



GA.28 15/16

**Governance & Audit
Committee**

Date: 17th September 2015

Subject: Annual Governance Statement 2014/15 and Action Plan

Report by:	Director of Resources
Contact Officer:	Business Improvement/Corporate Governance Manager
Purpose / Summary:	To present to Members the Annual Governance Statement for 2014/15

RECOMMENDATION(S):

- 1. That Members approve the Annual Governance Statement for 2014/15 and associated Action Plan.**
- 2. That Members sign off the Action Plan for 2013/14 as completed (bar the actions pertaining to the Local Plans Team and Asset Management).**

IMPLICATIONS

Legal: The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011

Financial: FIN 57/16

Staffing: None

Equality and Diversity including Human Rights: None

Risk Assessment: Risk management arrangements are part of corporate governance and issues raised under these arrangements have been included in the Annual Governance Statement

Climate Related Risks and Opportunities: None

Title and Location of any Background Papers used in the preparation of this report:

Internal Audit Annual Report

Accounts and Audit (England) Regulations 2011

CIPFA Delivering Good Governance in Local Government Framework 2012

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

X

1. Background

- 1.1 The Annual Governance Statement is a formal statement under the Accounts and Audit (England) Regulations 2011, which details the Council's governance arrangements and issues for the previous year as an annual report of governance.
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all resources.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, "doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner."
- 1.4 The Council is required to produce an Annual Governance Statement for approval by 30th September 2015 to accompany the Council's Statement of Accounts.
- 1.5 The Annual Governance Statement includes a summary of the governance framework and identifies those areas where further action is required to achieve full assurance.

2 Developing the Annual Governance Statement

- 2.1 Sources of information used to develop the Statement include:
 - The development of the framework itself
 - The Combined Assurance Report 2014/15
 - Internal Audit Annual Report
 - Internal Audit "limited assurance" reports
 - The management of strategic and corporate risks
 - External Audit Annual Audit Letter
 - Complaints and lessons learnt
 - Consultation results
 - Ombudsman investigations
 - Corporate functions assurance statements – Legal, Health & Safety, ICT. Procurement
 - Service Managers – any service or performance issues, including signed assurance that the internal control and governance assurance framework has been upheld, covering:
 - Review of key controls
 - Budget setting and allocation of resources
 - Performance management
 - Risk management
 - Financial and legal implications
 - The position with actions to achieve assurance from the 2013/14 Annual Governance Statement Action Plan

3 The Framework

- 3.1 The Governance Framework follows the six CIPFA principles of good governance and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.
- 3.2 Under each of the principles we have identified improvements that have taken place during the year, activity to support the principle, any significant issues and actions that will be undertaken to address any issues or to develop the principles further.

4. Annual Governance Statement 2014/15

- 4.1 The Statement for 2014/15 is available for review.

5. Issues

- 5.1 Issues that have been identified as requiring attention to ensure good governance and which will be addressed in the coming year are:
 - 1. **Central Lincolnshire Local Plans Team** – to oversee the completion of the Local Plan by end of 2016 and ensure that West Lindsey’s growth needs are considered and addressed
 - 2. **Asset Management** – to produce a relevant and coherent Asset Management Plan and effective supporting processes and structures
 - 3. **Development Management** – to ensure issues relating to capacity, performance and customer care are addressed and sustainable improvements are realised
 - 4. **Review of Risk Strategy** – to ensure it is aligned with new structures within the Council
 - 5. **Review of The Constitution & Streamlining of Decision Making** – to ensure it supports new structures, governance and decision making framework, supports commercial aspirations and identifies and removes unnecessary bureaucracy
 - 6. **Corporate Plan** – new Plan to be produced to reflect changing issues facing the District and the priorities of the new Administration and the concept of the ‘golden thread’ is evident
 - 7. **Delivery of Finance Matters II** – to design and implement a further finance related training programme to develop staff in line with the Council’s commercial and entrepreneurial ambitions
 - 8. **Member Induction and Development** – to ensure an effective democratic framework and appropriate skills on the part of newly elected and returning Members supported by an appropriate development programme
 - 9. **Contract Management** – to ensure we have a functional database upon which to record all contract related information and documentation and that contract management is regarded by relevant officers as an essential component of day to day management duties

6. Annual Governance Statement 2014/15 Action Plan

- 6.1 To address the issues raised at 5.1 above an action plan has been developed containing SMART actions which when completed will realise a satisfactory state of affairs. The action plan is the main vehicle through which Members of the Governance & Audit Committee are provided with updates on progress against the completion of the required actions.
- 6.2 The action plan is attached for review.

7. Annual Governance Statement 2013/14 Action Plan

- 7.1 Progress has been made against the issues identified for inclusion within last years' action plan to such an extent that all actions have been completed, bar those relating to the Local Plans Team which has a timeframe running to December 2016 and Asset Management for which a policy has been drafted and is awaiting review by the newly appointed Strategic Lead prior to submission to Committee. Consequently, as detailed above, these matters will be retained for inclusion in the action plan for 2014/15.
- 7.2 The 2013/14 Action Plan is available for review below.
- 7.3 Members are asked to confirm their satisfaction with the stated position.

Annual Governance Statement 2014/15 Action Plan

Title	Description	Action	Current Position	Date Due	Officer	BRAG	Revised Date
Central Lincolnshire Local Plan Team	To oversee the completion of the Local Plan by end of 2016 and ensure that West Lindsey's growth needs are considered and addressed			31/12/2016	Mark Sturgess		
Asset Management	To produce a relevant and coherent Asset Management Plan and effective supporting processes and structures				Penny Sharp		
Review of Risk Strategy	To ensure it is aligned with new structures within the Council			31/12/2015	Ian Knowles		
Development Management	To ensure issues relating to capacity; performance and customer care are addressed and sustainable improvements are realised				Mark Sturgess		
Review of constitution and streamlining of decision making	To ensure it supports new structures, governance and decision making frameworks; supports commercial aspirations and identifies and removes unnecessary bureaucracy				Alan Robinson		
Corporate Plan	New Plan to be produced to reflect changing issues facing the District and the priorities of the new Administration			31/03/2016	Manjeet Gill		

Delivery of Finance Matters 2	To design and implement a further finance related training programme to further develop staff in line with the Council's commercial and entrepreneurial ambitions	Ian Knowles
Member induction and development	To ensure an effective democratic framework and appropriate skills on the part of newly elected and returning Members	Alan Robinson
Contract Management	To ensure we have a functional database upon which to record all contract related information and documentation and that contract management is regarded by relevant officers as an essential component of day to day management duties	31/03/2016 Ian Knowles

Annual Governance Statement 2013/14 Action Plan

Title	Description	Action	Current Position	Date Due	Officer	BRAG	Revised Date
Local Plans Team	There remains a concern over the progress of the Local Plan to be delivered by the Local Plans Team. The outcomes of the Team are to produce a plan which both meets the wider strategic needs of central Lincolnshire and also ensures that West Lindsey's own development needs are considered and addressed.	<ol style="list-style-type: none"> 1. Strengthen & Embed Governance Arrangements 2. Ensure Effective Programme Management 3. Communicate and Engage Effectively 4. Review Staffing 5. Achieve VfM 6. Satisfy Audit Requirements 	<ol style="list-style-type: none"> 1. Mechanisms in place to realise effective governance Complete March 2014 2. Project Plan in place and task groups assigned work packages. Work on track. As at March 2015 the project milestones are being met and the Local Plan is on track to be adopted by the end of 2015 in line with the project plan. 3. Comms Plan to be developed. Consultation to commence. Regular briefings held with Members and Parish Councils Statement of Community Involvement complete and published on website. Consultation to commence 1 Oct 2014. Ongoing briefings with members in place from Feb 2014. 4. Staffing review completed. New structure started 1 April 14. WLDC support for the local plan has been reviewed & an internal team established 	31/12/2016	Mark Sturgess	Green	

		<p>under a new team leader to ensure that this District Council is fully engaged in the process</p> <p>5. Saving of c£26K realised following staffing review. On-going monitoring of budget and spend. Complete March 2014</p> <p>6. Audit review underway - to be completed by Dec 2014. Interviews with Auditor Sept 2014.</p>					
Asset Management	<p>A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters so that the asset base is understood and its use maximized and there is a coherent approach to asset acquisition and disposal.</p>	<ol style="list-style-type: none"> 1. Asset Management Strategy to be reviewed and Corporate Asset Management Plan to be implemented 2. Service Plan to be completed 3. Performance database to be implemented and KPI's introduced 4. Acquisition and Disposal Policy to be implemented and approved by P&R Committee 5. Operational procedures to be developed to clarify 	<ol style="list-style-type: none"> 1. Acquisition and Disposal Policy drafted and progressing to Committee in November 2014. Acquisition and Disposal Policy been approved by Policy & Resources Committee Nov 2014. 2. Service Plan has been prepared and to be refreshed through Business Planning process by Jan 2015. Business Planning has taken place and asset management reflected in investment proposals Nov 14. 3. A computerised Asset Management database has been acquired and is 	30/09/2014	Penny Sharp	Amber	30/09/2015

		<p>roles and responsibilities and reporting lines</p> <p>6. Procedures implemented to give assurance to management that acquisitions and disposals have systems in place and have been complied with.</p>	<p>currently being populated with all major assets with anticipated completion date of March 2015. All leases now on Technology Forge and sample of deed packets currently being reviewed Dec 14.</p> <p>4. Operational procedures are being developed. Asset Management section on Minerva. Dec 14.</p> <p>5. Standardised business case has been devised for House purchases, with S151 officer sign off. Business cases for other asset schemes have been documented and on Minerva and approved by Commercial Board prior to any formal Member approval requirements.</p> <p>6. Asset management plan has been drafted and will be considered by Commercial Board and is to be reviewed by Strategic Lead prior to submission to Committee.</p>				
Partnership Governance	A recent Internal Audit into this area concluded with a	1. Prepare an ACOP for Partnership Management	1. ACOP for Partnership Management now approved (Complete)	30/10/2014	James O'Shaughnessy	Black	30/01/2015

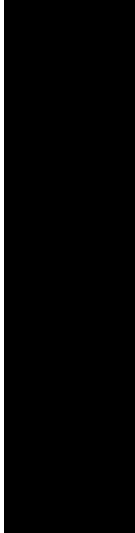
	Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters; particularly in relation to accountability arrangements in respect of partnership working.	<ul style="list-style-type: none"> 2. Create a Partnership Register. 3. Prepare and deliver a training and implementation plan for the Partnership ACOP 4. Monitor uptake and effectiveness 	<ul style="list-style-type: none"> 2, Partnership Register created. (Complete) 3. Training and implementation plan developed. (Complete) 4. Implementation of training. This will commence with workshop with Heads of Service; WLT presentation and workshops held with services to populate partnership register (Complete) 5. Population and review of partnership register (Complete) 				
Senior Management Restructure	To create effective leadership and management and define clear roles and responsibilities.	<ul style="list-style-type: none"> 1. To recruit new Directors by July 2014 2. Management Competencies to be approved. 3. Strategic Heads restructure to be confirmed by January 2015. 4. External Recruitment to any vacancies 	<ul style="list-style-type: none"> 1. Directors recruited and in post – Complete 2. Management competencies devised, approved and implemented – Complete 3. Internal recruitment completed December 2014 – Complete 4. External recruitment commenced – Complete 5. Final interviews arranged for mid-April 2015 – Complete 6. Appointments made - Complete 	31/01/2015	Ian Knowles	Black	30/04/2015

Counter-fraud Arrangements	To ensure that the processes and systems in place are effective in monitoring and managing the risk of fraud.	<p>Policy is refreshed annually including references to new and amended legislation</p> <p>Counter Fraud Action Plan reviewed annually</p> <p>Whistle Blowing Policy to be reviewed</p> <p>Report on Fraud activity to Governance and Audit</p> <p>Publicity for anti-fraud activity to be carried out</p> <p>The council decides on its approach to Corporate Fraud following the implementation of the Single Fraud Investigation Service</p> <p>Carry out National Fraud Initiative work</p>	<p>Policy has been updated and refreshed. Complete.</p> <p>The Counter Fraud Action Plan was reviewed for 2014. Complete.</p> <p>The Whistle Blowing Policy has been reviewed. Complete.</p> <p>Report on fraud taken to Governance and Audit Committee - July 2014. Complete.</p> <p>Leaflets to be circulated to all staff and members - December 2014. Complete.</p> <p>Approach to Single Fraud Investigate Service (SFIS) to be agreed September 2014. Complete</p> <p>National Fraud Initiative work has not yet started - Preparations and resource have been retained to carry out this and other corporate fraud work. Complete.</p>	28/02/2015	Alan Robinson	Black	
Development of Data Quality Policy	The intention is for high-quality data to be an integral part of the Council's operational, performance management and	<ol style="list-style-type: none"> 1. Draft a Data Quality Policy 2. Develop and deliver a training and 	<ol style="list-style-type: none"> 1. Draft Data Quality Policy produced and prepared for CLT review on 22nd Jan 2015; JSCC and P&R Committees for adoption. 2. WLT presentation booked 	31/01/2015	James O'Shaughnessy	Black	

	governance arrangements so that it drives service improvement and informs policy.	implementation plan to support the policy	for 11/02/15 - concept of data owners to be one of the foci. 3. Communications, training and implementation processes prepared in readiness and will form part of WLT presentation. 4. Process of data quality audits produced. 5. Data Quality Policy adopted				
Political Governance & Effectiveness of Committees	To ensure that Committees are working to their optimum and are in line with their terms of reference and decision making is streamlined where appropriate.	Review Constitution to include effectiveness of Committees Carry out effectiveness reviews of Committees Review the constitution to reflect the findings	Constitution reviewed at July Council – Complete Governance and Audit Committee reviewed as part of the review of internal audit. Remaining committees to be scheduled for completion by January 2015. Review of Constitution for May 2015 Revised date for completion now that Annual Council date has been agreed. Constitution is signed of at Annual Council. Constitution reviewed and adopted at Council May 2015. (Complete)	01/05/2015	Alan Robinson	Black	01/06/2015

National Non-Domestic Rates & Growth	<p>A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters and ensure that desired outcomes are clearly defined and success can be quantified and measured.</p>	<p>Ensure that the project follows governance requirements for projects</p> <p>Establish monitoring arrangements for NNDR income</p> <p>Targets for field officers to find additional value</p> <p>Awareness training for all relevant staff</p>	<p>Highlight reports are now considered regularly by the project team. Complete</p> <p>Arrangements are in place for progress to be monitored at NNDR project team.</p> <p>Complete</p> <p>Targets agreed with staff through the appraisal process. Complete</p> <p>Awareness training has been carried out for Regeneration staff. Training to be carried out in September for Core Leadership Team. Complete.</p>	28/09/2014 Alan Robinson	Black
Progress and Delivery of Corporate Plan	<p>To ensure that an effective process is in place to monitor systematically the delivery of the corporate plan and service performance against a range of indicators using a balanced scorecard. That this process is used to drive service improvement and report project and service performance to councillors on a regular and by "exception"</p>	<ol style="list-style-type: none"> 1. The refreshed version of the Corporate Plan has had the full input of the teams in identifying SMART actions to deliver its objectives. 2. The refreshed plan has been proof read 3. The priorities and projects set out in the plan are on the Minerva system. The Minerva system is being used to monitor the delivery of the 	<ol style="list-style-type: none"> 1. New balanced scorecards have been agreed with the Heads of Service (end March 2014) and monitoring against these new balanced scorecards began in April 2014 with the results being reported to CMT. 2. Heads of Service are using the information to develop and improve their services. Minerva is now being utilised to collect and analyse the data. 3. The service and project performance has now been reported to councillors in 	18/03/2015 Mark Sturgess	Black

	<p>basis. That councillors have access to all service and project performance information through the member's extra-net (on a read only basis) so they are able to challenge all areas of service performance.</p>	<p>plan and service performance. 4. The progress and delivery reports have been reviewed through a Member group. It has been decided that the progress and delivery report will be split into two: progress and delivery of projects that delivery the corporate plan and service progress and delivery. Whilst information will be collected to for the two reports it will only be reported to the councillors on an exception basis. 5. New SMART measures will be developed in collaboration with the Heads of Service.</p>	<p>accordance with the adopted procedure through two cycles. 4. A review of this year's (2014/15) measures has been undertaken with councillors and officers 5. Revised balanced scorecards will be used for next year (2015/16) following this review. 6. All performance data is on track to be on the councillors extra net by the end of the financial year/first reporting period next year. 7. Feedback from councillors on the new approach has been positive.</p>			
Project Management	<p>To ensure that an effective methodology is embedded and adopted across the Council and that both its use and</p>	<p>1. ACOP to be prepared 2. Project Management Review</p>	<p>1. Final ACOP agreed by CLT on the 19th November. Template proposals have been included. 2. WLT presentation delivered</p>	01/02/2015	Ian Knowles	Black

<p>effectiveness are reviewed.</p>	<p>as per audit action plan</p> <p>3. Improvement Plan to be developed from the review findings</p>	<p>on 3rd December.</p> <p>3. WLT/project lead workshops held in Feb 2015 (over 50 attendees).</p> <p>4. Board structures in place with programme support to ensure methodology is used and the status of projects/programmes is correctly stated and progress is tracked.</p> <p>5. Corporate ownership of process vested in Boards/BICG Team and programme managers.</p>	
------------------------------------	---	--	---

Annual Governance Statement 2013/14 Action Plan

Title	Description	Action	Current Position	Date Due	Officer	BRAG	Revised Date
Local Plans Team	There remains a concern over the progress of the Local Plan to be delivered by the Local Plans Team. The outcomes of the Team are to produce a plan which both meets the wider strategic needs of central Lincolnshire and also ensures that West Lindsey's own development needs are considered and addressed.	<ol style="list-style-type: none"> 1. Strengthen & Embed Governance Arrangements 2. Ensure Effective Programme Management 3. Communicate and Engage Effectively 4. Review Staffing 5. Achieve VfM 6. Satisfy Audit Requirements 	<ol style="list-style-type: none"> 1. Mechanisms in place to realise effective governance Complete March 2014 2. Project Plan in place and task groups assigned work packages. Work on track. As at March 15 the project milestones are being met and the Local Plan is on track to be adopted by the end of 2016 in line with the project plan. 3. Comms Plan to be developed. Regular briefings held with Members and Parish Councils Statement of Community Involvement complete and published on website. Consultation to commence 1 Oct 2014. Ongoing briefings with members in place from Feb 2014. 4. Staffing review completed. New structure started 1 April 14. WLDC support for the local plan has been reviewed & an internal team established under a new team leader to ensure 	31/12/2016	Mark Sturgess	Green	

	<p>that this District Council is fully engaged in the process</p> <p>5. Saving of c£26K realised following staffing review. On-going monitoring of budget and spend. Complete March 2014</p> <p>6. Audit review underway - to be completed by Dec 2014. Interviews with Auditor Sept 2014.</p>				
<p>Asset Management</p>	<p>A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters so that the asset base is understood and its use maximized and there is a coherent approach to asset acquisition and disposal.</p>	<ol style="list-style-type: none"> 1. Asset Management Strategy to be reviewed and Corporate Asset Management Plan to be implemented 2. Service Plan to be completed 3. Performance database to be implemented and KPI's introduced 4. Acquisition and Disposal Policy to be implemented and approved by P&R Committee 5. Operational procedures to be developed to clarify roles and 	<ol style="list-style-type: none"> 1. Acquisition and Disposal Policy drafted and progressing to Committee in November 2014. Acquisition and Disposal Policy been approved by P&R Committee Nov 14 2. Service Plan has been prepared and to be refreshed through Business Planning process by Jan 2015. Business Planning has taken place and asset management reflected in investment proposals 3. A computerised Asset Management database has been acquired and has been populated with all major assets. All leases now on Technology Forge and sample of deed packets <p>30/09/2014 Penny Sharp</p>	<p>Green</p>	<p>30/09/2015</p>

		responsibilities and reporting lines	currently being reviewed			
		6. Procedures implemented to give assurance to management that acquisitions and disposals have systems in place and have been complied with.	4. Operational procedures developed. Asset Management section on Minerva. Dec 14. 5. Standardised business case devised for House purchases, with S151 officer sign off. Business cases for other asset schemes have been documented and on Minerva and approved by Commercial Board prior to any formal Member approval requirements. 6. Asset management plan has been drafted and considered by Commercial Board. Is to be reviewed by Strategic Lead prior to submission to Committee.			
Partnership Governance	To address accountability arrangements in respect of partnership working.	Complete	30/10/2014	James O'Shaughnessy	Black	30/01/2015
Senior Management Restructure	To create effective leadership and management and define clear roles and responsibilities.	Complete	31/01/2015	Ian Knowles	Black	30/04/2015
Counter-fraud Arrangements	To ensure that the processes and systems	Complete	28/02/2015	Alan Robinson	Black	

	in place are effective in monitoring and managing the risk of fraud.					
Development of Data Quality Policy	Produce a Data Quality Policy	Complete	31/01/2015	James O'Shaughnessy	Black	
Political Governance & Effectiveness of Committees	To ensure that Committees are working to their optimum and are in line with their terms of reference and decision making is streamlined where appropriate.	Complete	01/05/2015	Alan Robinson	Black	01/06/2015
National Non-Domestic Rates & Growth	To establish desired outcomes and quantifiable success measures	Complete	28/09/2014	Alan Robinson	Black	
Progress and Delivery of Corporate Plan	To ensure robust appropriate measures are in place linked to Corporate Plan priorities	Complete	18/03/2015	Mark Sturgess	Black	
Project Management	To ensure that an effective methodology is embedded and adopted across the Council and that both its use and effectiveness are reviewed.	Complete	01/02/2015	Ian Knowles	Black	

WEST LINDSEY DISTRICT COUNCIL

Annual Governance Statement 2014/15

Annual Governance Statement 2014/15

SCOPE OF RESPONSIBILITY

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

In discharging this overall responsibility, West Lindsey District Council has put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

West Lindsey District Council has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the authority's framework is on our website contained within the [Codes and Protocols](#) section of The Constitution.

This Annual Governance Statement explains how West Lindsey District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulations 4(3) and 4(4), which requires all relevant bodies to prepare and publish an annual governance statement.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services that are value for money. The framework has been reviewed during the year and is deemed to be relevant and robust.

The system of internal control is an important part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of West Lindsey District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at West Lindsey District Council for the year ended 31 March 2015 and up to the date of approval of the statement of accounts at a meeting of the Governance and Audit Committee on 17th September 2015.

THE GOVERNANCE FRAMEWORK AND REVIEW OF EFFECTIVENESS

The Governance Framework is presented in detail at Appendix One with commentary about improvements made during the year and improvements still required.

Some of the key features of the Governance Framework are set out below.

The Corporate Plan sets out the Council's vision for the District to be "A place where people want to work, live, invest and visit" and sets out the key strategic objectives which will deliver these outcomes for our communities. The Corporate Plan is explicitly aligned to the budget, ensuring that the aspirations in the Plan are realistic in the context of the funding constraints placed on the Council. The Corporate Plan is reviewed annually and takes into account feedback from surveys conducted with the citizens of West Lindsey.

The Constitution of West Lindsey District Council establishes the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements. The Constitution is reviewed annually to ensure it continues to be fit for purpose.

The Constitution also contains rules of procedures (standing orders and financial regulations) that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of the Paid Service, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by the post-holders' membership of the Corporate Leadership Team.

West Lindsey District Council has developed, communicated and embedded codes of conduct, defining the standards of behaviour for both Members and staff. In addition, training needs are identified through development appraisals and reviews, enabling individuals to undertake their present role effectively and have the opportunity to develop to meet their own and the Council's needs.

West Lindsey District Council has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. The review is informed by:

- 1. The Combined Assurance Report – made up from:**
 - a) Feedback from senior managers within the Authority who have responsibility for the development and maintenance of the

- governance environment on its effectiveness within their areas
 - b) An independent review by the Corporate Governance Team
 - c) The findings of the Annual Audit Work Plan
 - d) Third Party assessment e.g. peer review
- 2. The Annual Review of Complaints**
 - 3. The Annual Review of The Constitution**
 - 4. The Annual Review of the Effectiveness of Internal Audit**
 - 5. The Annual Review of Whistleblowing**
 - 6. The Annual Review of Fraud**
 - 7. The Head of Internal Audit's Annual Report**
 - 8. Comments made by the external auditors and other review agencies and inspectorates**

These reviews have been considered by the Governance and Audit Committee as well as a draft version of this governance statement and the arrangements are deemed as being fit for purpose.

The areas already addressed and those to be specifically addressed via an action plan to be developed in the coming year are outlined below.

SIGNIFICANT GOVERNANCE ISSUES

Over the last year the Council has consolidated its progress made over the previous year in further strengthening its corporate governance arrangements and procedures and to consistently communicate the message across the organisation that governance is an essential component of corporate activity. To enhance capacity and capability across the Council a senior management restructure, leading to the appointment of Strategic Leads is nearing completion, with the recruitment process underway to appoint a further three to complement the one officer already in post. An additional two vacancies exist, however further consideration is being made to the on-going requirement of these two posts.

We have also reviewed and refreshed our processes in relation to project management and partnership arrangements to provide clear guidance and support and have undertaken a number of workshops with staff to ensure that procedures are fully understood. Significant work has also been undertaken to design appropriate Programme Board structures to provide appropriate support and scrutiny in relation to project development and delivery.

Considerable attention has been paid to asset management. A Commercial Strategy and Land and Property Investment Strategy have been approved; while the Asset Management Plan is in draft form. In addition work has been undertaken to improve management information systems with the recording on a new database all of the Council's land and property assets. This will facilitate the reporting of key performance data and inform future asset management plans and the Medium Term Financial Strategy.

Training for staff and Members has also taken place as have workshop sessions and regular feedback to Members and Core Leadership Team (CLT) on governance related matters. We have also continued to develop Approved Codes of Practice

(ACoPs) where deemed relevant, to provide clarity and ensure accountability for the consistent application of relevant processes and procedures.

A refresh of measures to be incorporated into the Council's Progress and Delivery reporting has been undertaken to ensure that we report against meaningful aspects of service delivery. The reporting of projects and programmes within the said reports is now consistent.

During 2014/15 West Lindsey District Council has also regularly reviewed progress against the significant issues identified in the previous year's AGS (2013/14). Issues that have been sufficiently progressed and so are now removed from the AGS (2013/14) action plan are:

- o **Partnership Governance** – workshop held with Wider Leadership Team and partnership register created and populated. ACoP produced for guidance and sessions held with individual service areas. On-going review and assurance that partnership work is effectively addressed to be provided via SLT.
- o **Senior Management Restructure** – four Strategic Leads appointed. Induction process in place and work objectives developed.
- o **Counter-fraud arrangements** – counter-fraud policy updated and awareness information issued to staff. Local fraud expertise retained within the Council rather than being transferred to Single Fraud Investigation Service and work plan in development in conjunction with the Lincolnshire Counter Fraud Partnership.
- o **Development of a Data Quality Policy** – policy produced and adopted and on-going effectiveness to be reviewed by the Corporate Information Governance Group.
- o **Political Governance and Effectiveness of Committees** – reviews of the effectiveness of Committees conducted and The Constitution redrafted to place emphasis on the importance of maintaining Committee effectiveness. Effectiveness reviews of the committees will become part of the annual review of the constitution and this will be used to inform the Member Development plan on an annual basis.
- o **National Non-Domestic Rates & Growth** – monitoring arrangements in place for tracking NNDR incomes and awareness raised across the Council. Ongoing reporting arrangements through the Growth Board will ensure that the awareness and performance is maintained.
- o **Progress & Delivery of the Corporate Plan** – measures refreshed and reporting of project development now consistent. Reports provided by COO for CLT and Members on a quarterly basis.
- o **Project Management** – methodology updated and project office created. Workshops held for staff and Programme Boards with Programme Manager support created to oversee project development and delivery and the consistent use of the approved methodology.

N.B. The action relating to the Central Lincolnshire Local Plans Team has a timescale for completion running to the end of 2016 and will therefore be carried forward into the Action Plan for 2014/15 as detailed below. The action pertaining to Asset Management is rolled forward to enable the draft Asset Management Plan to be reviewed by the newly appointed Strategic Lead prior to submission to Committee.

SIGNIFICANT CURRENT ISSUES TO BE A FOCUS IN 2015/16.

For 2015/16, the Council will pay attention to a number of issues as described below and will continue to stress the message across the organisation that governance is a core component of corporate activity. Hence all officers are required to play a part in ensuring that our processes and systems are robust and adhered to. On-going 'testing' of our processes will be undertaken and we will continue to work in a collaborative manner with internal and external audit.

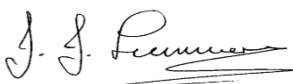
Those issues that have been identified as requiring particular attention during 2015/16 are reproduced below. These were identified by CLT; via reference to Internal Audit opinion and through the work undertaken to complete the Council's Combined Assurance Report for 2014/15. Progress will be made in 2015/16, monitored and driven forward by CLT and the Governance and Audit Committee in conjunction with the Challenge and Improvement Committee.

The significant issues identified are:

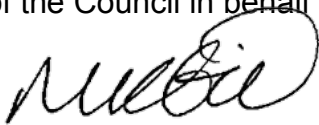
1. **Central Lincolnshire Local Plans Team** – to oversee the completion of the Local Plan by end of 2016 and ensure that West Lindsey's growth needs are considered and addressed
2. **Asset Management** – to produce a relevant and coherent Asset Management Plan and effective supporting processes and structures
3. **Review of Risk Strategy** – to ensure it is aligned with new structures within the Council
4. **Development Management** – to ensure issues relating to capacity; performance and customer care are addressed and sustainable improvements are realised
5. **Review of The Constitution & Streamlining of Decision Making** – to ensure it supports new structures, governance and decision making frameworks; supports commercial aspirations and identifies and removes unnecessary bureaucracy
6. **Corporate Plan** – new Plan to be produced to reflect changing issues facing the District and the priorities of the new Administration and the concept of the 'golden thread' is evident
7. **Delivery of Finance Matters II** – to design and implement a further finance related training programme to further develop staff in line with the Council's commercial and entrepreneurial ambitions
8. **Member Induction and Development** – to ensure an effective democratic framework and appropriate skills on the part of newly elected and returning Members supported by an appropriate development programme
9. **Contract Management** – to ensure we have a functional database upon which to record all contract related information and documentation and that contract management is regarded by relevant officers as an essential component of day to day management duties

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

next annual review. There have been no significant events or developments relating to the governance system between the year-end and the date on which the Statement of Accounts were signed by the responsible financial officer.

Signed  Date _____

Leader of the Council in behalf of West Lindsey District Council

Signed  Date _____

Chief Executive on behalf of West Lindsey District Council

APPENDIX 1 - THE GOVERNANCE FRAMEWORK & REVIEW OF EFFECTIVENESS

1. The Council's Vision

Objective: Developing, communicating, operationalising and reviewing the Council's vision.

This section incorporates information relating to:

- identifying and communicating the Council's vision
- reviewing the Council's vision and its implications for the Council's governance arrangements
- translating the vision into objectives for the Council and its partnerships

To help identify priorities the Council analyses information from external sources, internal statistics, engagement events; working with partners and horizon scanning reports.

Priorities are tested further through public consultation with both the Citizen's Panel (an established representative group of up to 1500 local residents) and residents more generally. This is supplemented by engagement with a range of businesses and third sector organisations and Member workshops, which build on the identified community priorities.

The Council commenced a fundamental review of the Corporate Plan in 2011/12 and reviews the plan regularly. The third review was approved at Full Council on 27th January 2014 and the Plan was 'launched' during the summer of 2014. The overall vision has been reviewed and strategic priorities developed. The vision is:

"West Lindsey to be seen as a place where people want to live, work, invest & visit."

The strategic themes agreed to be delivered through to March 2018 are:

- Theme 1: A prosperous and enterprising District
- Theme 2: An accessible and connected District
- Theme 3: A green District where people want to live, work and visit.
- Theme 4: Active and, healthy citizens and communities
- Theme 5: Organisational Transformation

However, in light of ever changing circumstances and the elections in May 2015, the Council has determined that it is appropriate to refresh the Corporate Plan in the autumn of 2015 and produce a Plan which will be explicitly linked to the Medium Term Financial Strategy through to 2020.

The Council publishes its [Corporate Plan](#) on its website in accordance with requirements for transparency and making information available for local people.

The Council's Corporate Plan is delivered through a number of Programme Boards which have clear terms of reference outlining responsibilities for delivery. Each programme board delivery plan is further translated into business and service plans, team plans and personal actions (through the appraisal process), which contain specific key objectives, desired outcomes, responsibilities and targets. This ensures that the necessary resources, both staff and financial, are allocated to deliver the service plans and informs the Medium Term Financial Plan.

The Council continues to operate in a challenging short and medium term financial environment. This challenge is not new to the Council and it has, since 2008, undergone a significant review of its services to realise substantial savings. However, for the year ending 31st March 2015 the authority continued to operate within a challenging financial environment as a consequence of further cuts in government funding and local economic conditions (see [West Lindsey District Council Budget Book 2015/16 to 2019/20](#) for details).

Within this context the priorities for the Financial Strategy are to maximise available resources through effective and efficient delivery of services and identify and drive innovative and commercial approaches to service delivery, resourcing and the use of our land and property assets. This remains important so as to achieve financial sustainability. The positive action taken by the Council to date means that it is relatively well placed to respond to these challenges. There are however uncertain times ahead (despite indicators of economic recovery) and it is essential that the Council continues to take proactive and sustained action as without this the Council's financial position will not be sustainable in the longer term.

Budgets are controlled and monitored by Budget Managers who are supported by regular liaison meetings with the Council's accountants. Budget and performance monitoring is reported to Members and CLT in the form of regular Budget Monitoring and Progress and Delivery Reports.

A robust process of monitoring and the taking of responsible actions in managing its budget ensures the Council remains in a good position to achieve the additional savings/income targets of approximately £3m in three years in a considered manner.

To ensure that staff possess the necessary financial knowledge and skills, the

Council intends to deliver a further programme of finance related training under the banner 'Finance Matters II'. This is intended to complement the previous training (Finance Matters) delivered to staff two years ago.

2. Measuring the Quality of Services

Objective: Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources and value for money

Performance Management & Value for Money

During the year, the Council has monitored the effectiveness of the Progress and Delivery report in monitoring and reporting on performance, with the Challenge and Improvement Committee retaining oversight. A sub-group of the Committee has met once again to discuss the need for a refresh of measures for 2015/16 and a process has been followed to update the measures included in Progress and Delivery reporting. The changes implemented to the reports in the previous year have been consolidated and the quality of the report has improved. The Chief Operating Officer (COO) is responsible for performance management and provides:

1. Monthly reports to the CLT
2. Progress and Delivery reports to the policy committees and the scrutiny committee
3. Assurance that the reports provide quality and contextual data for Members

Individual performance is discussed via the appraisal system for employees, which continues to be monitored to ensure that it is applied consistently.

The Council has adhered to the transparency agenda by publishing spend over £250 on the Council's web site on a monthly basis and continues to meet the legal requirements to publish equality objectives which are included in the Corporate Plan.

Commissioning Partnerships

To achieve value for money and the best use of resources, the Council has adopted a positive approach to partnership working and has retained a number of shared working arrangements, mainly with North Kesteven District Council. Other key partnerships include Lincolnshire Legal Services, Procurement Lincolnshire and the creation of a formal statutory body to consider planning policy across Central Lincolnshire. Additionally, key contractual partnerships incorporating performance management aspects are in place for a range of services.

To ensure that the Council considers the appropriateness of partnership working prior to entering into arrangements, an ACoP has been produced to offer guidance and workshops have been held with staff to discuss the topic. It is essential that officers involved in partnership working consider value for money by assessing the on-going importance of any partnership and its effectiveness in meeting intended outcomes. Additionally a partnership register has been created within which partnerships are registered and supporting documentation can be held. This provides visibility across the Council of the partnerships in place at any one time.

Contract Management

An internal audit report into the Council's contract management procedures during the year produced a finding of 'major improvement required.' The audit recognised the good work that had been undertaken during the year such as the production of an ACoP for guidance, workshops held with staff and the Senior Leadership Team (SLT) and the implementation of a contract management database to provide a single point of storage to enable the production of management information which will be used to assess the quality of service delivered and the value for money aspects of our contracts. It will also support effective decision making in relation to renewals and/or terminations. However, the functionality of the database has yet to be fully established. Additionally, work is still required to ensure that contract management becomes a core competence among relevant staff. A robust action plan is in place to address the identified issues and progress will be regularly monitored by SLT.

Development Management

The service has experienced a number of issues during the year, in particular staff shortages, managerial vacancies and a high volume of more complex planning applications (leading to the receipt of much higher planning fees than expected). While measures have been put in place to address capacity issues, the service has not met the standards expected in terms of performance and customer care. Interim capacity is in place and an action plan has been implemented to address the issues that have arisen, which the Chief Operating Officer is overseeing. Regular progress reports are also provided for the Transformation Board. Additionally an audit of the action plan to ensure it is relevant and robust has been commissioned with a follow-up audit also planned to review progress against the recommendations contained within the first audit. The Council is determined to rectify the position and ensure that a professional, high performing service is provided for customers.

Customer Feedback

The Council recognises the important role that customer feedback plays in assessing the quality and range of the services delivered. Public consultation plays an integral role in informing budget proposals. Customer satisfaction is an integral component of the Council's performance measurement metrics and an annual review of complaints is reported to CLT, wider management and Members via a report to the Governance & Audit and the Challenge and Improvement Committees detailing the type and volumes of complaints and comparative analysis with previous years. Contextual information is also provided. The [report](#) is published on the Council's web site.

In addition a pro-active stance is taken across a number of services in the form of customer satisfaction surveys. The consistent application of this across the Council is a key aim in support of effective performance management.

3. Roles, Responsibilities and Delegations

Objective: Defining and documenting the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority

and partnerships arrangements

The Council has an overview and scrutiny function and there is a clear split between Policy and Scrutiny. Overview and Scrutiny contributes to the decision making process.

The Council's policy and decision-making process is defined in detail in The Constitution but can be summarised as follows:

- a) The Budget and Policy Framework is decided by Council, and has significant links to the Corporate Plan
- b) Most day-to-day decisions are made by one of the two policy committees who have delegated authority by Council to deliver approved policy
- c) The Policy and Resources Committee formulates policy, plans and strategies which do not form part of the Council's Policy Framework. They are responsible for the effective use of all council resources whether land finances, property or personnel
- d) The Prosperous Communities Committee deals with economic development, leisure and cultural, environmental issues and community issues. They formulate policy, plans and strategies other than those identified for adoption by the Council or the Policy and Resources Committee
- e) The scrutiny function is provided by the Challenge and Improvement Committee which examines the activity of the policy committees to ensure they deliver Council policy and can call the policy committees to account for aspects of poor performance in areas under their jurisdiction
- f) The Challenge and Improvement Committee works to an individual work programme of matters to be considered for the year ahead and there is a monitoring role for the Committee to ensure delivery of the programme. Additionally the Committee invites and raises questions and discussion with strategic partners responsible for service delivery across the District
- g) The Challenge and Improvement Committee can also establish time limited groups to carry out in depth reviews
- h) Quasi-judicial matters such as Planning and Licensing are dealt with through separate Planning and Licensing Committees

The scheme of delegated and reserved powers is set out within The Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation.

The Annual Council meeting each year considers a report from the Monitoring Officer which reviews The Constitution to ensure it remains robust and effective. This allows for appropriate amendments to be made.

There are protocols for effective communication which include:

- a) Member/Officer Relations Protocol
- b) Leaders Panel regularly meet with designated officers and Chief Officers
- c) Group Leaders meetings with Key Officers
- d) Chair's Briefs
- e) There is a Members Forum

- f) 'Call-in' protocol which enables a decision of the Policy Committees to be questioned by Scrutiny before it is finally approved

The Chief Executive and Leader have established a communication process and they have mechanisms in place to manage the delivery of objectives.

4. Standards of Behaviour

Objective: Developing, communicating and embedding codes of conduct, defining the standards of behavior for Members and staff

It is vital that there is a constructive working relationship between elected Members and Officers and that the respective roles are carried out to a high standard.

The Council's leadership is responsible for setting a tone for the organisation and it is tasked with creating a climate of openness, support and respect. A new set of organisational behaviours and core values are in place and have been communicated. Lead Member positions also have clear role descriptions set out within The Constitution and these make reference to the behaviours expected when undertaking their duties.

Standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols.

This includes:

- a. Members and Co-opted Members Code of Conduct
- b. Guidance when dealing with Planning Matters
- c. Protocol on Member/Officer Relations (Operational Conventions protocol)
- d. Officer Code of Conduct
- e. Whistle Blowing Policy
- f. Complaints Procedure
- g. Anti-Fraud and Corruption Policy
- h. Local Code of Corporate Governance

The Council has in place Members' related codes of conduct and a Local Code of Corporate Governance. Both are deemed fit for purpose at present, but a further review is planned for 2015/16. It has approved and developed the Standards Sub-Committee which has taken over from the Standards Committee and reports of its work are taken through to the Governance and Audit Committee or Full Council (if deemed appropriate). This sub-committee plays a significant role in promoting and maintaining high standards of conduct between elected and co-opted Members and hearing complaints where standards of behaviour fall short of what is expected. In particular the role of the Committee is:

- a) promoting and maintaining high standards of conduct by councillors and co-opted Members
- b) assisting the councillors and co-opted Members to observe the Members' Code of Conduct

- c) advising the Council on the adoption or revision of the Members' Code of Conduct
- d) monitoring the operation of the Members' Code of Conduct
- e) advising, training or arranging to train councillors and co-opted Members on matters relating to the Members' Code of Conduct
- f) granting dispensations to councillors and co-opted Members from requirements relating to interests set out in the Members' Code of Conduct
- g) to hear complaints locally regarding alleged breaches of the Code
- h) exercising such other functions as the Council considers appropriate; and
- i) the exercise of (a) to (g) above in relation to the town/parish councils/meetings and their Members in the Council's area

The Code of Conduct and the Standards regime form part of the Members' induction arrangements and all Members (new and returning) are required to sign the Code of Conduct and provide a new register of interest return.

There is a Code of Conduct for employees and there is also an induction process in place which includes conduct matters.

There is an appraisal process in place for both Members and Officers which allows a development plan to be put in place.

The Council has an [Anti-fraud and anti-corruption policy](#) and also a [whistle blowing policy](#) in place. These are reviewed and approved on a regular basis. Annual reports on [fraud investigations](#) and [whistle blowing incidents](#) are presented to Members and are made available for review via the Council's web site.

There are registers of gifts and hospitality, interests, and secondary employment. During the year (and especially around Christmas and holiday periods) Members and staff are reminded of the procedure for registering gifts and hospitality and more senior staff are regularly reminded of the need to do this. Procedures for dealing with conflict of interest are in place. Arrangements are in place to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

Rules and procedures are set out in The Constitution including Members' Code of Conduct, Operation of the Standards Sub-Committee, Procedure Rules for Committees, Financial and Contract Procedure Rules and Scheme of Delegation.

The Monitoring Officer and Chief Finance Officer also have clear supporting roles.

Awareness of probity issues amongst managers is raised through regular reminders that are sent out to all staff.

The Council has an investigation and disciplinary process for conduct issues and action is taken against employees where conduct falls below that expected. At a Chief Officer level this function is undertaken by elected Members and there are clear rules of procedure defined in The Constitution.

5. The decision making framework

Objective: Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The scheme of delegated and reserved powers is set out within The Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation. Attention is paid to ensure that arrangements reflect current structures and roles and support appropriate good decision making.

A Scrutiny Committee (Challenge & Improvement) is in place and has clear terms of reference. Their operation is covered in The Constitution.

The Council has a robust reporting process in place. There is a committee timetable and Democratic Services identify agendas with the services. The committee report template requires report authors to seek professional comment on proposals from finance and legal colleagues. It also prompts officers, where appropriate, to detail at least three options for consideration with a recommended option highlighted and to also consider legal, staffing and equalities matters and to assess risk.

The meetings of the Council have appropriate agendas, reports and minutes which demonstrate data quality.

The Council uses training, workshops, ACoPs and manuals to help staff operate systems.

The Council has clear policy and guidance on managing risk and Members receive risk management training.

Four delivery boards are in place to manage the delivery of the Corporate Plan:

- **Entrepreneurial Board** – which focuses on the delivery of specific programmes of an entrepreneurial nature and oversees the work of the other three boards
- **Commercial Board** – responsible for the Council's commercial aspirations
- **Growth Board** – which leads on the Growth agenda
- **Transformation Board** – which oversees the core governance processes required to support the Council in its business and programmes/projects which display transformational characteristics.

Each board is sponsored by a member of the CLT and has specific terms of reference.

Data quality contributes to the achievement of and underpins, the Council's priorities. The Council is committed to high standards of data quality and must take care to ensure that the data and information used throughout the organisation and particularly in relation to performance management is fit for purpose.

Last year the Council recognised the need to ensure a consistent approach to data quality and has therefore produced and communicated via workshops and meetings a [Data Quality Policy](#). In addition agreement has been reached with Internal Audit for them to explicitly assess data quality (where relevant) as part of their audit work.

6. Risk Management

Objective: Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

The Council has in place a [Risk Management Strategy](#). However it is recognised that due to changes in the Council's structure and reporting arrangements a review is required which will be undertaken during 2015/16. An ACoP supports the current strategy to outline operational procedures and roles and responsibilities.

During 2014/15, an audit was undertaken in relation to the Council's risk management arrangements and a 'substantial assurance' rating was achieved. This was welcomed and represents the progress made over recent times.

All risks are maintained on a central system which enables risk owners to raise risks for ownership by the SLT by flagging it as a Corporate Risk.

The Corporate Risk Register identifies significant risks relating to the delivery of council operations. The register is reviewed monthly by the COO and SLT to gain assurance that corporate risks are being managed.

The Strategic Risk register identifies risks to the delivery of the outcomes in the Corporate Plan. The register is also reviewed monthly by the CLT and quarterly by the Leaders Panel and the Governance and Audit Committee.

The Governance and Audit Committee have a responsibility as part of their terms of reference for approving the Risk Strategy and maintain an overview of risks. The committee has appointed a Member Risk Champion who has clear terms of reference. During the course of the year the Committee received training on the management of risks which was delivered by Internal Audit.

7. Counter-fraud and anti-corruption

Objective: Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

The Council has an [Anti-Fraud, Corruption and Money Laundering Strategy](#) which stresses a zero tolerance approach and is part of a suite of policies covering:

- Whistleblowing Policy
- Disciplinary Policy
- Covert Surveillance Policy
- Codes of Conduct for Members and Officers
- Risk Management Policy and Strategy
- Gifts and Hospitality

- Standing Orders

The policy applies to:

- All West Lindsey District Council Employees.
- Councillors and Independent Members
- Staff and members of Council funded voluntary organisations
- Partners
- Suppliers, contractors and consultants
- Residents

Members of staff, partners and contractors have all been reminded of the policy and how to raise any concerns, or report suspected fraud or corruption, through a series of leaflets and posters and a 'Fighting Fraud' leaflet is distributed annually to all staff. An anti-fraud presentation forms part of the corporate induction process.

The Governance and Audit Committee receive a yearly report on anti-fraud and corruption arrangements and action that has been taken to investigate and prosecute cases.

A commitment was made in last year's AGS to ensure that counter-fraud processes and systems were in place to monitor and manage the risk of fraud. To that extent the Council has retained an internal fraud capability by choosing not to transfer fraud investigation staff to the Single Fraud Investigation Service hosted by the Department for Work and Pensions. A programme of work is in development and following a successful bid for DCLG funding, proposals are being discussed with Lincolnshire County Council to progress initiatives concerned with the investigation of non-benefit related fraud.

The Council also takes part in the National Fraud Initiative (NFI); a bi-annual exercise that matches electronic data within and between public sector bodies to prevent and detect fraud.

8. Management of Change

Objective: Ensuring effective management of change and transformation

The Council has reviewed the recommendations contained within the In-Depth Service Reviews which were conducted previously and has complemented these with further proposals generated via workshops held with staff. Work is now required to design meaningful programmes of work (under the title 'Vision 20/20') based on the recommendations and proposals, which will enable the Council fulfil its entrepreneurial and commercial aspirations and meet the financial challenges we face over the coming years.

Governance arrangements are in place to ensure change is effectively managed in the form of Board scrutiny, effective project management and Progress and Delivery reporting against projects and programme development. Members are also part of this process and regular reports are produced to keep them updated.

Workshops, delivered to over 50 staff, have been held in the year to re-familiarise colleagues with the principles and processes in place to support effective project management. Additionally, each Board has been assigned a Programme Manager to provide support to project managers and objective analysis of the progress and quality of project development and adherence to the Council's project management methodology.

Effective communication is regarded as crucial to delivering effective change and strong links have been forged between the relevant Boards and the Communications Team to ensure the Council as a whole is kept abreast of developments.

To provide strategic capacity and capability concerned with change and transformation, work has been completed in respect of the recruitment to Strategic Lead positions. Three further appointments have been made to add to the one officer already in post. The requirement for an additional two posts is under review.

9. Role of the Chief Financial Officer

Objective: Ensuring the authority's financial management arrangements conform with the governance requirements of the [CIPFA Statement on the Role of the Chief Financial Officer in Local Government \(2010\)](#) and, where they do not, explain why and how they deliver the same impact

The Council has designated the Director of Resources as the Chief Finance Officer under Section 151 of the Local Government Act 1972. This officer has statutory responsibility for the proper planning, administration and monitoring of the Council's financial affairs. The Council's financial management arrangements also conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The financial management of the Council is conducted in accordance with the Financial Procedure Rules set out in The Constitution. The financial management system includes:

- A five year Medium Term Financial Strategy which is reviewed and updated annually to support the delivery of the Council's strategic priorities
- An annual budget cycle incorporating Council approval for revenue and capital budgets as well as treasury management strategies
- Financial Procedure Rules that are reviewed at intervals of not more than three years. The latest review was carried out during 2014/15. Relevant amendments are made when required
- Process and procedure guidance manuals
- Regular budget monitoring by budget holders through monthly financial monitoring meetings and reports
- Three reports per year to CLT and Members relating to the Council's financial position stating financial and performance information

- Annual accounts supporting stewardship responsibilities which are subjected to external audit and which follow the Code of Practice on Local Authority Accounting in the UK in line with International Financial Reporting Standards.

10. Role of the Head of Internal Audit

Objective: Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact

The [CIPFA statement on the Role of the Head of Internal Audit \(2010\)](#) states that the Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

1. Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments
2. Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control

To perform this role the Head of Internal Audit:

3. Must be a senior manager with regular and open engagement across the organisation, particularly with the CLT and with the Audit Committee
4. Must lead and direct an internal audit service that is resourced to be fit for purpose; and
5. Must be professionally qualified and suitably experienced

A review of the CIPFA statement has taken place and no matters of concern were identified. The Head of Internal Audit reports to the CLT and the Governance & Audit Committee on a regular basis in relation to audit and governance related matters.

The Council has in place an Internal Audit Charter which defines the terms of reference for Internal Audit by setting out the nature, role, responsibilities and authority of the Internal Audit service within the Council.

The Constitution identifies that the Chief Finance Officer is responsible for providing an efficient and effective Internal Audit service, which will comply with relevant legislation and best auditing practice.

11. Role of the Monitoring Officer

Objective: Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The [Constitution](#) covers the key statutory role and functions of the Monitoring Officer. It also includes the requirement for the Council to ensure that the Monitoring Officer has access to sufficient skills and resources to undertake the role. The Monitoring Officer has confirmed that this is the case and he continues to review this.

There is a specific job role which reflects the Monitoring Officer duties. The Monitoring Officer is line-managed by the Chief Executive who provides mentoring support. No conflict of interest in this line management structure has been identified.

12. Role of the Head of Paid Service

Objective: Ensuring effective arrangements are in place for the discharge of the head of paid service function

The statutory provisions are included in The [Constitution](#). The authority does not share its Chief Executive with other authorities.

The Leader and the Chief Executive have agreed corporate objectives and key priorities for the year. From that the Chief Executive has agreed with the Leader key work objectives for both the Chief Executive and Directors. Monitoring against progress is achieved via regular liaison between relevant parties.

13. The Audit Committee

Objective: Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities

The Council maintains and operates a Governance & Audit Committee which is independent of the Policy Committees and the scrutiny function. Membership includes up to three Independent Members. The Committee receives training and has a defined work plan. Substitutes are not permitted unless the substitute has undertaken specific audit committee training.

The core functions of the [Governance and Audit Committee](#) are set out in The Constitution. Terms of reference are in line with CIPFA guidance and the Committee operates to these.

Some Audit Committee Members are also Members of the scrutiny committee. This arrangement has been agreed by Full Council.

14. Compliance with laws and regulations

Objective: Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Constitution and relevant job descriptions outline Officer, Member, Committee and Council responsibilities.

Lincolnshire Legal Services hold a central library of all relevant legislation. The

Corporate Governance Team maintains a horizon scanning function which feeds into monthly horizon scanning reports to the CLT, Strategic Leads and Team Managers. However, departments take responsibility for receiving and operating to new legislative responsibilities as they arise.

Legislation and Statutory Instruments are dealt with and assessed as they are received (from a range of sources including national email alert systems). Changes in legislation have been implemented successfully with no major issues arising.

The communication of local policies and procedures is embedded in a number of different ways such as WLT meetings and workshops, team briefings and local training. Officers ensure that they are aware of and comply with laws and regulations which are relevant to their roles.

Close attention is paid by The Council to the requirements relating to Information Governance. During the year, on-line training has been made available for staff to undertake on this topic. Additionally the Corporate Information Governance Group has been re-established which meets regularly to review information governance related matters and developments. An internal audit report conducted during the year produced a 'substantial assurance' finding in relation to the processes and systems in place and confirms the good work The Council has undertaken in this area.

The Council's statutory officers are the Head of Paid Service (Chief Executive), the Section 151 Officer (Director of Resources) and the Monitoring Officer (Strategic Lead for Democracy and Business Support). These officers are responsible for ensuring that the Council acts within the law and in accordance with established policy and procedure.

Counsel opinion may be obtained in certain circumstances and unusual transactions are referred to the External Auditor for consideration.

The Section 151 Officer is specifically responsible for the proper discharge of the Council's financial arrangements and must advise elected Members where expenditure is likely to exceed resources.

Where any proposal is unlawful, the Section 151 Officer, jointly with the Monitoring Officer, have a duty (should such a scenario arise) to produce a 'Section Five' report and inform the Head of Paid Service and External Audit.

The Chief Executive and Directors carry responsibility for ensuring that legislation and policy relating to service delivery and health and safety are implemented. A disciplinary process is in place for both staff and Members for any breaches.

The Governance and Audit Committee receive reports by Internal Audit which include review of compliance with legislation. This provides the Committee with an overview of compliance with policy and procedures and it can request attendance of managers to provide further assurance.

15. Whistleblowing arrangements

Objective: Arrangements for whistle blowing and for receiving and investigating complaints from the public

The Council has in place a [Whistleblowing Policy](#) which is available for reference via the Council's web site and internal intranet and its existence and content is regularly communicated to staff. The Council also works in partnership with Lincolnshire County Council and fellow Lincolnshire authorities to develop and produce a County-wide, 'Fighting Fraud' leaflet which is distributed to staff.

The Council also has in place a customer complaints, compliments and comments procedure. This was refreshed in 2014 and is monitored to ensure it remains relevant. The [procedure](#) is available for view on the intranet and web site. When complaints are received an internal independent officer is appointed to investigate and in certain circumstances an external appointment may be made. One of the key aspects of the policy is our desire to learn from complaints to rectify matters if required. Where appropriate, complaints that have been referred to the Ombudsman are brought to the attention of CLT. Annual reports are presented to the Governance & Audit Committee on whistleblowing and more general customer feedback.

16. Member and Officer Development

Objective: Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training

The [Member development plan](#) was agreed at the Governance and Audit Committee in November 2013 and a [review](#) was conducted in 2014 which agreed a programme of events for Members. The original plan was compiled from a number of sources:

- Requirements from The Constitution
- Areas for development recommended for each committee
- Individual meetings with Members
- Areas of interest
- Changes to the local government environment including legislation

Member training is also recorded to keep track of the training delivered and details of Member attendance. During the year, Members have received training on such matters as Treasury Management Strategy Scrutiny; Statement of Accounts Scrutiny; Risk Management and Minerva.

Additionally preparations have been made for the upcoming elections in 2015 and processes to induct and develop new (as well as returning Members) have been devised. The effectiveness of the arrangements will be monitored in the coming year.

In the last year, a series of externally facilitated workshops have been held with middle managers to identify how working relationships and processes could be improved across the Council. This culminated in a feedback session to the Directors and Chief Executive and the formation of priorities for action.

Staff surveys are undertaken on an annual basis and the content is used to develop appropriate training. Additionally the Council retained its Investors in People accreditation during 2014 following external assessment.

The Corporate Plan is communicated to staff and forms the golden thread for staff appraisals and work objectives for the forthcoming year and training needs. The Council has invested in a new payroll system with the benefits of self service functions. In 2015/16 work will focus on rolling out a new learning and development tool which will help inform training in the future.

17. Community and Stakeholder Engagement

Objective: Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council uses a variety of channels to communicate with the community and stakeholders for example:

- West Lindsey Citizen Panel through surveys and focus groups
- Focus groups with residents and local businesses
- E-surveys
- Local press
- West Lindsey Newsletter
- Summits
- Social media

The Council consults on key service changes and issues that may affect residents of the District. Two key events undertaken during 2014/15 were:

- Planning Inquiry on Windfarm Application
- Lincolnshire Show

A number of additional engagement events were also held relating to:

- Website Review
- Community Safety Partnership
- Broadband Provision
- Localism Service
- Leisure and Cultural Services
- Communication with the Council
- General Health and Well-Being
- Your Community
- Volunteering
- Your Service Priorities
- Funding the Future
- Waste and Recycling Service
- Medical and Dental Provision Around Caistor
- Gainsborough Market
- Residents Survey

During the year we also undertake surveys with service users (whether they are internal or external to the Council) to ascertain the levels of satisfaction of services. These services include waste, communications; revenues and benefits and customer services. These results are used to develop our services to ensure they are delivering the level of service required by users.

The Council contributes to Lincolnshire County Council's "County News" and uses social media. At an operational level the Council is working through an e-accessibility project, which seeks to transfer those customers who are willing and able, to more accessible and convenient methods of engaging with the Council. A programme of work is in development based around customers and will be monitored through 2015/16.

The Council has a programme to connect with its citizens and communities under the banner of Localism. This approach enables the authority to better understand and appreciate the diversity of West Lindsey's many 'places' to more effectively target its resources and also provide more meaningful support to local people to help them to help themselves.

18. Partnership Governance

Objective: Enhancing the accountability for service delivery and effectiveness of other public service providers incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

To enhance the accountability for service delivery and effectiveness of other public service providers, the Challenge and Improvement Committee have initiated a number of meetings with strategic partners to discuss their approach to addressing the strategic needs of the residents of the District. Meetings held to date have seen Lincolnshire County Council Highways and the Lincolnshire Police and Crime Commissioner attend to present overviews of their work; the impact it is having on the general well-being of the District and the issues they face. A programme of work for the Committee for 2015/16 is in development.

Ensuring the effectiveness of partnership working has continued during the year. Working in accordance with the Partnership ACoP, on-going population and maintenance of the Council's partnership register has been undertaken and workshops have been held with service areas to discuss their partnership working arrangements. In conducting this work, reference is paid to the Audit Commission's '[Governing Partnerships](#)' Report. Financial implications of partnership working are considered to ensure value for money is achieved and the required accounting assessments are undertaken to ensure appropriate accounting treatment.

Our current contract procedure rules cover contract monitoring procedures and management of delivery. The accountability of service providers is managed through contract management and work is in progress to ensure The Council has robust contract management procedures in place.

Annual Governance Statement 2014/15 Action Plan

Title	Description	Action	Current Position	Date Due	Officer	BRAG	Revised Date
Central Lincolnshire Local Plan Team	To oversee the completion of the Local Plan by end of 2016 and ensure that West Lindsey's growth needs are considered and addressed			31/12/2016	Mark Sturgess		
Asset Management	To produce a relevant and coherent Asset Management Plan and effective supporting processes and structures			30/06/2016	Penny Sharp		
Review of Risk Strategy	To ensure it is aligned with new structures within the Council			31/12/2015	Ian Knowles		
Development Management	To ensure issues relating to capacity; performance and customer care are addressed and sustainable improvements are realised			31/03/2016	Mark Sturgess		
Review of Constitution and Streamlining of Decision Making	To ensure it supports new structures, governance and decision making frameworks; supports commercial aspirations and identifies and removes unnecessary bureaucracy			31/05/2016	Alan Robinson		
Corporate Plan	New Plan to be produced to reflect changing issues facing the District and the priorities of the new Administration and the concept of the 'golden thread' is evident			31/03/2016	Ian Knowles		

Delivery of Finance Matters 2	To design and implement a further finance related training programme to further develop staff in line with the Council's commercial and entrepreneurial ambitions	30/06/2016	Ian Knowles
Member Induction and Development	To ensure an effective democratic framework and appropriate skills on the part of newly elected and returning Members supported by an appropriate development programme	31/12/2015	Alan Robinson
Contract Management	To ensure we have a functional database upon which to record all contract related information and documentation and that contract management is regarded by relevant officers as an essential component of day to day management duties	31/03/2016	Ian Knowles