everything we do as a Council and how we deliver services often comes under close scrutiny.

A 'good' Annual Governance Statement is an open and honest self-assessment of how well we have run our business across all activities - with a clear statement of the actions being taken or required to address any areas of concern.

The Audit Committee oversees the development of the Annual Governance Statement and recommends its adoption by the Council.

The Committee considered the draft statement at its meeting on the 22 July 2015.

Recommendation(s):

That the Committee considers the contents of the Annual Governance Statement 2015, and:

1. agree that it accurately reflects how the Council is run;
2. that the statement includes the significant governance issues / key risks it would have expected to be published;
3. approves the statement and recommend it for adoption by the Council.

Background

What do we mean by Governance?

- 1 Governance is about how local authorities ensure that they are:
‘doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner’
- 2 It is comprises of systems, processes and culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

"If management is about running the business – governance is about seeing that it is run properly"¹

What is the Governance Framework?

- 3 At its meeting on the 22nd July 2015 the Audit Committee considered the draft Annual Governance Statement for 2015. A number of changes to the statement were suggested by the Committee – these have been actioned.
- 4 The Committee also asked Officers to review the Director's operational risk registers to identify if any items were of such significance they should be included in the Annual Governance Statement 2015. This has been undertaken and we confirm that no such items were identified.

Governance Issues

- 5 The areas identified where further work is required to improve systems or monitor how the key risks facing the Council are being managed are:
 - Financial challenges ahead
 - Financial control environment
 - Information Governance
 - Governance arrangements of the Council
 - Risk Culture
- 5 These areas are highlighted because of the need for the Council to be realistic and open about those functions and activities which require, or are likely to require, support (including but not limited to financial support) over the next year in order to ensure that they are working effectively and efficiently. This in turn should ensure that any future problems in those areas are averted or at the very least minimised.
- 6 The final Annual Governance Statement can be found in Appendix A. It is presented to the Committee for your consideration of the contents eg:

¹ Robert Tricker. An expert in Corporate Governance.

- Does the Statement accurately reflect the Committee's understanding of how the Council is run?
- Have the changes requested by the Committee on the draft statement – considered in July 2015 – been actioned.

Conclusion

- 7 The Council has a strong control environment which is demonstrated by the realistic and open assessment of its functions and activities.
- 8 Officers have identified a number of governance issues to be included in the Annual Governance Statement.
- 9 The purpose of the Annual Governance Statement is to strengthen the Council's governance arrangements – demonstrating accountability. Our governance arrangements should not only be sound but seen to be sound.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire County Council - Annual Governance Statement 31 March 2015

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Draft Annual Governance Statement 2015	Audit Committee records - 22 July 2015

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