



County Offices
Newland
Lincoln
LN1 1YL

27 January 2023

Audit Committee

A meeting of the Audit Committee will be held on **Monday, 6 February 2023** in the **Council Chamber, County Offices, Newland, Lincoln LN1 1YL** at **10.00 am** for the transaction of business set out on the attached Agenda.

Yours sincerely

A handwritten signature in black ink that reads 'Debbie Barnes'. The signature is written in a cursive, flowing style.

Debbie Barnes OBE
Chief Executive

Membership of the Audit Committee

(7 Members of the Council and 2 Non-Voting Added Members)

Councillors Mrs S Rawlins (Chairman), M G Allan (Vice-Chairman), S Bunney, P E Coupland, J L King, P A Skinner and A N Stokes

Non-Voting Added Members

Mr I Haldenby, Independent Added Member
Mr A Middleton, Independent Added Member

**AUDIT COMMITTEE AGENDA
MONDAY, 6 FEBRUARY 2023**

Item	Title	Pages
1	Apologies for Absence	
2	Declarations of Members' Interest	
3	Minutes of the Audit Committee meeting held on 14 November 2022	5 - 12
4	Combined Assurance Report <i>(To receive a report which provides an insight on the assurances across all of the Council's critical services, key risks, partnerships and projects. The Chief Executive, Executive Directors and the Assistant Chief Fire Officer will be in attendance)</i>	13 - 38
5	Draft Audit Committee Annual Report 2022 <i>(To receive a report from Councillor Mrs S Rawlins, Chairman of the Audit Committee, which seeks approval for the Chairman to present the Audit Committee Annual Report 2021, subject to any amendments, to the meeting of the County Council in February 2023)</i>	39 - 40
6	Work Programme <i>(To receive a report by Lucy Pledge, Head of Internal Audit and Risk Management, which invites the Committee to consider its work programme)</i>	41 - 48

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Please Note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements

Contact details set out above.

Please note: This meeting will be broadcast live on the internet and access can be sought by accessing [Agenda for Audit Committee on Monday, 6th February, 2023, 10.00 am \(moderngov.co.uk\)](#)

All papers for council meetings are available on:
<https://www.lincolnshire.gov.uk/council-business/search-committee-records>



**AUDIT COMMITTEE
14 NOVEMBER 2022**

PRESENT: COUNCILLOR MRS S RAWLINS (CHAIRMAN)

Councillors M G Allan (Vice-Chairman), S Bunney, P E Coupland, P A Skinner and A N Stokes.

Also in attendance: Mr I Haldenby (Independent Added Member) and Mr A Middleton (Independent Added Member).

Councillors: John Pressley and Mark Surridge from Mazars attended the meeting as invited guests.

Officers in attendance:-

Michelle Grady (Assistant Director – Finance), Nicole Hilton (Assistant Director - Communities), Claire Machej (Accounting, Investment and Governance Manager), Sue Maycock (Strategic Finance Lead (Technical)), Lucy Pledge (Head of Internal Audit and Risk Management), Amanda Reid (Strategic Finance Manager – Technical), Gary Douglas (Principal Investigator, Counter Fraud & Investigations Team) and Katrina Cope (Senior Democratic Services Officer).

25 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J L King and A N Stokes.

26 DECLARATIONS OF MEMBERS' INTEREST

No declarations of Members' interest were received at this point of the proceedings.

27 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 26 SEPTEMBER 2022

RESOLVED

That the minutes of the Audit Committee meeting held on 26 September 2022 be agreed and signed by the Chairman as a correct record.

28 STATEMENTS OF ACCOUNTS 2021/22 - LINCOLNSHIRE COUNTY COUNCIL & PENSION FUND

Consideration to a report from Michelle Grady, Assistant Director of Finance, which advised the Committee of the changes made so far to the draft Statement of Accounts 2021/22, and to seek approval of the Audit Committee to delegate its usual responsibilities for the

**AUDIT COMMITTEE
14 NOVEMBER 2022**

Statement of Accounts to the Executive Director – Resources, in consultation with the Chairman of the Audit Committee.

Attached at Appendix A to the report was a copy of the updated Statement of Accounts for 2021/22; and Appendix B provided details of the changes to the Statement of Accounts for 2021/22, which included changes initiated by officers and changes that had been made because of the external audit.

Sue Maycock, Strategic Finance Lead (Technical) presented the report to the Committee, advising that the majority of the changes to the Statement of Accounts 2021/22 had been minor with the exception of changes to the Pension Fund accounts, as a result of the update valuations of unquoted assets, and the impact that change had had on the County Council accounts.

It was reported that the Pension Fund audit was now complete, and that the audit of the main accounts was nearing completion, with the obvious exception of the infrastructure assets, which would be covered further in the next agenda item.

During consideration of this item, the following comments were made:

- Thanks were extended to the comprehensive and sound set of accounts presented;
- Reason for the underspend on adult social care. The Committee noted that the underspend was as a result in the main by Covid-19 grants, which had allowed the redirection of resources to fund activities, and that this activity had been reported through to the Council as part of the financial performance report in September;
- Reassurance was received that once the infrastructure assets issue was sorted, it was not felt that this issue would be repeated; and
- Confirmation was received that as the Pension Fund had plenty of active members, the Fund was still cash flow positive. The Committee noted that the problems seen over recent weeks had been about liability driven investments, which was where pension funds had taken investments to match their liabilities. It was noted further that the Pension Fund did not have any such investments.

RESOLVED

1. That the changes made to the updated Statement of Accounts 2021/22 be noted.
2. That delegation be given to the Executive Director – Resources, in consultation with the Chairman of the Audit Committee, the responsibility for:
 - Considering the Audit Completion Report of the External Auditor for Lincolnshire County Council 2021/22 (a draft Audit Completion Report is elsewhere on this meeting's agenda);
 - Approving and signing the Letters of Representation on behalf of the Council to enable the Audit Opinion to be issued following the finalization of the External Auditor's report; and

- Approving the audited Statement of Accounts for 2021/22.

29 EXTERNAL AUDITOR'S ANNUAL REPORT AND AUDIT COMPLETION REPORTS
 2021/22

The Committee considered a report from Michelle Grady, Assistant Director – Finance, which presented the draft Auditor’s Annual report for Lincolnshire County Council and an Audit Completion report for the Lincolnshire Pension Fund, and a draft Audit Completion report for Lincolnshire County Council.

John Pressley from Mazars provided the Committee with an update on the Pension Fund Audit, advising that the audit had been a clean audit completion report, in terms of issues identified. It was noted that there had been some minor changes made to the wording of the accounts, and that the only issue commented on was the valuation of investments within level three of the fair value hierarchy, details of which were shown on page 17 of the supplementary report pack.

Thanks were extended to Claire Machej and her team for all their help and support throughout the course of the audit and for producing a good set of accounts. This was echoed by the Committee who also extended thanks to team for all their hard work.

The Chairman invited Mark SurrIDGE from Mazars to provide the Committee with an update on the Lincolnshire County Council audit. The Committee was advised that the work was substantially completed and that there were no matters that would require modification of the audit opinion. Pages 42 and 43 of the supplementary report provided details of the status of the audit which highlighted one material adjustment and one outstanding item highlighted in red relating to Infrastructure Assets. The Committee was advised further that Mazars would not be issuing their opinion by the 30 November because of work relating to infrastructure assets. The Committee however noted that work on areas other than infrastructure assets was now substantially complete. Overall, the Committee was advised that the authority had again done an excellent job with the accounts.

During consideration of this item, members of the Committee raised the following comments:

- The situation regarding fraud in relation to grants. Assurance was given that during the last 18 months robust checks had been made, and testing had been done, and as a result of that, one investigation to do with a grant application made by an individual had been reported to the police; and
- The Committee extended their congratulations to all staff involved in the audit for a job well done.

RESOLVED

That the Audit Completion report and the Current Audit Findings Report as presented be received.

30 REVIEW AND UPDATE OF COUNTER FRAUD POLICIES

Consideration was given to a report from Lucy Pledge, Head of Internal Audit and Risk Management, which invited the Committee to consider and comment on the following documents appended to the report:

- Appendix A – Revised Counter Fraud & Anti-Corruption Strategy 2022/25;
- Appendix B – Revised Counter Fraud Policy;
- Appendix C - Revised Whistleblowing Policy;
- Appendix D - Revised Anti-Money Laundering Policy; and
- Appendix E – A copy of the Money Laundering report form.

During discussion, the following points were raised:

- The Committee was advised that the documents attached to the report and mentioned above had not been significantly updated and were based on best practice and the CIPFA Code of practice. Reassurance was given that the team were always looking to continually improve and that the next item on the agenda would provide information as to how the policies actually worked in practice;
- One member enquired as to whether there were any resource implications regarding the policies. The Committee noted that resources were continually reviewed as part of the Council's budget process, and that the team made the best use of resources available to them. It was reported that steps were being taken to strengthen the team through apprenticeships, training, and smarter working;
- The readability of the documents, it was felt that the documents were easy to read with plenty of information being made available to the reader;
- One member suggested leaving out named individuals from the documents, and just having reference to job roles; and
- Training provided to staff regarding money laundering. The Committee noted that the training for money laundering was being refreshed. However, it was highlighted that each relevant business areas had their own procedures in place on how to implement the policy, and that regular contact and engagement was made with relevant business areas of the council. It was accepted that refresher training needed to be provided to core officers.
- It was suggested that for a future meeting, the Committee should consider the training provided in relation to money laundering and the updated procedures.

RESOLVED

That the following documents, be approved by the Committee subject to the comments raised above, the:

Revised Counter Fraud & Anti-Corruption Strategy 2022/25;
Revised Counter Fraud Policy;

Revised Whistleblowing Policy; and
Revised Anti-Money Laundering Policy.

31 COUNTER FRAUD PROGRESS REPORT 2022/2023

The Committee considered a report from Gary Douglas, Principal Investigator, Counter Fraud & Investigation Team, which provided the Committee with information on the overall effectiveness of the Authority's arrangements to counter fraud and corruption, and reviewed the delivery of the 2022/23 counter fraud workplan during the year to date.

Attached at Appendix A to the report was a copy of the Counter Fraud Progress report for the Committee to consider.

The Committee was advised of the following:

- That the risks of fraud remained high, and that the council continued to promote vigilance on how fraud occurred by raising awareness with staff of the changing methods fraudsters used;
- Since April 2022 there had been an increase in the number of direct debit mandate fraud attempts, and that the team were working with Serco regarding this matter, and that the team had successfully prevented losses exceeding £1m;
- The team were actively working on eight cases currently gathering evidence to prepare files to take forward for further sanctions, including prosecution; and
- There had been a slight decrease in whistleblowing referrals received between April and September 2022 (44) compared to (49) in the same period for 2021/22.

During consideration of this item, the following comments were raised:

- Whether support was received from the police in bringing cases to a conclusion. The Committee was advised that all matters reported had been investigated by the police, and that good co-operation was received from Lincolnshire Police in this regard; and
- Recovery of losses, assurance was given that crimes were actively pursued, and that redress was sought from the individual or from their assets. Confirmation was given that the cases taken further were criminal.

RESOLVED

That the Counter Fraud Progress Report 2022/23 be received.

32 INTERNAL AUDIT REPORT PROGRESS REPORT

The Committee considered a report from Lucy Pledge, Head of Internal Audit and Risk Management, which provided details of the audit work completed to 30 September 2022 and advised on the progress of the audit plan.

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The Committee noted the key messages, as detailed on page 349 of the report pack, which advised of the audit work completed since the last progress report in March 2022 and page 350 provided details of the revised plan, which provided details of key areas of focus for the next six months and staffing changes. The Committee was advised that capacity within the team had been strengthened with the recruitment of six new auditors and that this had impacted on delivery of work with focus on induction, training and development as the team 'grow our own'. It was reported that additional resources continued to be drawn from external suppliers to support delivery and that it was expected that performance would improve as the new staff gained in experience.

A copy of the Internal Audit Progress Reports was attached at Appendix A to the report for the Committee to consider.

During consideration of this item, the Committee raised some of the following comments:

- The recent success with recruitment, and some assurance was expressed to the growing your own strategy. The Committee noted that everything that could be done was being done to help develop staff with career grades/progression in place to help new recruits;
- Transport Connect - In an update to the Committee, the Assistant Director of Communities advised that the audit had been requested by management to look at the Company's governance, as the company was moving into its next phase, and that this had not been part of the expected or routine plan. The Committee was advised that it had been set up in 2015/16 for a very specific set of circumstances to manage market supply. It was reported that as a commercial business, financial oversight had been undertaken throughout by Wright Vigar. It was highlighted that all the actions identified in the audit had already been addressed or identified by the Board and that steps had been put into place. Confirmation was also given that no confidential information was ever shared from a laptop. Reassurance was given that the company was managed and overseen by the council and by the board and that the company was the only operating trading company the council had. The Committee noted that the Assistant Director of Communities was a member of the Board and an officer of the Council, so there was no chance of any control being lost. Assurance was given that the company was fully compliant with Companies House requirements; and
- Areas requiring attention – Virus protection/Malware, a request was made for the Executive Director with responsibility for IT to attend a future meeting to advise the Committee of the challenges the council faced. The Committee was advised that the IT Manager could attend the February meeting as part of the Combined Assurance report.

RESOLVED

That the progress and delivery of the internal audit plan be noted.

Consideration was given to a report from Lucy Pledge, Head of Audit and Risk Management, which provided the Committee with information on the core assurance activities currently scheduled for the 2022 work plan.

The Committee was advised that due to timing restriction, the mandatory Audit training would now be arranged for some time in January/February 2023.

The Chairman advised that herself and the Vice-Chairman had attended a meeting with the Overview and Scrutiny Management Board Chairman and Vice-Chairman and details of the actions agreed were shown on page 384 of the report pack.

RESOLVED

1. That the Audit Work Plan be received.
2. That the proposed training and development programme as detailed in the report be received.
3. That the Action Plan presented be received.

The meeting closed at 11.19 am

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Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	6 February 2023
Subject:	Combined Assurance Report

Summary:

The purpose of this report is to:

Provide the Audit Committee with insight on the assurances across all the Council's critical services, key risks, partnerships and projects.

The Chief Executive, Executive Directors and the Chief Fire Officer will be present to respond to any questions the Committee may have on the assurance framework.

Recommendation(s):

That the Committee review the Combined Assurance Status Report 2022/23 seeking assurance over the adequacy of the Council's governance, risk, and control environment; and makes recommendations on any further scrutiny requirements or actions.

Background

1. The Council has produced its annual Combined Assurance Status Report with each Executive Director assessing information across:
 - critical service delivery activities
 - key risks
 - key projects
 - key partnerships, providing an overall assurance level.
2. Internal Audit have co-ordinated the overall assurance information to help ensure that it 'stacks up' and applied some constructive challenge on the assurance opinions being given **but** as accountability rests with management, it is the senior management's views that has determined the overall assurance status. This is in line with a control environment that promotes a culture where we:-
 - take what we have been told on trust – giving a realistic and honest assessment,

being open and transparent

- encourage accountability with those responsible for managing the service and associated risks
- provide some independent challenge / oversight where it matters most.

Overall Assurance Level 2022/23

3. Overall, there continues to be a good level of positive assurances in place, with **reduced Red Assurance**. There has been a **slight increase** in **Amber** assurance and **slight reduction in Green** assurance - as shown below: -

Overall assurance rating	Changes since 2021/22	
Red Assurance	?	Down from 3% to 1%
Amber Assurance	?	Up from 38% to 42%
Green Assurance	?	Down from 59% to 57%

There are improved assurance ratings in Transformation Programme, Children's Services, Place and Fire & Rescue - with static or reducing Red assurances.

Assurance ratings for Corporate and Adult Care & Community Wellbeing have mostly remained static.

Resources shows a slightly reduced assurance level in comparison with 2021/22 however, this now comprises of both the previous Resources and Commercial directorates.

4. There are two areas with lower levels of assurance shown on critical activities - these relate to:

Directorates	High critical activities
Adult Care & Community Wellbeing	<ul style="list-style-type: none">• Hospitals
Place	<ul style="list-style-type: none">• Regeneration Funding

Management action and / or appropriate governance oversight processes are in place to monitor improvement actions.

Conclusion

1. The report confirms that all key areas and risks have been subject to assurance procedures. Overall, there continues to be a good level of assurance, with reduced areas of low assurance compared to 2021/22.
2. There are 'no surprises' and the assurance framework remains strong demonstrating appropriate management oversight and monitoring.
3. The combined assurance report provides the Committee with a good level of understanding about the level of assurances in place – supporting its 'watchdog' role and remit. In reviewing the Combined Assurance Status Report the Committee may wish to consider:
 - whether the assurances given are reliable and adequately evidenced
 - seeking direct assurance from the Corporate Leadership Team on how they consider the results of the assurances given
 - if any specific issue / risk should be referred to the Governance Group for consideration in the Council's annual governance statement
 - whether the reports 'realistically' reflect the Audit Committee's knowledge and understanding of the Council's governance, risk and assurance arrangements.
4. The information obtained from the combined assurance model will:
 - Inform the Internal Annual Audit Plan 2023/24 by identifying where more independent assurance is required based on significance and risk.
 - Help inform the Head of Audit annual audit opinion 2022/23.
 - Help inform the development of the Council's Annual Governance Statement

Consultation

a) Risks and Impact Analysis

None

Appendices

These are listed below and attached at the back of the report	
Appendix A	Internal Audit Combined Assurance Status Report 2022/23 –February 2023

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk

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Combined Assurance Status Report 2022/23



**Lincolnshire County Council
February 2023**

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Adult Care & Community Wellbeing
Children's Services
Resources
Place
Fire & Rescue
Corporate

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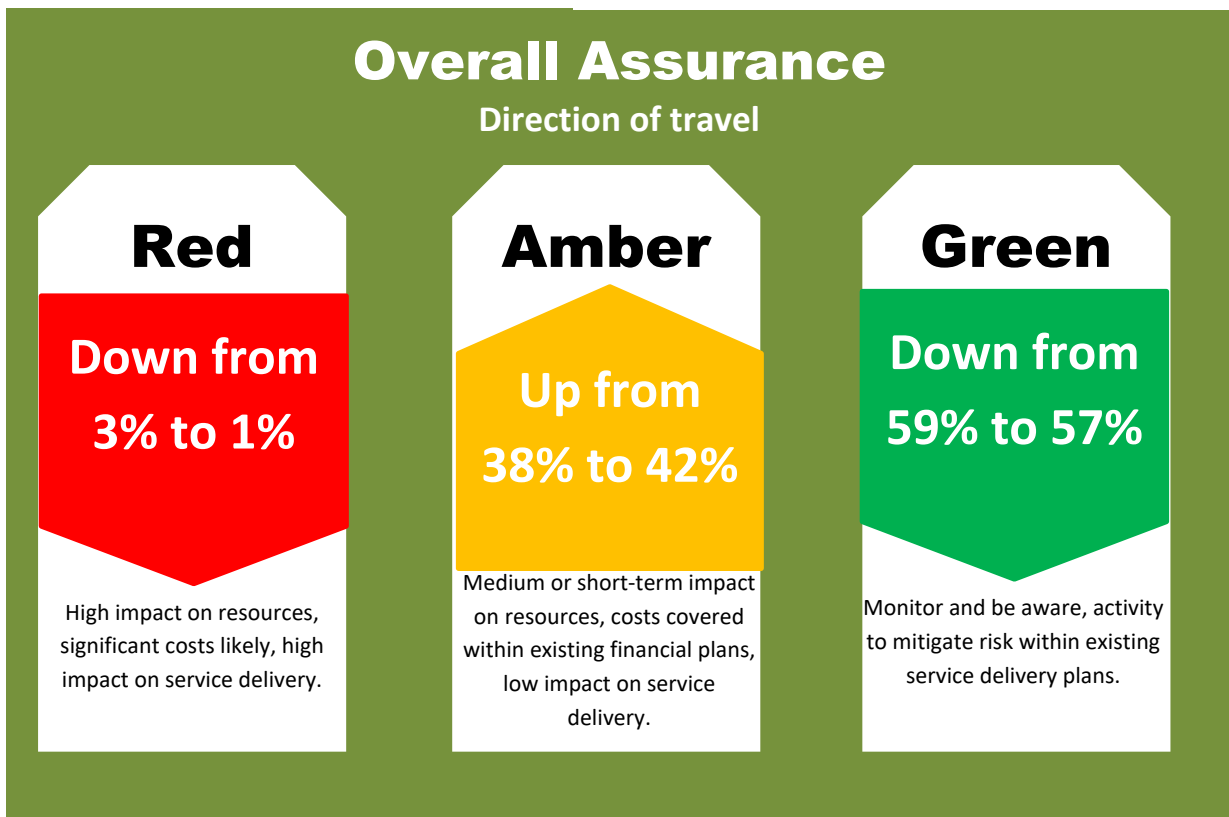
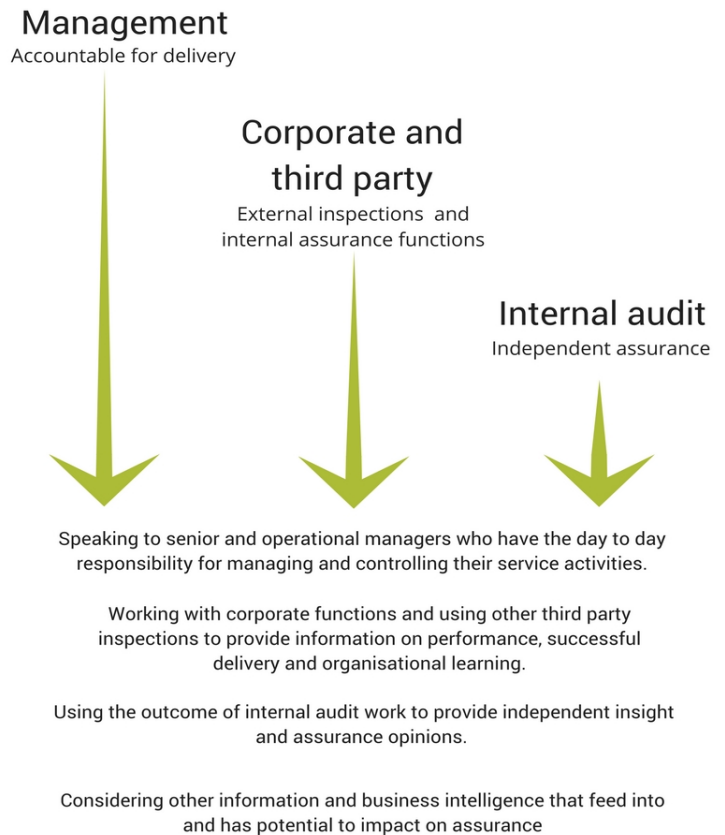
Overview of Assurance

Combined assurance is a structured means of identifying and mapping the main sources and types of assurance in the council and coordinating them to best effect.

It enhances risk management by providing an effective and efficient framework of sufficient, regular and reliable evidence of assurance on organisational stewardship and management of major risks to the Council's success.

We do this using the three lines of defence model.

How do we assure ourselves about how the council is run?



Note – Overall assurance status is inclusive of critical activities, key projects, key partnerships and key operational risks

Chief Executive's Summary

During the past 12 months, the Council has continued to face significant challenges in light of national and local labour shortages, increased demand for many services, the cost-of-living crisis, which has impacted on our communities and resulted in increased costs in some areas of the Council's business activities. Despite this, I am pleased to report that the Council's critical service delivery activities; key risks; projects and partnerships have continued to receive **substantial assurance** which confirms that the Council's governance, risk and control framework is robust and that controls are in place to mitigate risks. It was also pleasing to receive the external, independent, audit of our risk management processes which confirmed a level 4 assessment: 'Embedded and Integrated' with many areas receiving a level 5: 'Driving the organisation'.

This report rightly recognises the hard work and dedication of the Council's Members and its workforce to respond to the challenges our communities, business and visitors have faced. There is no doubt that the labour shortages, inflation, and increased demand for many of the Council's services has tested the resilience and capacity of our workforce and our partners. However due to the Council's strong financial management, relationships with partners and dedicated staff, we have been able to mitigate many of these challenges. There is strong evidence that the Council has, with our partners, taken swift action to mitigate the emerging risks whilst continuing to meet and respond to the needs of our communities.

The Council has continued to work towards achieving the aspirations of the ten-year Corporate Plan. The Transformation Programme has continued to evolve, with progress towards achieving the ambitions of the plan being realised. The transformation work across adult social care, children in care and the support for children with special educational needs and a disability has meant that we are in a strong position to manage the increasing demand, meet expectations of our residents and improve the quality of interventions. The programmes aimed at enhancing our digital capability are starting to gain traction and are on track to reduce corporate calls to the Customer Services Centre by 30% with successes including:

- The Stopford system which has been implemented to enable customers to be digital first with 71% of transactions now being made online.
- Changes to the way customers can access highways services have seen a reduction in calls of 30%
- Emails to the customer service centre have reduced by an average of 40%, with further work planned to reduce volumes further.
- Work is now underway to explore opportunities to reduce calls for libraries, school transport and education admissions.

Re-procurement activity for delivery of our back office services is progressing as planned for all services except for IMT. Plans are in place to insource some teams and the market testing for services which will continue to be procured has been positive and on track with the project plan.

The combined assurance report outlines the Executive Directors' assurance opinions on the critical service delivery activities, key risks, projects and partnerships impacting on their service areas. Internal Audit have co-ordinated the overall assurance information and applied some constructive challenge on the assurance opinions. However, it is the senior management's views that have determined the overall assurance status which is in line with a control environment that promotes a culture of trust and accountability for those responsible for managing the service and associated risks. The framework remains fit for purpose and as leaders become more familiar with the approach, we are achieving greater consistency across how activities are risk rated.

Chief Executive's Summary

Most assurance opinions are high to medium with minimal areas rated to have low assurance. Where these exist and where it is possible, leaders have robust controls to mitigate risk through direct control or through exerting influence on others. However, due to labour shortages, increased demand, changes to the operational delivery of our services and increasing costs in some areas, the council has experienced some change to the critical areas of risk. These can be summarised as:

- **Inflation** – Continued high inflation has the potential to undermine the delivery of the capital programme, impacting on the aspirations and sustainability of the Council's finances. The budget settlement from national government (whilst only a one year settlement) and the ability to increase council tax and the adult care levy, means that we are able to set a sustainable budget, funding contract inflation pressures. We have also been able to create an inflation contingency budget for unknown inflationary costs to be funded through robust business cases.
- **IT infrastructure** – The assurance status has been changed to limited due to the delays in deployment of IT infrastructure, however as we move towards our cloud first strategy, the lower the risk so our position is improving all the time. Contributing to this risk is also the reduction in legacy systems which are generally unsupported. However, over the last quarter we have seen Norwell and Stamp closed down so we can demonstrate definite improvement but there is still work to do. Finally, the planned IMT kit refresh strategy which will also form an early part of the improvement plan in 2023 will mitigate the risk further.
- **Market Supply**- Although the assurance level in adequacy of supply to meet adult care to meet eligible needs as defined in the Care Act remains unchanged, some external factors have the potential to increase this risk. Nationally and locally, there are challenges within the health system which is negatively impacting on patient flow to support hospital discharge. The reality is that delayed hospital discharges are due a range of factors which are multi-faceted and complex. Unfortunately, the solution is increasingly to purchase additional community based support and unless this is done in an integrated way, could destabilise the market even more.
- **Outstanding Debt** – I am pleased to report that this assurance level has changed to substantial assurance and that the Council, with its business partner, has now secured efficient and effective end to end processes for the recovery of income owed to the Council. Whilst work is ongoing to streamline this process even further through automation which will reduce the time span of the process, we have significantly reduced outstanding debt over the past 12 months.
- **Recruitment and Staffing**- Although no change in the assurance level, capacity within the Council in some areas remains a risk, with demand increasing in those very areas which are experiencing workforce shortages. Our people strategy is having an impact and the position has stabilised in many areas due to the mitigations which we have implemented. The relevant sectors and local government at a national level continue to press for more radical changes.
- **Strategic Contracts** – The assurance level for how we manage contracts, and the market (other than adult care) has remained static although the position is improving. However, it is important to highlight some areas of risk. Many markets remain complex and are suffering from labour and skills shortages. We are seeing this especially in home to school transport, placements for children in care and with a special educational need or a disability. In addition, following our learning year of Smarter Working, we are exploring opportunities for rationalising our property portfolio and as we prepare for the re-commissioning of our corporate property function, we will need to re-align our new estate and requirement with our new arrangements.

Strategic Risks

Effective risk management is part of the way we work. It is about taking the right risks when making decisions, or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This puts us in a stronger position to deliver our goals and provide excellent services.

Overall, the strategic risks continue to be managed pro-actively. We have undertaken our review of the effectiveness of the controls for each risk, focussing on those which can be measured, such as KPI's, external sources etc. This work is now continuing for directorate and service level risk registers.

During 2022, an audit of our risk management processes was completed by an external independent company. The overall result was Level 4: Embedded and Integrated, with many areas receiving a "Level 5: Driving the organisation". This demonstrates the success of risk management within the Council and highlights the commitment from the Council, in terms of executive leadership and support.

As part of our work to continuously improve the way we manage our risks, we are now utilising a new risk management software system, which enables us to have better risk data recording, analysis and trend identification. This system will also be rolled out across our directorate and service level risk management.

Our Strategic Risk Register is regularly reviewed by risk owners and our risks are being effectively managed.

Note: The Strategic Risk Register is currently being reviewed (January / February 2023) and therefore risk ratings may change.

Risk	Mitigating Actions	Risk Rating	Level of Assurance	Direction of Travel
Budget - LCC Funding and maintaining financial resilience	No change in the assurance level since Feb 2022.	Amber	Substantial	Static
Cyber The risk of a successful cyber-attack against the council with significant / critical impact	No change in the assurance level since Feb 2022.	Red	Limited	Improving
Inflation Continued high inflation undermines capital programme impacting aspirations and threatens the sustainability of revenue budgets.	New Risk - Regular monitoring, impact assessments for key projects & contracts. Government settlement announced.	Red	Limited	Static
IT Infrastructure IT Infrastructure - ability to implement transformational aspirations and deliver BAU	Assurance status changed to limited, reflecting the delays in deployment of infrastructure.	Amber	Limited	Improving

Strategic Risks

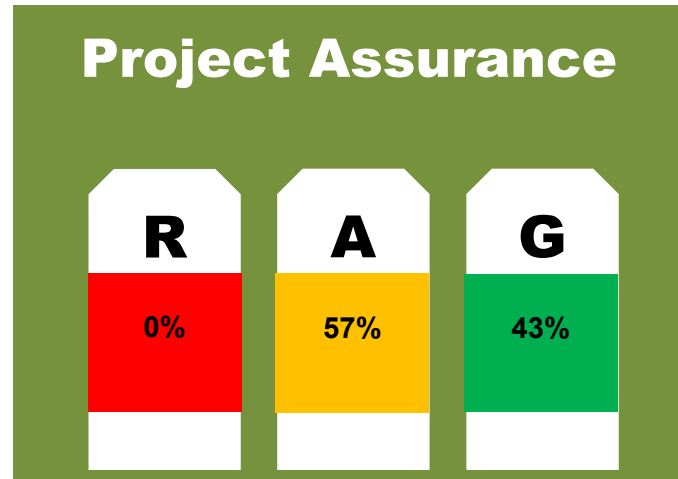
Market Supply Adequacy of Social Care market supply to meet eligible needs as defined in the Care Act	No change in assurance level since Feb 2022. This is in line with the national picture.	Amber	Limited	Static
Outstanding Debt Securing efficient and effective end-to-end processes for the recovery of income due to the Council	Assurance level changed to substantial, due to the ongoing work to improve processes.	Amber	Substantial	Improving
Projects Ability to deliver our Transformation programme	No change in assurance level since Feb 2022.	Amber	Substantial	Improving
Recruitment & Staffing Ability to recruit & retain staff in high-risk areas	No change in assurance level since Feb 2022.	Amber	Limited	Static
Resilience (Business Continuity) Capacity and resilience to respond to, and recover from, wider area and prolonged emergencies and business disruption (e.g., coastal flooding / pandemic flu) impacting on public safety, continuity of critical functions and normal service delivery	No change in assurance level since Feb 2022.	Amber	Substantial	Static
Safeguarding Adults	No change in assurance level since Feb 2022.	Amber	Substantial	Improving
Safeguarding Children	No change in assurance level since Feb 2022.	Amber	Substantial	Improving
Serco Contract Exit of Serco contract ending and transition into the new arrangements	No change in assurance level since Feb 2022.	Amber	Substantial	Static
Strategic Contracts Ensuring contracts and markets (other than adult care) are fit for purpose & are managed effectively	No change in assurance level since Feb 2022.	Amber	Limited	Improving

Strategic Risks

Risk Rating	Level of Assurance	DoT
Red - High impact on resources, significant costs likely, high impact on service delivery	High - A High level of confidence on delivery arrangements, controls and management of the risk.	Improving
Amber - Medium- or short-term impact on resources, cost covered within existing financial plans, low impact on service delivery	Substantial - A Substantial level of confidence on delivery arrangements, controls and management of the risk.	Static
Green - Monitor and be aware, activity to mitigate the risk within existing service delivery plans / management arrangements	Limited - A Limited level of confidence on delivery arrangements, controls and management of the risk.	Deteriorating
	Low - A Low level of confidence on delivery arrangements, controls and management of the risk.	

Transformation Programme

Overall Assurance - Amber	
Programme Governance Assurance	Green
Programme Delivery Assurance	Amber



Red	Amber	Green
	People Strategy, Policy & Structure	Educational Travel
	Business World Redesign	Business Support Review Phase 2
	CSS (Serco) Implementation	Financial Services Review
	Smarter Working Programme	Devolution
	Efficient Systems – Business Analytics & Visualisation	Process Optimisation & Automation (POA)
	BI Strategy Implementation	Children in Care
	Customer Strategy & Customer Digital Delivery	
	Telephony	

The Corporate Plan sets out the goals and ambitions the Council wishes to achieve for its residents over the coming year. Effective delivery of the Plan is supported by the Transformation

Programme – a dedicated programme to monitor, expedite and ensure that transformational change is implemented effectively and realises intended benefits. The Transformation Programme provides LCC with the opportunity to promote learning from each other and work collaboratively to identify new and improved ways to support wider Council objectives. We have for many years been excellent at service led transformation; enabling us to become a strong Council with nationally recognised services. We now want to build on this success for all parts of the Council.

The Transformation Programme brings some of our most high-profile projects together to give far greater visibility, corporate oversight and accountability of key activity, assurance of funding being spent on Council priorities and confidence that benefits are being realised.

Following the review of the Transformation Programme focus, model for delivery, and projects, along with other major projects and programmes across the council, the focus of the last year has been development and delivery of projects to deliver efficiencies and savings.

Due to the need to further focus the work of the transformation programme to manage priorities, the scope was reviewed, and a revised version agreed:

- The Transformation Programme is made up of **highly complex** programmes of change which require a new way of working; the consideration of **optimisation** and **digitalisation**; and the development of a different skillset.
- These projects and programmes will help drive **financial savings** and maximise independence and resilience, in order to **minimise future demand**.
- All with the aim of helping to **protect frontline services** through delivering good value, whilst considering the environmental benefits, demonstrating a **return on investment**, and delivering better outcomes for all.

Transformation Programme

The following projects have been stood up in the last year: Digital Strategy Implementation, Customer Strategy Implementation, Business Intelligence Strategy Implementation and Corporate Support Optimisation, and along with the recent inclusion of Devolution into the Programme, make up the 9 areas of work, containing multiple projects, of the Transformation Programme

Regular updates are in place to ensure staff are kept up to date with developments, with specific targeted communication in place based on individual project requirements. To assist with the implementation and realisation of the changes that the programme will bring, our network of change influencers has grown to 150, to support and help embed, approaches to new ways of working.

Project Assurance

To ensure there is the appropriate oversight and governance in place, a member of the Corporate Leadership Team (CLT) has been identified as Executive Director sponsor for each project and the following reporting and governance arrangements are in place:

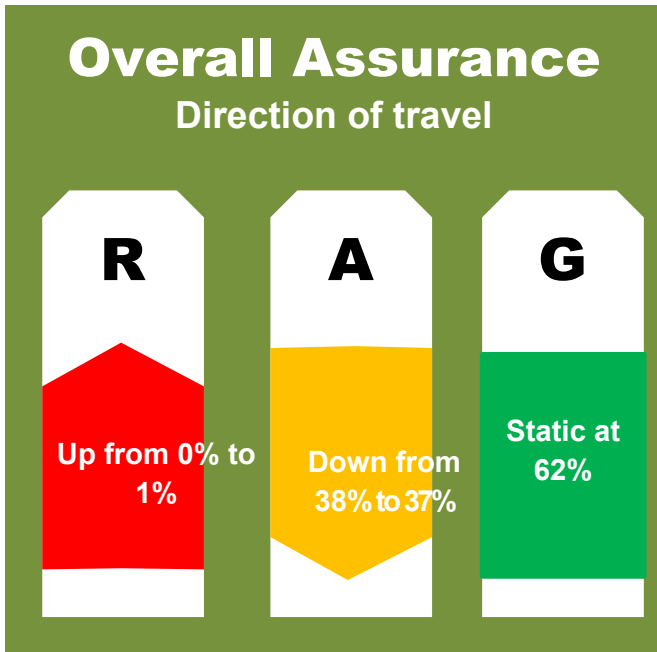
- Regular project progress updates to the project lead and CLT sponsor.
- Weekly programme management office meetings to share information on each project, lessons learnt, progress, and to identify risks, issues, and interdependencies.
- Regular project boards (minimum monthly) to drive the delivery of each project.
- Bi-monthly Transformation Programme steering group which brings together leads for our corporate functions such as HR, Finance, Audit and Business Support to ensure the overall direction of the programme is maintained
- The Transformation Programme is the focus of the CLT performance board meetings on a quarterly basis, to report on progress,

address issues, agree future projects to come into the programme and to provide strategic decision making.

- An Executive Portfolio Member is identified for each project, and regular political reporting takes place for progress monitoring, engagement and decision making as required.

Director's Key Messages

Adult Care and Community Wellbeing



Critical Activities	
Red	Amber
Hospitals	Specialist Adult Services: Directly provided services
	Specialist adult services: Mental Health 18-64
	Adult Frailty and Long-Term Conditions
	Adult Care Finance (Serco)
	One You Lincolnshire
	Digital Roadmap including Connect to Support Lincolnshire

Red Risks
No red risks identified at this time

When I last produced an Adult Care and Community Wellbeing (AC&CW) narrative for the annual assurance report at the end of 2021 the prospects of significant (and much needed) reform in Health and Social Care seemed within reach given a busy legislative program. Who could have guessed that political turbulence in government of historical proportions would affect that program so very much. Whilst the Health and Social Care Act was secured in statute (primarily aimed at the NHS structures) the reforms to social care were delayed, notably those affecting charging for care, new models, long term financial sustainability and the viability of the social care market. Both the Social Care Reform and Integration White Papers have been either delayed or frankly shelved.

At the same time conflict in Ukraine and consequential economic challenges, combined with the longer-term impact of Covid have had a direct bearing on the directorate. Rising costs of fuel, energy and insurance have driven a fragile social care market nationally to a parlous state. Locally we have been fortunate that the directorate was able to provide a Hardship Fund to support social care providers struggling with a significant growth in overheads. The conflict in Ukraine has also meant the directorate took a corporate lead and developed an entirely new specialism in managing a program that has, to date, supported hosts and guests, found homes, schools and, increasingly employment for over a 1,000 Ukrainian guests. This program is set to continue for at least the next two years.

In April, Public Protection was transferred from the Resources directorate to AC&CW. This incorporates Trading Standards, Coroners and Registrars, Emergency Planning, Community Safety and Domestic Abuse. At the same time a new Assistant Director took responsibility for the Division on secondment from the police: Martyn Parker, Chief Superintendent. Accordingly, a number of topic areas have been added to the overall risk register. Many of the services are undergoing significant change – driven by either national policy or legislation e.g., Coroners or, the Domestic Abuse Services.

Director's Key Messages

Previous annual reports have described concerns over hospital pressures (almost synonymous with Winter now) and are repeated here though within a more challenging environment. Hospitals nationally and locally are repeatedly reporting 'internal' or 'major' incidents and the level of concern has grown alongside a high political and media profile. There are many elements to this overall analysis. The long-term effects of Covid on society, a seasonal increase in viral infections and Covid on both the public and the workforce, long term workforce shortages in both health and care and short-term funding responses will mean a continuation of ongoing and substantial pressures and incidents at our acute sites further reflecting a system badly in need of reform.

Less well known was a significant backlog nationally in social care for assessments and reviews which has reached over 540,000. In Lincolnshire I am pleased to say that there are no backlogs in the carers service or adult specialisms and in adult frailty the OT backlog will be removed within a few months. Backlogs have also been evident in the Coronial service as a result of national changes and excessive deaths and, following additional investment these also are beginning to reduce.

Despite the very evident national challenges, in Lincolnshire there are a number of developments (new models) reflecting new approaches and forms of service that are being progressed as a result of finding common purpose with partners (think system not service!). The delegation of tasks to care workers from NHS staff is growing apace and suggests great promise given the challenges of capacity across Lincolnshire. Additionally, a pooled budget, joint strategy and governance has been secured with Lincolnshire police to better tackle serious violence (40% of such cases are Domestic Abuse). We have also seen further growth in pooled funds with NHS colleagues for Complex Cases and S117 (Mental Health). Other priority areas such as the digital program continues to grow, providing services that are more readily accessible to people in need of support. Also, at the end of 2021 the first joint

development involving the County Council of a 70-unit Extra Care Scheme in Lincoln was completed providing substantial benefit to people in helping them remain independent and connected with friends and families – more are planned across the County in the next 18 months helping both older people and those of a working age find better housing options.

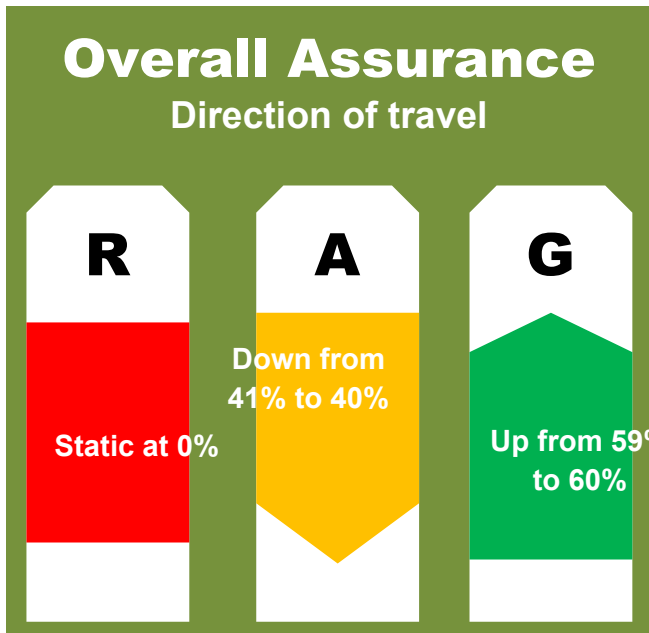
The Improvement Program (a behavioural model seeking to change front line practice towards strengths-based practice) which commenced in early 2021 has proven timely given the extra demand on social care that took place during 2022. An additional 10% growth in people seeking advice and support – over 36,000, would ordinarily have led to significant pressure on assessments and, the budget. A different approach has actually reduced the number of assessments and long-term care packages despite a rising trend because people have been supported to use existing community facilities and/or to find their own solutions: building resilience, helping people to remain independent and connected.

Finally, the Directorate expects, again, to balance its budget at the end of 2022/23 – an eleventh year in succession.

Director's Key Messages

Children's Services

The Children's Services directorate brings together our children's social care, education, and health provision to deliver integrated services for the benefit of Children and Families across Lincolnshire.



Lincolnshire's Children's Services is judged Outstanding by Ofsted and a strong and stable leadership team is in place. We are a Sector Led Improvement Partner with the Department for Education (DfE) which has meant we have been able to develop new innovative services for Lincolnshire and support other local authorities on their improvement journey.

Our recovery from the Covid pandemic has been strong and our services have returned to full delivery. Children's Services have responded to the changing needs of children's and families and redesigned services to provide support effectively. The legacy of the pandemic on the directorate has been felt primarily across our workforce capacity and the capacity of placements to support children and young people.

The demand on our safeguarding services has increased which, when combined with our recruitment and retention challenges has created pressure. We are beginning to see this level off following a series of interventions to support front line practitioners.

Demand for residential social care placements is high nationally and in Lincolnshire, at a time when the sufficiency of those placements is limited. We are delivering two new children's homes and have implemented a transformation programme working with providers to secure the right placements for Children in Care at the right time.

In line with national pressures, our Public Health Nursing service has experienced challenges in health visitor recruitment and increasing demand. Despite this, the service has restored delivery of face-to-face contacts with families and performance is above national indicators. CQC monitoring activity has provided assurance that the service is performing well.

The education sector has returned to national assessments which has allowed effective monitoring of standards to be in place. The performance of Lincolnshire's pupils is broadly in line with pupils nationally at the end of secondary school with more work needed to achieve this at

Critical Activities	
Red	Amber
None	Safeguarding Regulated
	Safeguarding Locality
	Children's Public Health Nursing
	Occupational Therapy Team
	Closing the Attainment Gap

Red Risks
No red risks identified at this time

Director's Key Messages

the primary phase. The role and funding of the Council in school improvement has changed and the Department for Education is now delivering improvement programmes through national programmes and local Teaching School Hubs. Locally, the Council is fully engaged with these programmes and providers, linking schools in need of development with programmes that can support them. The attainment gap for pupil's eligible for free school meals continues to be a priority and the directorate has supported schools and academies to implement the government funded catch up programmes to mitigate concerns in this area.

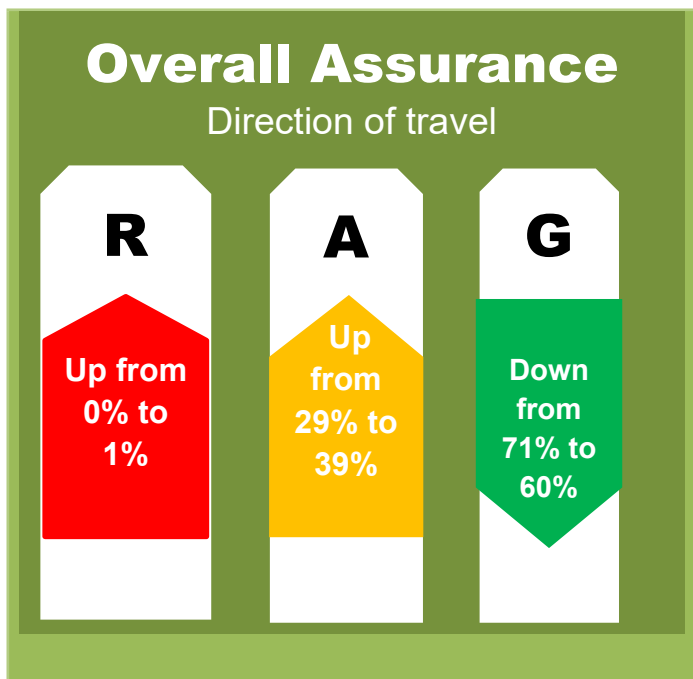
The Occupational Therapy team has also encountered recruitment and retention challenges, as seen nationally, and whilst the team is working well, the waiting times for assessment need to be improved. All cases are triaged, and urgent need is prioritised.

As this report emphasises, we have faced recruitment and retention challenges across several our frontline services, which are also being seen nationally. Teams across Children's Services have responded with resilience and dedication to ensure we have maintained a strong performance across all our key indicators whilst the council has introduced measures locally to address these national issues as best possible. It is worth noting that Lincolnshire appears to have experience these challenges to lesser extent than many other authorities. Our services have put children and young people at the heart of decision making and this has mitigated adverse service delivery. We have continued to innovate and transform services, and this will place us in a strong position moving forward.

Director's Key Messages

Resources

1 April 2022 saw the creation of a new larger Resources directorate, bringing together the old Resources and Commercial directorates following the retirement of James Drury in March 2022. The directorate now covers the majority of the corporate functions across the broad themes of money, governance, people, buildings, technology, change and commerciality.



Critical Activities	
Red	Amber
None	ICT Governance & Operations
	Capital Programme
	Records Management
	People Strategy & Corporate Landlord
	HR Services
	Business World Rebuild and Business World Governance
	Staffing Capacity (Legal, Business Support, HR, Audit, Counter Fraud, Commercial, IT)

Red Risks		
Risk identified	Risk Rating	Assurance Level
Failure to Maximise Apprenticeship Levy	Red	Limited

IMT

The function is currently undergoing change as it moves from technical focussed provision to a more customer and business focussed service. Following the recent decision to pause the 2024 re-procurement exercise, work is now underway to increase the maturity of the function and develop the service offering. The service area has experienced relatively acute recruitment challenges, particularly around technical roles, however the direction of travel is positive with successful recent recruits. Work continues around improving the corporate starters, movers and leavers process and maximising our use and benefits of the corporate Office 365 functionality. A new senior interim has been appointed to lead an improvement programme to increase the function's maturity and the initial discovery phase may give rise to further issues that require attention

Close monitoring of our relationship with our WAN/LAN provider EMPSN continues given recent market changes and further council decision making in this space may be required later in 2023.

Property

The Corporate Property team is under recent new Assistant Director leadership. Current priorities are developing a new Property strategy, making refinements to the corporate landlord initiative, and commencing delivery of the property rationalisation programme arising from Smarter Working, bringing together key threads in the strategic management of our estate. Whilst not a risk at this stage, major work will also commence around the 2025 re-procurement of our outsourced provision.

Transformation

Director's Key Messages

Major project in this area, supported heavily by the rest of the directorate and impacting on everyone associated with the Council, April 2023 is anticipated to see the go live of the Hoople ERP solution for Business World. A major milestone passed with the sign off of parallel payroll runs, with focus now on the latter stages of the delivery plan. The team are also responsible for ensuring smooth delivery of the corporate transformation programme which remains an amber critical activity by the nature of the breadth and depth of the activities undertaken and the constant pull-on resources from different projects and parts of the organisation.

Commercial

This team supports Adult Care and Community Wellbeing (see separate section for related risks) with commissioning including contract management and market supply and wider corporate procurement. Across the function, recruitment and retention of professional staff is a challenge in keeping with previous years. Coupled with a significant Covid related backlog of work, this creates significant pressure to deliver, and the function leadership remain creative in meeting these challenges. Positive developments in the area include the development of category management practice, social value, the wider work of raising awareness via the Corporate Commissioning Hub and working with Health to redesign intermediate care- a range of integrated services to maximise independent living and prevent unnecessary admission to hospital and premature admission to long term residential care

The function is also lead on a major project to re-procure various elements of the existing Serco contract which ends in 2024. The Customer Service Centre is intended to remain outsourced; Payroll is intended to be provided by our partner Hoople and Financial Transactional Services are due to be brought in house and in totality is a dedicated project of the Transformation Programme.

Finance

The past year has seen a number of positive improvements, particularly around our approach to debt management which has featured in previous versions of this report. The committee recently received a report on our compliance with the new CIPFA Financial Management code and progress is positive. The Finance team will be heavily impacted the new ERP system and risks will need to be managed to ensure continued strong service delivery.

The Internal Audit and Risk teams received very positive feedback in their recent external assessments which demonstrates the strong foundation underpinning process such as this. Recruitment has been a challenge at times for the function however a raft of recent appointments mitigates this.

The Pensions function remains very well run and alongside the Serco re-procurement, a project is underway to re-procure our Pensions Administration which is currently provided by the West Yorkshire Pension Fund.

HR and Organisational Support

Other areas of this report highlight the challenges the council has around recruitment and retention and whilst we are now seeing positive actions in mitigating these challenges, the HR team are a key support function in helping managers advertise, recruit and then onboard which itself creates capacity challenges for the team. The People Strategy which underpins developments in our HR offer is now well progressed in a number of areas with a review of effectiveness to be undertaken during the year. Our ability to maximise the apprenticeship levy remains a challenge given the numerical impact of the size of the council budget; however, the roll count is at a high point.

Legal and Governance

Recruitment of permanent skilled childcare lawyers remains challenging as in previous years, however steps to “grow our own” are bearing fruit and will continue to be pursued. The proposed 2023/24 budget reflects challenges in this area

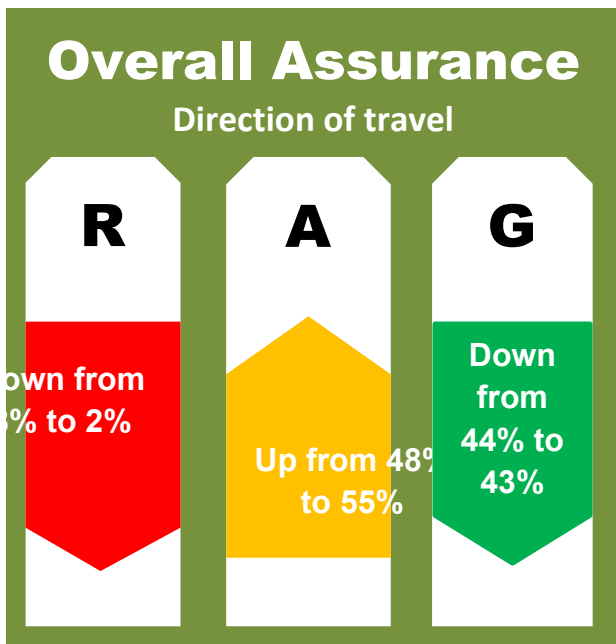
Director's Key Messages

related to the increased cost of external locums and the related increase in childcare cases. The Legal alternative business structure goes live in 2023, which will allow us to work with other council companies in line with Solicitor Regulation Authority requirements.

Elsewhere in the function, the records management project led by Information Assurance is a sizeable challenge given the historical backlog of physical records, however resource is in place and successful strides are being made. For the wider directorate and council, a similar exercise will be undertaken around our digital records as we seek to maximise other elements of Office 365.

Director's Key Messages

Place



Critical Activities	
Red	Amber
Regeneration funding	Business Growth Hub
	Economic Development portfolio
	Employment Skills and Adult Learning
	Tourism
	NM - Civil Parking Enforcement
	Highways 2020
	Design Services
	Waste Management (strategy)
	Public Rights of Way
	Educational Travel (Inc - School, College, Social Care) (Corporate Transformation Programme)
	Lincolnshire Public Transport Network (including Community Transport)
	Archives

Red Risks
No red risks identified at this time

The overall picture across the Place based services reflects a high level of demand for access to services but generally a re-assuring picture of how the risks associated with delivering those services are being managed. This does result in a reasonably high percentage of amber risks but reflects the impact of measures that are outside of our direct control in some instances.

Of particular note is how the underlying pressures of inflation are impacting on the costs of service delivery, costs of capital programme activity and the cost-of-living impact on our service users and our contractors. These risks are being managed but the underlying trend is that this is resulting in increased costs to deliver services with the potential for a consequent impact on the level of service that can be provided. Contract costs in waste, highways and public transport for example have all increased but in year measures have been taken to address these impacts e.g., revised rates agreed within the highways term maintenance contract. Should the inflationary costs remain high there is a risk that in future years this will impact on the amount of work that can be delivered with the risk of needing to reduce our service delivery standards. Collaborative working with our partners continues to maximise efficiencies, introduce innovative working practices and manage service demands.

One particular area of risk is the access to regeneration-based funding. Lincolnshire had previously benefited from significant levels of European funding and the post Brexit funding landscape has resulted in funds being allocated and provided in different ways through a range of pots. In summary it could be concluded that this has resulted in less long-term strategic funding being available for management through programmes with more localised bidding arrangements with some of that funding being targeted towards local activity e.g., Town Deal funding. The opportunities provided through a devolution deal could create an ability for long term strategic programmes to be established based on the principles of an investment pot that has been integral to other devolution deals

Director's Key Messages

Despite the wider economic challenges being experienced it is positive to note both the increases in inward investment activity and the enhanced role of our Development Management teams on influencing the type of new development being permitted by our District Planning authorities. Long term investment priorities are being encapsulated through the Countywide work to develop a strategic infrastructure framework and again this work will provide the basis for future investment decisions if a devolution deal is secured.

Across our highway services we have a high level of assurance that we are managing the demands for service pro-actively. Whilst there will always been a demand for us to deliver more in response to customer enquiries to address defects on the network, our systems and workloads are under control and continue to be monitored effectively to continue to improve the service. Inflationary pressures do remain a risk though in respect of wage costs, material costs and transport costs e.g., fuel rises. A future review of intervention levels and policy requirements cannot be ruled out, but this will be addressed through our asset management plan.

Our public facing services such as our heritage sites continue to show an increase in visitor numbers, and we have received national awards reflecting our commitment to the visitors of these sites over the last 12 months. This provides a positive impact on the wider local economy and makes Lincoln and the wider area including our countryside and coast a destination of choice.

Our public transport services have been subject to inflationary pressures of fuel cost rises, wage inflation and the pressures on the availability of drivers to our contractors to fulfil contracts. This has resulted in some significant uplift in costs but the transformation activity being delivered in respect of Home to School transport demonstrates our ability to tackle these risks. Continued cost pressures will not, however, be absorbed without either significant changes in service standards or budget levels. This position is being seen nationally so is not local to Lincolnshire.

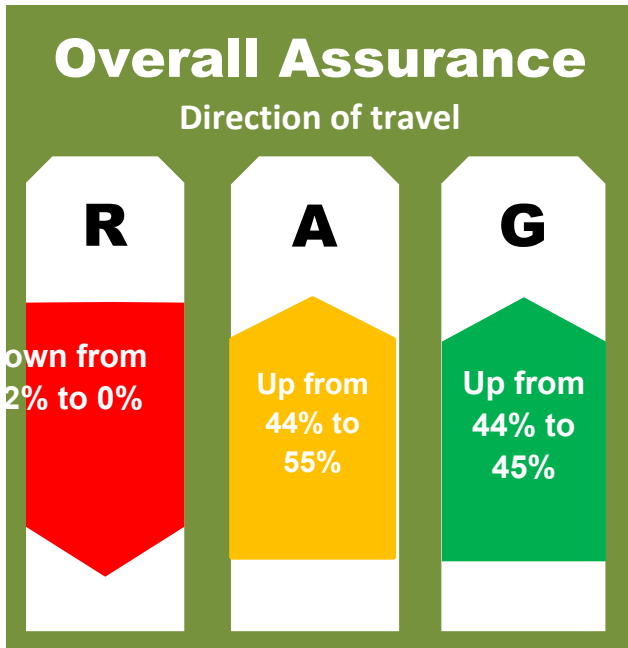
Our key projects are all largely identified as amber given the scale and complexity attached to most of the delivery activity. There are risks attached to all projects, but they are all part and parcel of our project board and governance arrangements with mitigation measures in place and being managed. These projects though are significant in addressing wider community or business needs or to facilitate the growth in our economy and therefore remain important aspects of our corporate plan delivery activity

Much of our wider activity is delivered in partnership and the positive interaction and collaboration with our partners ensures we continue to work for the greater good of Lincolnshire. The establishment of the Bus Service Enhanced Partnership Board has improved the working relationship with our public transport providers and there are joint initiatives underway to improve the public transport experience across Lincolnshire although our ambitions have been stifled due to no funding being allocated from Government to deliver our Bus Service Improvement Plan.

We have identified a range of operational and emerging risks which reflect a range of challenges largely related to the state of the economy and these will continue to be monitored at a service, project and strategic level with the likely outcome being the need to re-allocate resources at some point in the future or reduce our service delivery or contractual commitments.

Director's Key Messages

Fire and Rescue



Critical Activities	
Red	Amber
None	Prevention
	Protection

Red Risks
No red risks identified at this time

During 2022 there has been a clear focus on the outcomes of the previous year's HMICFRS inspection. With a cause of concern found within how we delivered our risk-based inspection programme and how we prioritised equality, diversity, and inclusion (EDI) within the service. This cemented the direction of travel that was initiated in 2021 to continue the good work that was already being delivered to address these issues.

During this year we were re-inspected by HMICFRS, and they confirmed that good progress has been made against how we prioritise EDI within the Service. The face-to-face training and engagement across the service has been well

received and HMICFRS were satisfied that they no longer need to have updates on progress in this area.

Following a re-inspection by HMICFRS of how we deliver our risk-based inspection programme within our Protection strategy they recognised significant improvements against all recommendations and have confirmed that they no longer view Protection as being a cause of concern and this has now been lifted.

Our Prevention activities have seen an improvement in how we target and deliver home fire safety visits to our most vulnerable people in our communities. There has been improved data that has enabled crews and advocates to target the most at risk. The aspirational target of 10,000 visits has delivered the outcome that was intended in that it has required crews to be more innovative in how they access our most at risk. Although we do not expect to reach the target of 10,000, we will have seen a marked increase in visits and interventions. The delivery of these visits was hampered over the summer period from our crews due to the unprecedented weather conditions that resulted in higher levels of operational activity that would normally be expected.

Our On Call availability remains an area of focus to ensure we have appropriate levels of appliance availability across the County. We have taken a more risk-based approach to appliance availability which enables our recruitment team and Divisional teams to ensure we have availability guaranteed at our higher risk areas within the County. We recognise that it is not possible to have all 38 fire stations to be available 24/7, and therefore we have focused on areas that have the highest risk and ensure we have sufficient resources to maintain cover and capabilities that reflect our risk. This 'resource to risk' concept is a recognised approach to ensure the most effective use is made of resources available.

To measure the impact of the 'resource to risk' model for our appliance availability we have updated our performance measures to show the

Director's Key Messages

public what our response times are to dwelling fires and other emergencies. These are also presented to Public Protection and Communities Scrutiny Board to monitor progress and it has showed that we are delivering against all targets for response times.

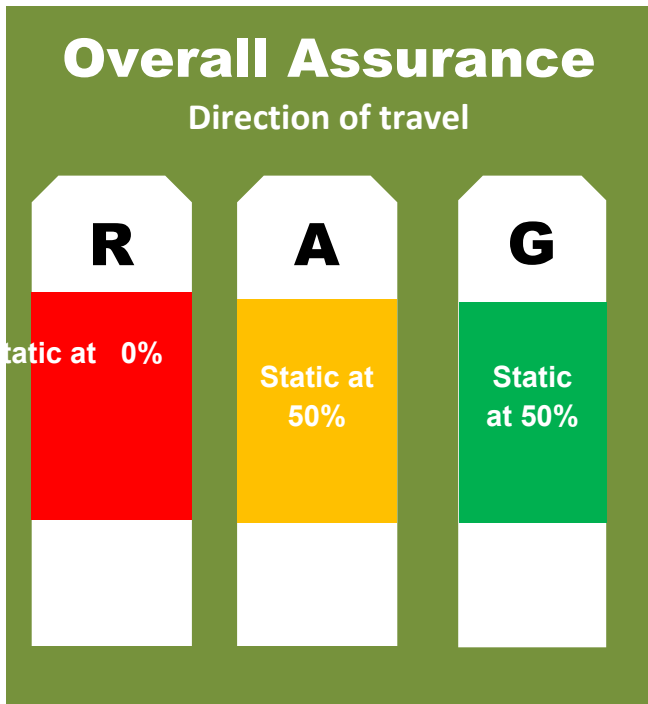
The recruitment and workforce planning that has been undertaken this year has resulted in appointing at several key areas within senior and middle leadership roles. The continued recruitment and training programme within our Protection Team has seen an increase in team membership and upskilling of capabilities to deliver in these areas. A talent management programme has been introduced, and although this is still in development it is offering avenues for development for aspiring leaders at all levels within the Service.

As mentioned earlier, the summer of 2022 presented the service with a level of demand for operational response that has not been experienced before. The severe weather conditions that the summer witnessed stretched our response teams and all areas across the service to its limits. Although at some points all available assets were committed, we were able to respond to all calls and support neighboring services who were experiencing similar demands. This showed the strength of our response teams and especially how our On Call crews made themselves available during major incidents.

At the end of 2022 on a national scale there were a couple of significant reports that were released that related to the Manchester Arena Inquiry and London Fire Brigade Cultural review. LFR has committed to review our service against recommendations that have been identified in these reports, and although an initial view is that LFR is able to demonstrate good assurance against these recommendations, there will be a deeper review during 2023 in these areas to identify further learning.

Director's Key Messages

Corporate



Critical Activities	
Red	Amber
	Media Management
	Internal Communications
	Corporate Communications
	Strategic Partnerships

Red Risks
No red risks identified at this time

The corporate area covers responsibility for the strategy communications and digital team, along with the Council’s policy function. The area has responsibility for:

- Development of devolution proposals – responding to the governments levelling up agenda
- Policy development – including management of the corporate plan

- Media Relations – issuing press releases and dealing with enquiries from the media
- County News
- Digital Communications – the website and other social media platforms
- Events – assisting other sections to find locations for events / conferences etc and managing the Council's involvement in major events such as the Lincolnshire Show
- Internal – communications to staff such as News Lincs & CLT Brief
- Design & Print – managing the Council's design & print requirements

The teams within Corporate have continued to respond to changes in government policy and ambitions to bring additional powers and investment into the Greater Lincolnshire economic area. This has seen a focus on strategic partnerships as the Council continues to work closely with public, private, and voluntary sector partners. Extensive partnership working has taken place with North Lincolnshire Council and North East Lincolnshire Council, along with the seven district councils in Lincolnshire to develop a series of proposals for the area.

Media Management - continues to see a proactive approach being taken. This remains amber as the Council must react to potential reputational issues and how the council is represented cannot be controlled.

Internal Communications - This remains amber as there is only a single officer responsible for this activity and therefore less resilience within the team.



Open Report on behalf of Andrew Crookham - Deputy Chief Executive & Executive Director - Resources

Report to:	Audit Committee
Date:	06 February 2023
Subject:	Draft Audit Committee Annual Report 2022

Summary:

The Audit Committee Annual Report is designed to help inform the Council of its activities during January - December 2022 and how it discharged its responsibilities.

An effective Audit Committee plays a vital role in the Council's governance arrangements. Supporting achievement of its objectives and making a positive contribution to how well the Council is run - promoting transparency and accountability.

Recommendation(s):

The Committee is asked to consider and approve the content of the draft Audit Committee Annual Report 2022, prior to it being reported to full Council.

Background

The Audit Committee Annual Report is required under both the Committee's Terms of Reference and CIPFA's Position Statement: Audit Committees in Local Authorities and Police (2022) to report on its performance and demonstrate how the Committee has discharged its responsibilities. The draft Annual Report is Appendix A.

Conclusion

Good practice advocates the Audit Committee publishes an Annual Report this is the draft. The final report will be presented to full Council at its February 2023 meeting.

Consultation

a) Risks and Impact Analysis

Any changes to services, policies, and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Audit Committee Annual Report 2022 - to follow

Background Papers

Document title	Where the document can be viewed
Terms of Reference of the Audit Committee	Constitution - LCC Connects

This report was written by Lucy Pledge, who can be contacted on 07557498932 or lucy.pledge@lincolnshire.gov.uk.



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	6 February 2023
Subject:	Work Programme

Summary:

This report provides the Committee with information on the core assurance activities currently scheduled for the 2023 work plan.

Recommendation(s):

1. To review and amend the Audit Committee's work plan ensuring it contains the necessary assurance areas.
2. Consider the actions identified in the Action Plan.

Background

The work plan, as attached at Appendix A, has been compiled based on the core assurance activities of the Committee as set out in its terms of reference and best practice.

Emerging Risks

A verbal update / discussion on any emerging high-risk areas that the Committee may wish to consider for future agenda items.

Action Tracker

Appendix B – keeps track of actions agreed by the Committee and future potential agenda items.

Conclusion

The work plan helps the Audit Committee effectively deliver its terms of reference and keeps track of areas where it requires further work and/or assurance.

Consultation

a) Risks and Impact Analysis

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Work Programme
Appendix B	Action plan

Background Papers

No Background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, Head of Audit and Risk Management, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.

6 February 2023 – 10.00 am		
Item	Contributors	Assurances Required/ Sought
Combined Assurance Status Reports – 2022/23	Chief Executive, Executive Directors and Chief Fire Officer	Understand the level of assurances being provided on the Council's critical systems, key risks and projects and how they link to the Committees role and remit and the Annual Governance Statement. Seeking assurance that they are working well and that any significant risk and issues are being actively managed.
Draft Audit Committee Annual Report 2022	Lucy Pledge (Head of Internal Audit and Risk Management)	Provide assurance that the Committee has adequately discharged its terms of reference and has positively contributed to how well the Council is run.

27 March 2023 – 10.00 am

Item	Contributors	Assurances Required/ Sought
External Audit Strategy – Lincolnshire County Council & Pension Fund 2022/23	Representatives of Mazars	Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.
Statement of Accounts 2022/23 – Accounting Policies	Sue Maycock (Head of Finance – Corporate)	Confirm that the appropriate accounting policies are being applied and understand the impact of any material changes that affect the Council's or Pension fund accounts.
Internal Audit Progress Report – March 2023	Lucy Pledge (Head of Internal Audit and Risk Management)	Gain an understanding of the level of assurances being provided by the Head of Internal Audit over the Council's governance, risk and internal control arrangements and why. Confirm that the plan achieves a balance between setting out the planned work (must do's) for the year and retaining flexibility to changing risks and priorities during the year. Is adequate to support the Head of Audit opinion.
Risk Management Progress Report - March 2023	Debbie Bowring (Principal Risk Officer)	Seek assurance that risk-related issues are being addressed.
Fraud Risk Register	Matthew Waller (Team Leader – Audit)	Confirm that the Council's counter fraud activity is targeted and effective.

Items to be programmed:

- **Integration of Health and Social Care (including IMT)** – Glen Garrod (Executive Director of Adult Care and Community Wellbeing) – Date TBC.
- **Financial Resilience and Financial Management Code update** – progress on improvement actions and assessment of Council’s financial resilience. November 2023

Appendix B - Audit Committee Action Plan 2022/23

Audit Committee Action Plan 2022/23			
Action	Terms of Reference Outcome	Key Delivery Activities	When
Lessons Learned From Public Interests Reports Workshop Working with Overview & Scrutiny Management Board	Working Effectively Together / Moving Forward Our Joint Working	Meeting with Chairmen and Vice Chairmen of Audit Committee and Overview & Scrutiny Management Board to agree way forward Meeting held 5th October 2022. Further work needed to help determine how this can work in practice – ensuring that these arrangements are effective and has an impact.	Work in progress – next meeting to be arranged January 2023.
Implement a training programme on key aspects of the Audit Committee terms of reference	Audit Committee Effectiveness	Training & Development plan developed.	November 2022

Audit Committee Action Plan 2022/23

Audit Committee Action Plan 2022/23			
		Agreed at Sept 2022 meeting – dates to be scheduled.	
Re-start Lincolnshire Audit Committee Forum	Audit Committee Effectiveness	Set up event	March 2023
Complaints process – oversight and action	Effectiveness of complaints process	<p>Meeting with Chairmen and Vice Chairmen of Audit Committee and Overview & Scrutiny Management Board to agree way forward.</p> <p>Discussed at meeting on the 5th October 2022 – more information needed on current information presented to scrutiny committees.</p>	January 2023