



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

Report to:	Audit Committee
Date:	24 September 2023
Subject:	Annual Governance Statement 2022/23

Summary:

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

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

An effective Annual Governance Statement is an open and honest self-assessment of how well we have delivered and overseen our activities and identifies any areas of significant concern or improvement.

The Audit Committee oversees the development of the Annual Governance Statement and recommends its adoption by the Council. Following approval of the draft Annual Governance Statement in June 2023, a small number of amendments were made to the draft statement. These were:

- Quarter four updates to the performance summary (page 7-10).
- Link to the Monitoring Officer Report 2022/23 (page 21).
- Link to Information Assurance Annual Report 2022/23 (page 24) and
- Link to Head of Audit Annual Report 2022/23 (page 27)

Recommendation(s):

That the Council considers the amendments made to the draft Annual Governance Statement for 2022/2023 and:

1. Agree that is accurately reflects how the Council is run.
2. That the statement includes any significant governance issues or key risks it would have expected to be published.
3. Approves the final statement.

Background

What do we mean by Governance?

Good Governance can mean different things to people; in the public sector it means *"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"*. It is comprised of the systems, processes, culture and values by which the Council is directed and controlled. It also includes accountability, engagement and appropriate leadership to our communities.

What is the Governance Framework?

Our governance framework brings together an underlying set of legislative requirements, governance principles and management processes. It ensures that the Council's business is conducted in a legal and proper way, whilst ensuring that public money is used economically, efficiently and effectively.

Audit Committee Role and Remit

The Audit Committee play a vital role in the Council's governance framework with one of its key responsibilities to review and agree the Annual Governance Statement. In doing this the Committee:

- Confirms that the Annual Governance Statement reflects the Committee's understanding of how the Council is run and that any significant governance issues / risks have been identified / published.
- Constructively challenge the information and evidence being presented.
- Ensures value for money assurance arrangements are reported on and assessed as they feature in the Annual Governance Statement.
- Improves how the Council discharges its responsibilities for public reporting e.g. better targeting at the audience using plain English.

Significant governance issue

In completing a review of the Council's governance and assurance arrangements no significant governance issues were identified.

Continuous Improvement Areas

The assessment has identified areas of continuous improvement over our governance framework to help us move forward. These are outlined in The Council's Assurance Level section and will be monitored through the Council's performance management processes.

Conclusion

Our strong governance arrangements enable us to continue to adapt and provide effective services and also give us the opportunity to do things differently. We are proud of how the Council has continued to adapt and support our communities through the pandemic recovery period and during the challenging economic environment we continue to work within.

The Council remains in a generally sound financial position relative to other councils over the short term. The Council is constantly monitoring its long-term financial position and our medium-term financial strategy includes Medium Term Financial Plan (MTFP) which forecasts our financial position over four years to March 2027.

The Council has a robust assurance framework in place which is informed by the work of senior managers who have responsibility for the development and maintenance of the governance environment. The framework focuses on:

- Assurance of front-line service delivery where each Executive Director undertakes an annual self-assessment using intelligence from the performance framework to enable them to assess the effectiveness of service delivery.
- Oversight of management activity through a range of routine reports from those responsible for the oversight of management activity. This provides assurance on elements of the governance framework and its operation.
- Highlights where independent oversight is available to provide assurance.

Collectively this intelligence has confirmed that our governance arrangements are strong. However, we are not complacent and strive to embed a culture of high challenge, high support where staff, managers and members evaluate and review to enable change and adaption to our challenging environment, which continuing to support our staff.

This statement has been prepared by those with knowledge of the key governance issues facing the Council and conforms to good practice.

Consultation

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. The Annual Governance Statement provide insight and information on the risk culture and control environment.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire County Council Annual Governance Statement 2022/2023

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 Claire Goodenough, who can be contacted on 07557 498932 or via claire.goodenough@lincolnshire.gov.uk.

This page is intentionally left blank