

# Combined Assurance Status Report

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## What we do best...

**Innovative assurance services**

Specialists at internal audit

**Comprehensive risk management**

Experts in countering fraud

## ...and what sets us apart

**Unrivalled best value to our customers**

Existing strong regional public sector partnership

**Auditors with the knowledge and expertise to get the job done**

Already working extensively with the not-for-profit and third sector



# Combined Assurance Status Report

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## Introduction

This is the sixth combined assurance report for Environment and Economy within the Council.

By grouping the different sources of assurance in a single model we provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs.

We do this by coordinating assurance arrangements – providing some structure – this is our Assurance Map.

We have well established Assurance Maps that help us to focus our work plans on the make or break risks that affect the successful delivery of services and strategic objectives. The Maps also recognise the importance of critical business systems that support successful delivery and ‘protect the business’ – the due diligence activities.

The Maps give an overview of assurance provided across the whole organisation – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance ‘unknowns or gaps’.

The Maps are an invaluable tool for senior managers, providing a snapshot of assurance at any point of time. This report explores those assurances in more detail.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

## Scope

We gathered information on our:

- **Critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **Due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **Key risks** – found on our strategic risk register, operational risk registers or associated with major new business strategy / change.
- **Key projects** – supporting corporate priorities / activities.
- **Key partnerships** – partnerships that play a key role in successful delivery of services



# Combined Assurance Status Report

## Methodology

To ensure our combined assurance model shows assurances across the entire Council, not just those from Internal Audit, we leverage assurance information from your 'business as usual' operations. Using the '3 lines of assurance' concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- Considering other information and business intelligence that feed into and has potential to impact on assurance.

We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.

The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.



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## Key Messages

Management of risk is about assessing the probability of something occurring and the impact that the occurrence will have. The beauty of probability is that the event will occur at some time to someone if you repeat the risk operation often enough! We can do things to reduce the chance of it happening. We consider too whether we can reduce the effects of the risk when it occurs.

The rise in Amber rated risks reflects uncertainty and the implementation of changes to complete the savings that were necessary across services. This continues a trend from 2015-16. That said, there has been a drop in Red rated risk, which is encouraging.

Running at Amber is not necessarily an inherently bad thing if it is planned, understood and is stable. The Council's approach to its savings has been to examine the fundamental need for services and rather than cut slices off every service. There has been a considered approach that results in some services changing dramatically while others are sustained closer to desirable levels of quality through improved techniques and efficiencies.

Many risks that are at Amber are influenced by factors that are beyond the immediate control of the service involved. Increasingly, the Council is working in collaboration or partnership and some of our activities are highly influenced by central government and their funding streams and processes. This is normal and becomes a context for County Council

activities that we are able to manage through a sound understanding of risk management.

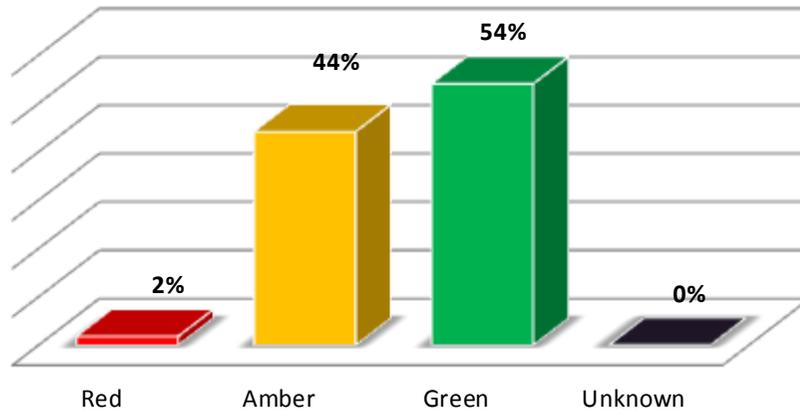
Collaboration with other organisation will remain a feature of the way in which we do business.

There are uncertainties in the economy. These result in difficult trading conditions for some of our suppliers and on larger projects this can leave the Council vulnerable to business failure. However on a positive note, we have had good responses from the business community to the advice and investment support that we do alongside the Greater Lincolnshire Local Enterprise Partnership and other organisations

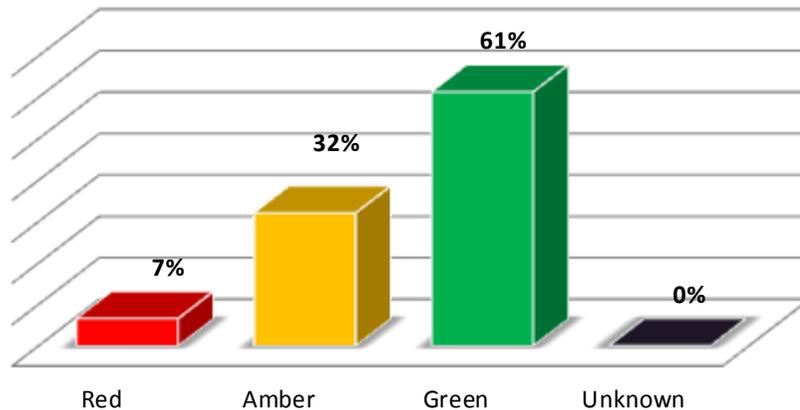


# Combined Assurance Status Report

## Overall Assurance Status 2017/18



## Overall Assurance Status 2016/17



## Suggested next steps.....

We will continue to examine services running at Green to ensure that there are not more efficiencies to be gained.

Most of my accountabilities are for services that affect many if not all people in Lincolnshire – so called "universal" services, rather than ones tailored to an individual. This can lead to services that can feel impersonal and uncaring of the impacts on individuals. Our aim will be to provide opportunities for people to have a positive experience when they engage with the Council.

We still need to work hard to give good value for money with less cash than we had a few years' ago. That will mean a cycle of continuous review and improvement, making the most of new technology as it becomes available.



## Critical Systems

I manage my accountabilities under the umbrella of my Executive Director's Leadership Team through three Director's Management Teams (DMT):

- Environment & Economy (the various "place functions")
- Community Engagement
- Council & Information Governance (which will include my Monitoring Officer accountabilities)

The Council's information technology is a matter for concern and is being addressed. This is taking longer than expected but 2018-19 will see replacement systems coming on line. One of the aims is to be less reliant on locally-based storage and move to cloud-based storage with Windows 365. This will require larger revenue budgets and less reliance on capital expenditure. This is reflected in the proposed budget for 2019-21.

Information Governance is an important responsibility for the Council, as people are increasingly concerned about the amount of data held on them. The value placed on personal data is such that fines are increasing for those that default through poor systems, which is why we are taking it seriously. The General Data Protection Regulations come into force in

May 2018 and the Council is putting in place the new arrangements that will be required.

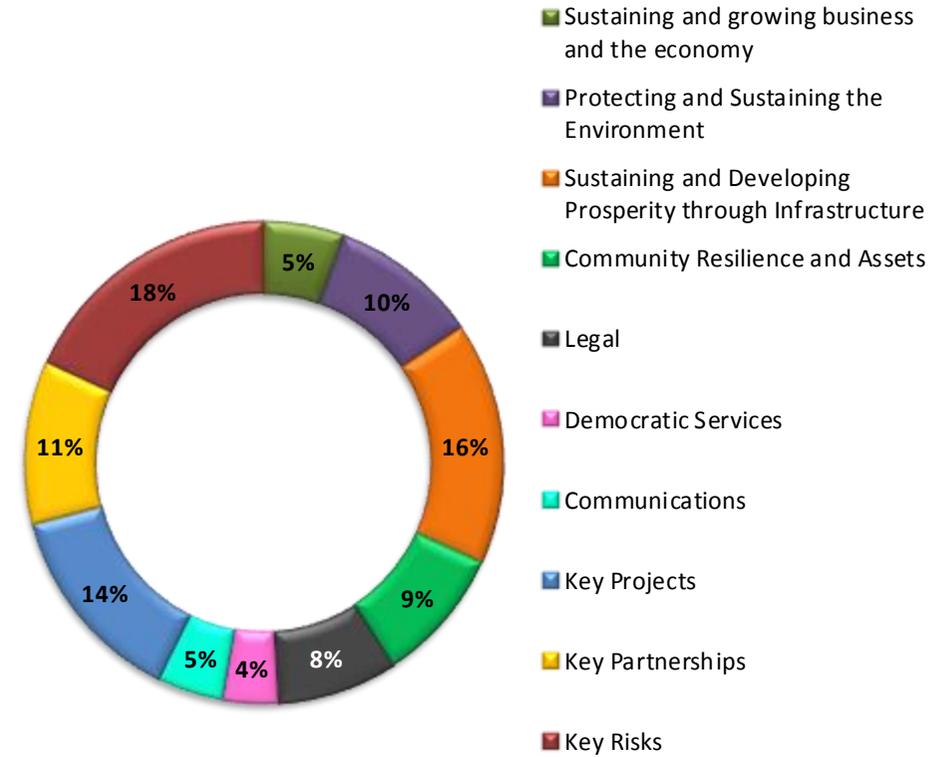
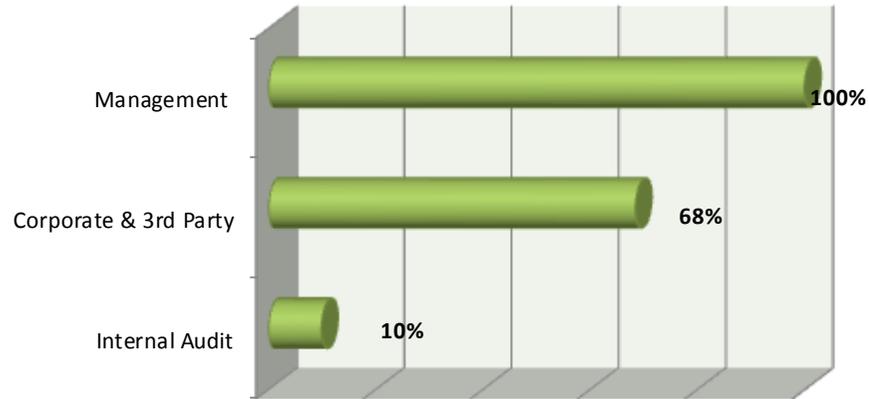
The Council is also aware of the need to maintain high levels of cyber security. Cyber security is concerned with data protection, the disruption of service through attack and the integrity of data. We have in place systems that protect us from such problems but we must be continuously vigilant. However, there will be a need for more investment in replacement servers to ensure that we are protected in future.

We also recognise that engagement with citizens and stakeholders is important. It can also be expensive. Complaints that are unresolved are not only harmful to our reputation but also take staff time. So we are increasing our digital engagement facilities and we expect these channels to improve further, with less reliance on face to face and telephone communications.



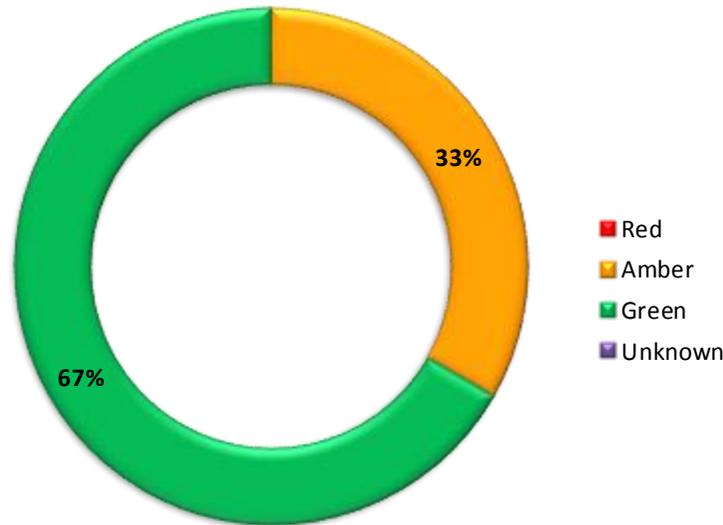
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## Who Provides Your Assurance





## Sustaining and Growing Business and the Economy



### Overall Assurances

Green	Amber
<ul style="list-style-type: none"> <li>• Adult Learning</li> <li>• Business Support Service</li> <li>• Commissioning of Place Marketing</li> <li>• Tourism</li> </ul>	<ul style="list-style-type: none"> <li>• External Funding Generation and Marketing</li> <li>• Local Enterprise Partnership</li> </ul>

### Overall Comments

A significant level of assurance management continues to take place within the "Sustaining and Growing Business and the Economy" commissioning strategy. This is mainly carried out by third parties who provide external funding. The Head of Service and Managers take personal responsibility for preparing any assurance visits by third parties, and team members regularly receive training in programme and financial management. These layers of assurance have led to most activities being graded "Green".

### Management of Risk

The Head of Service and Managers have identified that the primary risks to the service relate primarily to the ability to attract and then maintain external funding, and partly to the availability of competent staff. The management team meets each month and collectively address specific issues that feature in their analysis of overall risk or in project specific activity. Progress against each of the areas of activity is regularly reported to, and debated by, the council's Economic Scrutiny Committee.

### Lower Assurances

The only activity activities which are graded "Amber" relate to the attraction of external funding and to the Local Enterprise Partnership. There is a risk to maintaining external funding levels if the council's IT system cannot produce appropriate



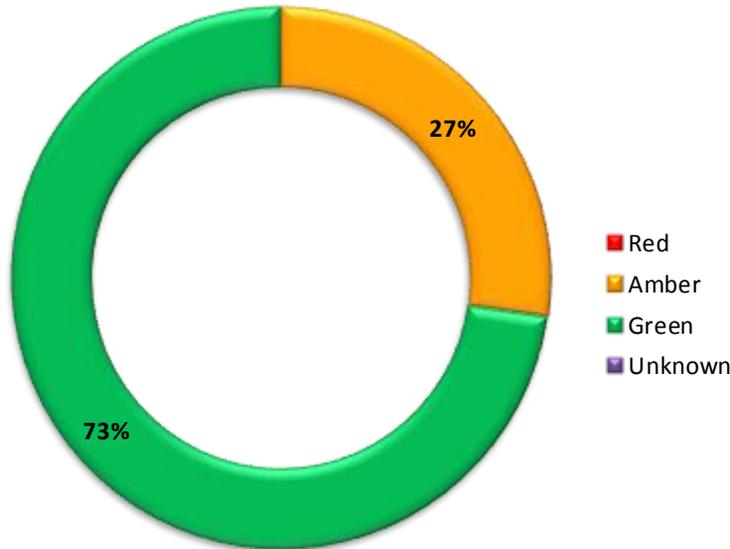
# Combined Assurance Status Report

administrative reports. Staff continue to work with the council's finance department on finding a solution to this risk. There is a risk to the LEP if it does not respond favourably to the government's new LEP Assurance Framework. Staff have formed a small working group to ensure that they can demonstrate how the LEP's current systems meet the requirements of the government's Assurance Framework and where the systems do not meet the government's requirements then staff will adapt the systems so that they do meet the government's requirements.



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## Protecting and Sustaining the Environment



Green	Amber
<ul style="list-style-type: none"> <li>Minerals and Waste Planning</li> <li>Waste Management (operational)</li> <li>Joint Policy Working</li> <li>Archaeological and conservation/Districts advice</li> </ul>	

### Overall Comments

The overall level of assurance is good and reflects the public facing nature of much of this activity which is therefore open to public and press interest. There are no areas of high risk with plans in place to tackle those of lower assurance.

### Management of Risk

As much of the activity operates in an environment where decisions are subject to committee decision or committee scrutiny there is a level of confidence about risk is effectively managed.

### Lower Assurances

Of those activities with a lower assurance two relate to strategies that are being developed with one operational activity where the reactive nature dictates the level of assurance.

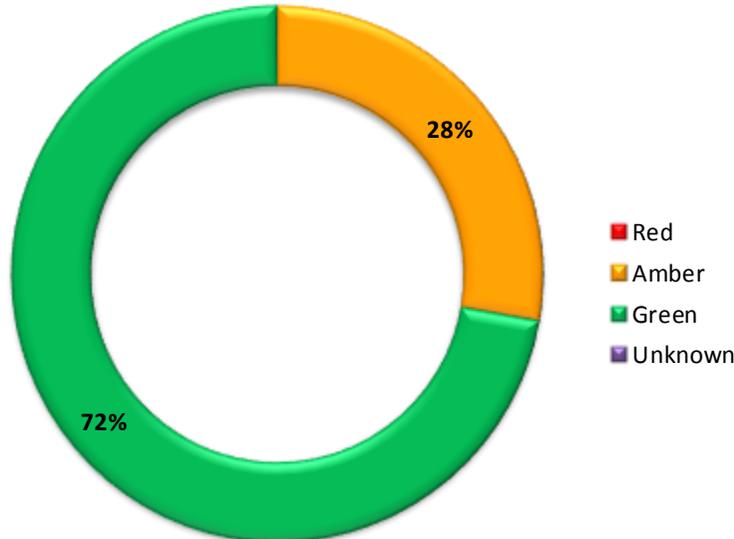
### Overall Assurances

Green	Amber
<ul style="list-style-type: none"> <li>Carbon Management</li> <li>Strategic Flood Risk Management</li> <li>Operational Flood Management</li> <li>Infrastructure delivery</li> </ul>	<ul style="list-style-type: none"> <li>Environment Strategy</li> <li>Waste Management (Strategy)</li> <li>Operational Environment Maintenance</li> </ul>



# Combined Assurance Status Report

## Sustaining & Developing Prosperity through Infrastructure



Green	Amber
<ul style="list-style-type: none"> <li>Asset Management</li> <li>Civil Parking Enforcement</li> <li>Events Management</li> <li>Highways Alliance</li> <li>Development Management (Flood Risk and Highways)</li> <li>Road Safety Partnership</li> <li>Economic Regen sites and Premises Operation</li> <li>Spatial Regeneration Activities</li> <li>Investment Promotion Service</li> <li>Administration of Adult Learning</li> </ul>	<ul style="list-style-type: none"> <li>Concessionary Fares</li> <li>Network Management</li> <li>Economic Development Capital Projects Implementation</li> </ul>

### Overall Assurances

Green	Amber
<ul style="list-style-type: none"> <li>School and College Transport</li> <li>Social Care transport (children and adults)</li> <li>Delivery of Local Transport Plan</li> </ul>	<ul style="list-style-type: none"> <li>Lincolnshire Public Transport Network (including Community Transport)</li> <li>TransportConnect Ltd (Teckal Company)</li> </ul>

### Overall Comments

The overall assessment reflects the strong project management approach taken in most of these areas to provide effective assurance of the work delivered in these areas. This reflects the value attached to much of this activity and the fact that much of the highway and transport related activity are universally available services.



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## Management of Risk

The use of internal policies and procedures provides a level of confidence and control to senior management of the way in which these activities are delivered. The use of quality assurance systems including BS standards ensures a consistency of approach.

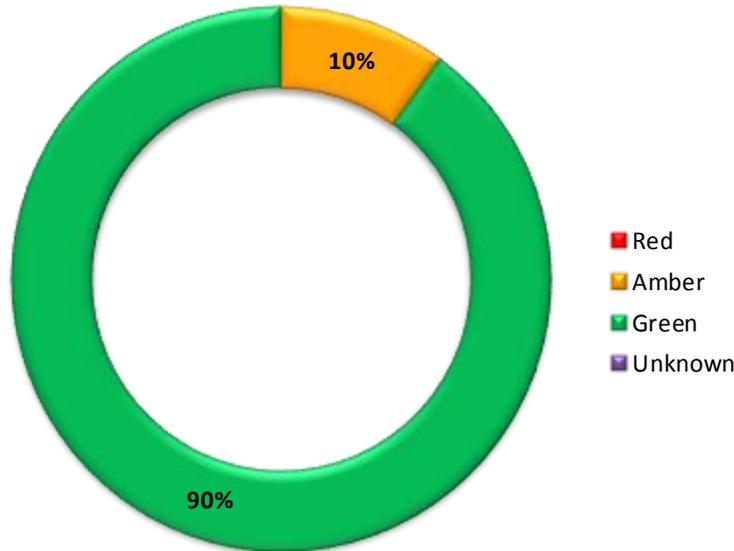
## Lower Assurances

The areas of lower levels of assurance reflect the ongoing effect of budget savings and the restructuring implemented in February 2017, therefore a full understanding of the impact on the services affected cannot be confirmed at present. Once changes have been fully implemented it would be expected that a higher level of assurance would be achieved. Other areas have an inherent risk attached to them reflecting the changeable nature of some of the project activity and some legislative changes proposed.



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## Community Assets and Resilience



Green	Amber
<ul style="list-style-type: none"> <li>• Volunteering Support</li> <li>• Financial Inclusion</li> <li>• Community Hubs</li> <li>• Library and Information Services</li> <li>• Archives</li> <li>• Customer Service Centre</li> <li>• Terrorism and Serious &amp; Organised Crime</li> </ul>	

### Overall Comments

Library and information services are now in the second year of operation under the contract with Greenwich Leisure Limited (GLL) and performance remains strong and improving with no issues with regards to KPI's. Most Community Hubs are in their third year of operation and remain stable. GLL contract remains subject to monthly reporting as well as quarterly performance reporting to Scrutiny and Members, along with the presentation of an Annual Report.

In 2015, responsibility for PREVENT activity was moved to Local Authority responsibility under the Counter-Terrorism Act. Whilst there is no performance or inspection framework, nationally, the PREVENT Steering Board has a clear action plan that reports both through Scrutiny and Local Community Safety Partnership. The partnership remains well supported

### Overall Assurances

Green	Amber
<ul style="list-style-type: none"> <li>• Advice, Information and Support Services from Community and Voluntary Sector Infrastructure Organisations</li> <li>• Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>• Heritage</li> </ul>



# Combined Assurance Status Report

and attended with a clear growing understanding of risks and responsibilities. Additionally, training and development programmes in this area of responsibility remain core to the business and have extended beyond delivery of strategic and internal partners and are now being delivered direct to communities. Greater administrative and organisational responsibility was expected to be rolled-out to Local Authorities throughout 2017/18, however, this has now been delayed by the Home Office and the plans are now paused, with an expected delay in excess of twelve months.

The agreement for delivering Volunteer Support Services has been awarded (under a Grant Aid Agreement) and is subject to financial and performance monitoring as per the payment schedule and this is reported through Quarterly performance reporting to Scrutiny and Members as well as an Annual Report.

Community Engagement and Consultation activity remains an embedded part of work with ever growing requirements to adhere to the legislation as the Council continues to significantly alter or stop service delivery. Community Engagement process were amended and updated in 2017 with a report being presented to Executive Committee. 2018 will see the review and revision of the current 5 year "Community Engagement Strategy 2013-18. It is expected that this strategy will become broader in content and will be

supported by a Members Working Group with the finished document going to Full Council in May 2018.

Customer Services is now in its third year of being delivered by external provider Serco. The work completed in previous years to establish more accurate forecasting has resulted in a greater knowledge of volume and more stable and known budget costs for service areas. Additionally, work continues with Serco in the areas of Relationship, Channel Shift and online self-service platforms.

Aligned to the Heritage Services is the recognition that the current Archives building is at end of life and no longer fit for a 21st C service. Key aspects of the archives service are statutory; others are governed by the adherence to accreditation standards. In order to progress, an Archive Project Board and Governance Board have been created to explore options resulting in two feasibility reports that will be presented to Members in early 2018 with an expected decision on the favoured new site.

## **Lower Assurances**

The Heritage Service has been tasked with achieving a zero budget base by 2018/19 (current operating budget of £1.3M). It will do this through a combination of efficiency savings alongside an emphasis upon commercialisation and income generation. It is recognised that this is a challenging outcome to achieve. During 2017, all aspects of service delivery



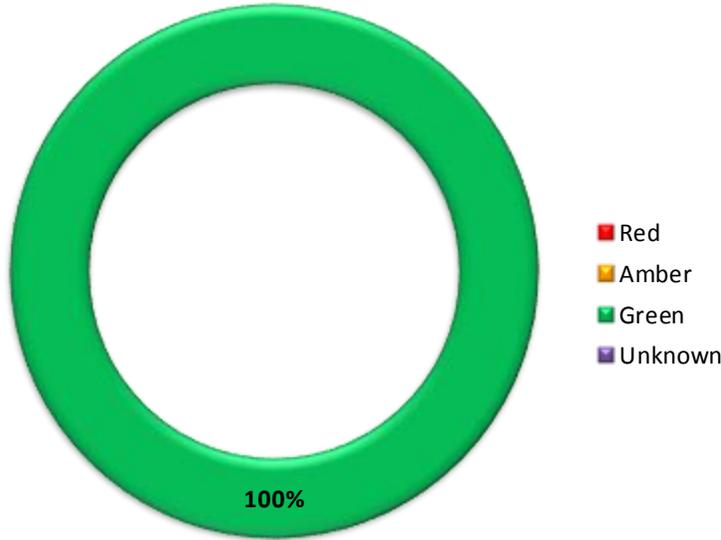
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(include assets, staffing, sites etc.) were assessed resulting in significant changes to service delivery, priorities and a staffing restructure that was implemented on 1 July 2017. It is recognised that activity within the Heritage Service will be of interest to key stakeholders (depositors', philanthropists, Members, funders and communities) and therefore likely to be high profile and as such, reporting and governance continues to reflect the importance and sensitivities of progress and key decisions, including Committee, Portfolio Holder and Director level as well as a full stakeholder engagement plan.



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## Legal Services



Green
<ul style="list-style-type: none"> <li>• Civil Litigation</li> <li>• Adult Social Care</li> <li>• Legal Governance</li> </ul>

### Overall Comments

Legal Services Lincolnshire is a shared service between the County Council and Boston Borough and East Lindsey, North Kesteven, South Holland and West Lindsey District Councils. The service operates on a trading basis, covering its costs from the income it generates through charging for its services. The service was created in 2008 and has operated as a trading unit since 2010. Over that period it has consistently generated a surplus which is distributed back to the partners in proportion to their use of the service.

Demand for legal services has remained steady over the last few years despite reductions in local authority budgets. At the same time there has been an increased complexity and increased emphasis on certain types of law including public and commercial law as authorities seek to change the way in which they deliver services. Looking forward, there is a potential for current demand to become fragmented with responsibility for the commissioning legal work shifting through developments such as outsourcing and health and social care integration. The service will need to be ready to follow this work if that happens which raises complex issues in relation both to local authority powers and professional

### Overall Assurances

Green
<ul style="list-style-type: none"> <li>• Legal Services Lincolnshire</li> <li>• Property</li> <li>• Highways and Planning</li> <li>• Commercial and Information</li> <li>• Education, Employment and Prosecutions</li> <li>• Child Care</li> </ul>



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regulation. The increased emphasis on new areas of law such as company formation means the service must ensure its skill sets keep pace with client expectations.

The service holds the LEXCEL quality mark which is a Law Society approved and accredited mark evidencing excellence in legal practice management and client care. This gives a high level of externally assessed assurance that the processes and procedures within Legal Services Lincolnshire reflect best practice in the management of a legal service.

## Management of Risk

Legal Services manages risk through its LEXCEL procedures. The service maintains a risk register of strategic, operational and regulatory risk which is monitored and reviewed through meetings of the Legal Management Board and the service's management team on an annual basis. All legal files are reviewed for risk on opening and regularly as they proceed.

The key risk facing the service is one of resourcing. The service has experienced a combination of increased staff turnover and recruitment difficulties over several years. There has consequently been a greater than anticipated reliance on locum resource to meet demand. Whilst this has meant that services have consistently been delivered, use of locums is both more expensive than employing staff and can lead to difficulties in ensuring continuity of services.

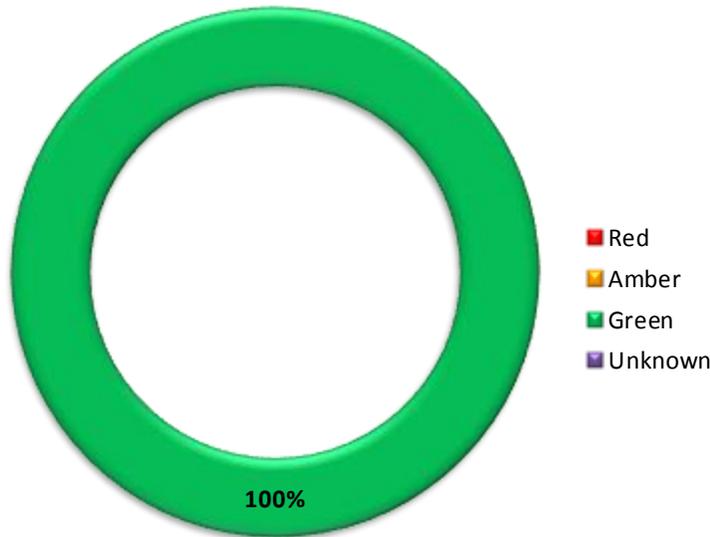
Legal Services has been identified as a difficult to recruit to area and is receiving support from People Management to address the retention and recruitment issues.

Overall, the availability of a locum solicitor market and the support being received around recruitment and retention mean that these risks are not sufficient to take the assurance level below Green.



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## Democratic Services



### Overall Assurances

Green
<ul style="list-style-type: none"> <li>• Member Support including Learning and Development</li> <li>• Scrutiny</li> <li>• Democratic Services</li> <li>• Civic Support</li> </ul>

### Overall Comments

The county council election in May 2017 marked a reduction in the number of councillors from 77 to 70, following a recent review carried out by the Local Boundary Commission for England.

The election also resulted in a different political landscape, including a reduction in the number of political groups on the Council from five to three.

A new scrutiny committee structure was introduced on 1 May 2017 and was subsequently adjusted by the new Council at its Annual Meeting on 17 May 2017. Councillors have agreed to review the new structure 12 months on from implementation.

The review included the introduction of two scrutiny panels to carry out detailed scrutiny reviews, similar to the work of the former task and finish groups.

Member development continues to be led by a cross-party Councillor Development Group, which meets regularly to consider the development needs of councillors. The Group has surveyed councillors about their needs and will consider the results of the survey when developing the training programme. With more of the members in full time employment, one of the challenges for the Group will be to ensure that all councillors have equal access to development opportunities perhaps by extending the methods of delivery.



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The recent reorganisation of the Democratic Services team has improved internal communication lines.

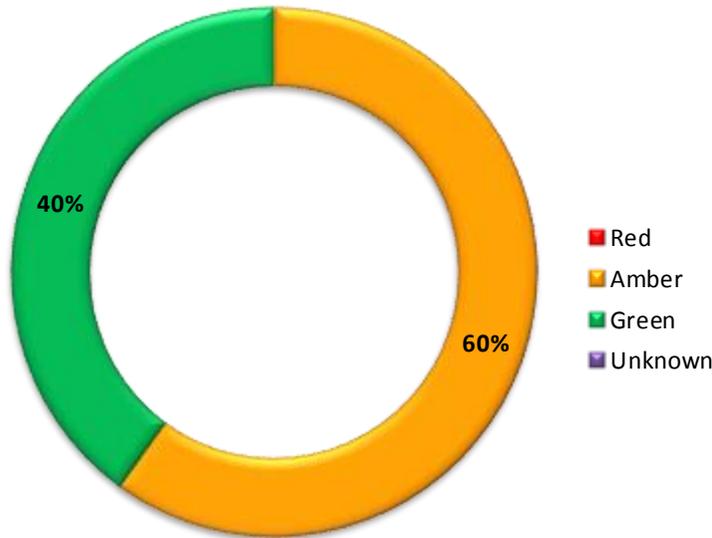
## **Management of Risk**

Regular and close liaison with district council colleagues ensured a smoothly-run election in May 2017. The introduction of highways officers to this process in the future should ensure that any polling station and count access issues are properly managed. Publication of agendas and papers for meetings has met legal requirements and managers continue to monitor performance to ensure that minutes are produced in a timely manner.



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## Communications



### Overall Assurances

Green	Amber
<ul style="list-style-type: none"> <li>Corporate Communication</li> <li>Strategic Partnership</li> </ul>	<ul style="list-style-type: none"> <li>Media Management</li> <li>Internal Communication</li> <li>Warn and Inform (Emergency Planning)</li> </ul>

### Overall Comments

Strategic Communications plan as much as possible to anticipate key issues and produce integrated communication plans and messaging across all platforms and for all service areas. The team covers internal and external communications, media management, the production and distribution of County News three times a year as well as other publications and regular campaign work. Fully integrated digital communications, social media and oversight of the council's website is also in place.

### Management of Risk

Strategic communication staff engage across all directorates and with senior councillors to ensure communications are timely, relevant and accurate. Staffing levels have impacted on service delivery and priority is employed to cover the impact of reputation management. Outdated ICT equipment and network issues is restricting the quality of output and this will continue to be an issue as the team expand their social media output.

The team's main statutory duty is Warn and inform (emergency planning), leading on communications in an emergency or crisis. Not all agencies that make up the group have a paid rota for out of hours working. There is an expectation that there needs to be more comprehensive cover by more agencies on site or at an emergency on the ground.



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Should there be a significant event such as severe weather or a flu pandemic, there does not appear to be an overall countywide resilience plan. Better preparation is needed in these areas.

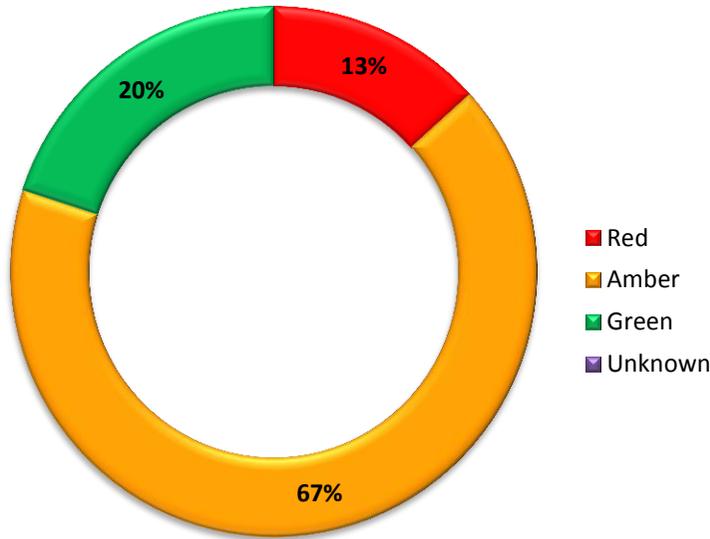
## **Lower Assurances**

The digital team have improved integrated communications, including web, digital and social communications. Corporate response to emerging issues such as ICT failure has been tested over the past year and the communication between internal teams liaising with strategic communications could be improved. Corporate response to internal emergency issues is being worked on.



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## Key Projects



Green	Amber	Red
	<ul style="list-style-type: none"> <li>Archives Building Project</li> <li>Panacea Software</li> <li>New LCC Website</li> <li>Transport IT Development</li> <li>Coastal Observatory</li> <li>Skegness Countryside Business Park</li> <li>Holbeach Food Enterprise Zone</li> </ul>	

## Overall Assurances

Green	Amber	Red
<ul style="list-style-type: none"> <li>Community Speed Watch Initiative</li> <li>Digital Speed Cameras</li> <li>Carbon Management Plan 3</li> </ul>	<ul style="list-style-type: none"> <li>Spalding Western Relief Road</li> <li>Grantham Southern Relief Road</li> <li>Highways 2020 Tender</li> </ul>	<ul style="list-style-type: none"> <li>Lincoln Eastern Bypass</li> <li>Total Transport Project</li> </ul>

## Overall Comments

The majority of capital expenditure in the Council is spent on projects within my service areas. We have made good progress on many projects and there is a healthy programme looking ahead. Approval has been given to make the legal Orders required to build the Grantham Southern Relief Road, Phase 1 of which is already constructed.

The largest current project is the Lincoln Eastern Bypass, valued at about £100m. The main works started in 2017 and one important element has been completed – a railway bridge



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for the Spalding Line. The Principal Contractor, Carillion, went into compulsory liquidation and this will delay the delivery of the project.

## Management of Risk

Projects of various sorts always carry a degree of risk and we have implemented risk management systems at both programme and individual project levels. The risks on projects with significant partners or stakeholders are always more difficult to manage because the Council does not have all the control mechanisms. There is thus an important link to

The most significant risk had been the commercial viability of Carillion for Lincoln Eastern Bypass. Although the company was viable at the time the contract was let in 2016 a profits warning was issued in the summer of 2017. From that time the situation was closely monitored. Fortunately, the Council "de-risked" the project by agreeing to an additional year in which preparatory works such as utility diversions, archaeological investigations and the Spalding Line railway bridge could be undertaken.

## Lower Assurances

Information Technology projects continue to have fallen behind what is needed for the Council's business. There were some system failures during last year that had to be tackled. The upgrade to Agresso has progressed reasonably well,

however, though this has been limited to essential financial and payroll features.

The perception of the system is unlikely to improve until new user-interfaces are introduced sometime in 2018.

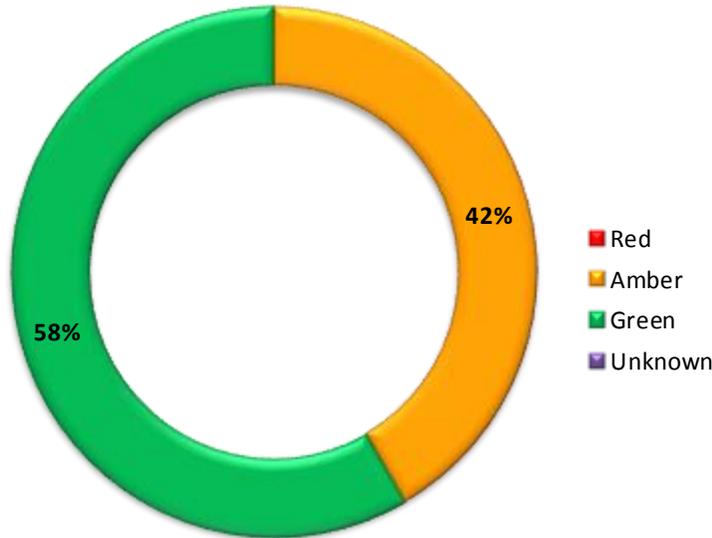
Roads and economic infrastructure projects are general green or amber and being closely monitored.

The Total Transport Project has a higher risk because of its dependency on partners, especially various elements of the NHS. The Passenger Transport Unit is actively engaging in the Sustainability and Transformation Plans (STP) being developed by the NHS. There is a specific STP for transport being led by NHS colleagues. The investigation and detail arising from the Total Transport project will feed into these plans and the Council is keen to work in partnership as much as possible. The Unit is also working closely with Voluntary Car Schemes to improve their transport offer.



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## Key Partnerships



Green	Amber
<ul style="list-style-type: none"> <li>District Electoral Officers</li> <li>Lincolnshire Wolds Countryside Service</li> <li>Heritage Coastline</li> <li>Team Lincolnshire</li> </ul>	<ul style="list-style-type: none"> <li>Midlands Engine</li> <li>Community Transport Forum</li> </ul>

### Overall Comments

Building relationships remains an important focus because many outcomes are reliant on several organisations working well together. The council has a good track record for partnership working, particularly in the fields of economy, flood risk and planning. Working in a two-tier local government area presents additional complexity and this is highlighted in waste management where it has been more difficult to achieve a consensus.

Midlands Engine and Midlands Connect have greater significance since these partnerships have become a means by which central government is influenced and could become the means of channelling money into economic infrastructure.

### Management of Risk

Wherever possible we attempt to control risks but in partnerships we do not have all the control mechanisms. Continual dialogue with partners and a "no surprises"

### Overall Assurances

Green	Amber
<ul style="list-style-type: none"> <li>Central Lincolnshire Local Plan and SE Lincolnshire Local Plan</li> <li>Strategic Flood Partnership</li> <li>LEP Partnership Board</li> </ul>	<ul style="list-style-type: none"> <li>Lincolnshire Waste Partnership</li> <li>Warn and Inform Partnership</li> <li>Lincolnshire Wildlife Trust</li> </ul>



# Combined Assurance Status Report

mentality enables us to provide high levels of assurance for the majority of our partnerships. Those that are amber are often related to funding uncertainty either on our part or on that of partners. The Lincolnshire Resilience Forum's Warning and Informing partnership relies on participation by others, especially district councils but has demonstrated its effectiveness in the recent coastal flooding alert.

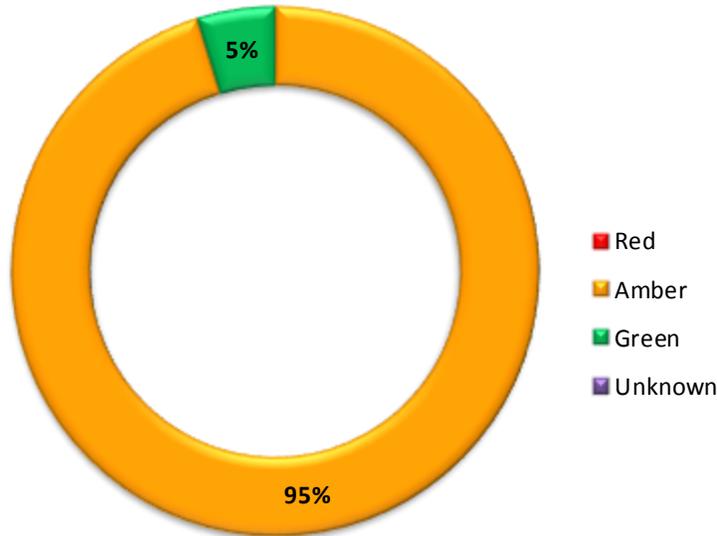
One of the best ways of managing risk is active participation in the partnerships that we value and withdrawal from those that are no longer effective or have reduced influence. For example, we have ensured that we have engaged in the pan-Midlands activities of Midlands Engine and Midlands Connect.

## **Lower Assurances**

We consider that we are not engaged in any high risk partnerships.



## Key Risks



Unsurprisingly, projects have the highest strategic risk rating because progress relies on several areas of uncertainty, in particular: funding, partnerships including developers, statutory processes, inherent technical issues and inflationary pressures. Many projects demand high amounts of capital expenditure and once a project commences it is likely to be completed irrespective of cost. This represents a high risk area for the council which is why projects and programmes of projects tend to have the highest analysis of risk of all areas of service.

In addition, as demonstrated by the Carillion collapse, there can be unforeseen commercial risks. These however are not unheard of and the Council has processes in place to respond to these risks when they emerge.

## Strategic Risks

**Council's highest rated Strategic Risk for this area of the business**

**Projects**



## Corporate Governance

Our Combined Assurance model focuses on assurance against critical systems, projects, risks and partnerships. This helps the organisation to understand corporately where it's performing well and where improvements are required. Many of the Council's critical services and systems underpin a sound corporate governance framework. In this section we set out how the Council has approached corporate governance, complied with guidance and obtained assurance on its significant governance issues.

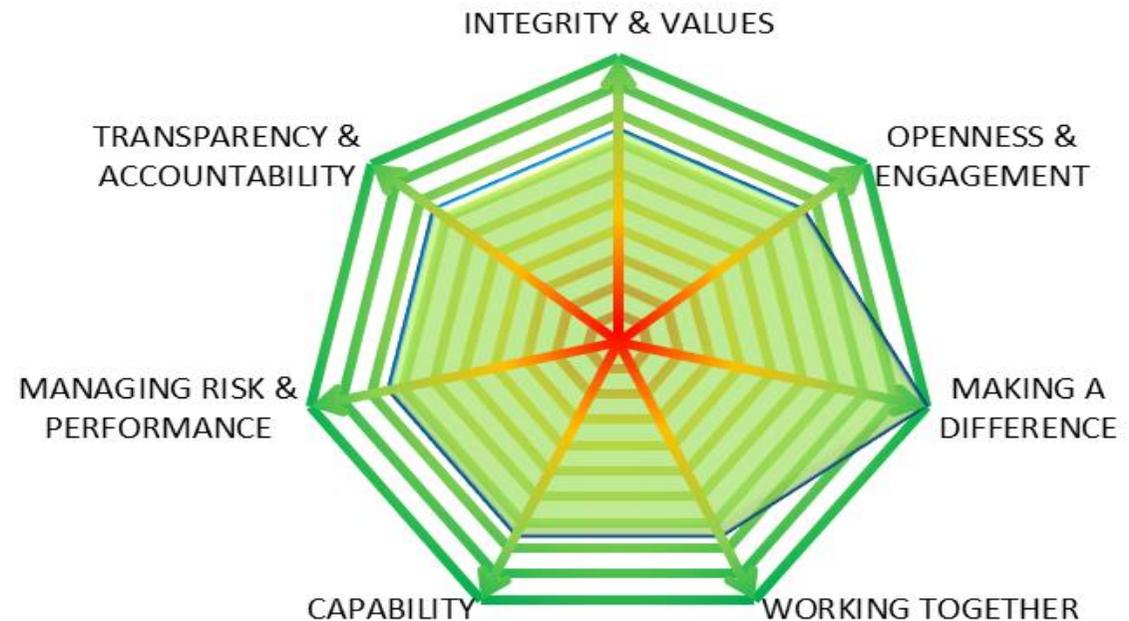
The Council must ensure that it meets the highest standards and that governance arrangements are not only sound but are seen to be sound. It is crucial that leaders and chief executives keep their governance arrangements up to date and relevant. Councils should develop a local Governance Code which reflects the "delivering good governance in local government framework (CIPFA/SOLACE 2016)" (the framework).

The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework.

At Lincolnshire County Council this was independently assessed during November 2016 and assurance given over

the evidence supporting good governance arrangements for each of the 7 Principles. All assurances were high or substantial.

### Evidence demonstrating good governance



The assessment identified some areas for improvement in relation to governance arrangements for collaborative working (partnerships) and ethical governance. Audit work is underway to support improvements and provide further assurance in both of these key areas.



# Combined Assurance Status Report

## Annual Governance Statement

The Audit Committee are also helping with independent assurance during the year.

The assessment against the code, among other things, helped to inform the Council's Annual Governance Statement 2016/17. Overall this confirmed that the Council has the appropriate systems and processes in place to ensure good governance is maintained. The review did identify a number of areas for improvement.

Key Improvement Area
IT Governance
Financial Sustainability
Financial Control Environment
Market Supply (Adult Social Care)
SERCO Contract – Lessons Learnt
Delivery of Support Services and Improvement – SERCO
Collaborative Working – Governance Arrangements

During 2017/18 the Council is working to address the matters identified and is monitoring implementation and operation as part of performance management – which is reported to the Council's Corporate Management Board and the Executive.