



**Governance & Audit
Committee**

28 September 2021

**Subject: Annual Governance Statement 2020-21 and Action Plan and
Closure of the Annual Governance Statement 2019-20 Action
Plan**

Report by:

Chief Executive

Contact Officer:

Emma Redwood
Assistant Director People & Democratic (Interim) &
Deputy Monitoring Officer

Purpose / Summary:

To present to Members the Annual Governance
Statement for 2020-21 and Action Plan and
Closure of the Annual Governance Statement
2019-20 Action Plan

RECOMMENDATION(S):

1. That Members approve the Annual Governance Statement for 2020-21 and associated Action Plan
2. That Members sign off the Action Plan for 2019-20 as completed

IMPLICATIONS

Legal: The AGS must comply with the Accounts and Audit (England) Regulations 2011

(N.B.) Where there are legal implications the report **MUST** be seen by the MO

Financial : FIN/89/22/TJB

Staffing : None

(N.B.) Where there are staffing implications the report **MUST** have a HR Ref

Equality and Diversity including Human Rights :
None

Data Protection Implications :None

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations: None

Health Implications: None

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

None.

Risk Assessment : None

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

Key Decision:

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

Yes

No

1. Background

- 1.1 The Annual Governance Statement (AGS) 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." (CIPFA 2007)
- 1.4 Under normal circumstances the Council is required to produce an AGS for approval by the end of July to accompany the Council's Statement of Accounts. However, due to the covid19 situation the timeframe has been extended to the end of September 2021.
- 1.5 The AGS includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2. Developing The Annual Governance Statement 2020-21

- 2.1 Sources of information used to develop the AGS include:
 - The Combined Assurance Report 2020-21
 - Internal Audit Annual Report
 - Internal Audit reports
 - The management of Strategic and Service risks
 - External Audit Annual Audit Letter
 - Complaints and lessons learnt
 - Consultation results
 - Ombudsman investigations
 - 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

3 The Framework

- 3.1 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local Government Framework" (2016 edition) 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 Additionally this year, reporting bodies are asked to consider the contents of the CIPFA Bulletin 06, concerning the impact of the continuing Covid-19 pandemic on governance in local government bodies.
- 3.3 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.
- 3.4 Within the Statement, reference has been made to the significant events or issues that have arisen during the year and the findings of any governance related reports. These include audit findings and the Council's on-going response and recovery from the Covid-19 pandemic, to mitigate its effect on governance, resourcing and financial implications and in addition, to support economic recovery and community wellbeing.

4. Annual Governance Statement 2020-21

- 4.1 The AGS for 2020-21 accompanies this report.

5. Issues to be Addressed in 2020-21

- 5.1 Issues that have been identified as requiring attention to ensure robust governance and which will be addressed in the coming year via the Action Plan 2020-21 are set out below:
 - I. Living with Covid-19 roadmap
 - II. Complete review of corporate procurement procedures
 - III. Ensure compliance to meet the standards of the Financial Management Code
 - IV. Produce a Cultural Strategy*
 - V. Clarify what 'social regeneration' means to the Council, what it will deliver and how to resource it*
- *Emanating from the Peer Review Action Plan
- 5.2 To address the issues detailed above, an action plan has been developed containing actions which when completed will realise a satisfactory state of affairs. The action plan is the main vehicle through which Members of the Governance and Audit Committee are provided with updates on progress against the completion of the required actions.

5.3 The Action Plan 2020-21 accompanies this report.

6. Issues Deemed Closed – Annual Governance Statement Action Plan 2019-20

6.1 The issues which were identified as matters to be addressed via the AGS Action Plan 2019-20 and are now deemed to be completed are detailed below. Members are asked to review and determine whether they are satisfied that sufficient progress has been made to warrant completion.

- Senior Management Restructure: Implement the restructure in line with approved decision.
- Sustainability, Climate Change and Environment Strategy: Produce the Strategy for adoption by Council in May 2021.
- Effectiveness of Governance and Audit Committee Survey: Address issues arising out of the survey undertaken by the Committee.
- Post-pandemic recovery response and plans: To ensure the Council is fully aware of the impact the pandemic has had on its operations and has mitigated the issues and embraced the benefits.
- Peer Review action plan: Maintain oversight and assurance on progress of the action plan.
- Effectiveness and understanding of corporate procurement procedures: Undertake a review of the procedures and implement required remedial actions. – Members are asked to note that the action relating to the effectiveness and understanding of corporate procurement procedures will continue to be developed and therefore has been rolled into the action plan for 2020/21
-

6.2 Over the course of the year, work has been undertaken against the action plan, with Members receiving a six-month progress report in the April 2021 Governance and audit Committee meeting.

6.3 The 2019-20 Action Plan is attached for review and sign off

7. Recommendation

Members are asked to:

1. Approve the Annual Governance Statement for 2020-21 and associated Action Plan
2. Sign off the Action Plan for 2019-20 as completed

Appendix 1 - Annual Governance Statement 2019/2020 Action Plan

Issue	Description	Action	Current Position	Date Due	Officer	BRAG
1. Senior Management Restructure	Implement the restructure in line with approved decision	<ol style="list-style-type: none"> 1. Complete the structure chart, Job Descriptions and Person Specifications 2. Carry out staff consultation 3. Recruit to vacancies 4. Team Development 	<ol style="list-style-type: none"> 1. Recruitment completed 	31/12/2020	I. Knowles	Closed
2. Sustainability, Climate Change & Environment Strategy	Produce the Strategy for adoption by Council in May 2021	<ol style="list-style-type: none"> 1. Undertake initial public consultation 2. Renew existing Carbon Mgt Plan (CMP) 3. Produce draft Strategy for second phase of consultation 4. Incorporate feedback and carbon reduction initiatives into draft Strategy 5. Present Strategy and action plan for adoption to Full Council May 2021 	<ol style="list-style-type: none"> 1. Initial consultation completed and findings analysed. 2. Draft Strategy completed and consultation held. 3. Revised CMP completed. 4. Final version of Strategy and Action Plan produced. 5. Strategy approved by Council 28th June 2021. 	31/05/2021	I. Knowles	Closed
3. Effectiveness of Governance & Audit Committee survey	Address issues arising out of the survey undertaken by the Committee	<ol style="list-style-type: none"> 1. Review findings of survey 2. Form Member Working Group to formulate action plan to address issues 3. Provide G&A Cttee with progress updates 4. Complete action plan and obtain G&A Cttee sign off 	<ol style="list-style-type: none"> 1. Findings analysed and Member Working Group formed. 2. Improvement plan drawn up. 3. Actions implemented e.g. bite size financial training. 4. Closure report back to Cttee 13th April 2021. 	31/07/2021	A. Robinson	Closed

<p>4. Post-pandemic recovery response & plans</p> <p>In the 2020/21 Action Plan as new Living with Covid19 Road Map</p>	<p>To ensure the Council is fully aware of the impact the pandemic has had on its operations and has mitigated the issues and embraced the benefits</p>	<ol style="list-style-type: none"> 1. Put in place Local Outbreak Management Plan 2. Covid secure all Council buildings 3. Provide key advice to local businesses 4. Review financial position 5. Develop economic recovery plan 6. Consider lessons learned and ensure that positive changes are maintained 	<ol style="list-style-type: none"> 1. Local plans developed and LRF outbreak management plan supported. Staff testing arrangements developed 2. Buildings are Covid secure 3. Business support grants administered - £24 million of grants. Working through the LEP and the growth team to give advice. Also Covid wardens in place to offer advice and ensure compliance 4. Full assessments made and reflected in MTFP and budget and monthly government returns made 5. LEP has co-ordinated the production of Greater Lincolnshire's economic recovery plan which is likely to form the backcloth for government investment in recovery. LA's continue to support delivery 6. On-going reflection and adaptation where required 	<p>31/07/2021</p>	<p>I. Knowles</p>	<p>Closed</p>
<p>5. Effectiveness and understanding of corporate</p>	<p>Undertake a review of the procedures and</p>	<ol style="list-style-type: none"> 1. Conduct survey with users of the procurement service 	<ol style="list-style-type: none"> 1. Survey completed and findings analysed. 	<p>30/04/2021</p>	<p>A. Robinson</p>	<p></p>

<p>procurement procedures</p> <p>To be continued in the 2020/21 Action Plan</p>	<p>implement required remedial actions</p>	<ol style="list-style-type: none"> 2. Analyse results and report to Mgt Team 3. Draw up action plan to address identified issues 4. Monitor progress of plan 5. Conduct follow-up survey 	<ol style="list-style-type: none"> 2. Report provided to Mgt Team and Procurement Officers and way forward determined. 3. Four point plan devised. 			
<p>6. Peer Review action plan</p>	<p>Maintain oversight and assurance on progress of the action plan</p>	<ol style="list-style-type: none"> 1. Develop action plan 2. Publish findings and action plan 3. Deliver against actions 4. Consider follow up review with LGA 	<ol style="list-style-type: none"> 1. Action Plan produced and issues incorporated into existing work streams 2. Report to Full Council 3. Actions being followed through e.g. T24 programme; Cultural Strategy 4. Follow-up arrangements to be determined 	<p>30/04/2021</p>	<p>I. Knowles</p>	<p>Closed</p>