



**Governance & Audit  
Committee**

**19 July 2022**

**Subject: DRAFT - Annual Governance Statement 2021-22 and Closure of  
the Annual Governance Statement 2020-21 Action Plan**

Report by:	Chief Executive
Contact Officer:	Emma Redwood Assistant Director People & Democratic & Monitoring Officer
Purpose / Summary:	To present to Members the DRAFT Annual Governance Statement for 2021-22 and Closure of the Annual Governance Statement 2020-21 Action Plan

**RECOMMENDATION(S):**

That Members review the draft Annual Governance Statement 2021-22 and

1. Identify any additional governance related matters for inclusion
2. Review the proposed set of issues that have arisen during the year that are intended to form the Action Plan 2021-22 (for delivery in 2022-23)
3. Review the action plan for the AGS 2020-21 and approve closure

## 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/58/23/SL.

There are none from this report

**Staffing :** There are none from this report

**(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 Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement.
- 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 2021-22**

- 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
  - Review of Comments, Compliments and Complaints
  - Consultation results
  - Ombudsman investigations
  - Review of Whistleblowing
  - Annual review of fraud
  - Comments made by external Auditors

## **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.

#### **4. Annual Governance Statement 2021-22**

- 4.1 The Draft Annual Governance Statement 2021-22 accompanies this report. At this stage, Members are asked to review its content and provide feedback.

#### **5. Issues to be Addressed in 2021-22**

- 5.1 Any issues that have been identified during the year as requiring attention to ensure more robust governance are raised within the Draft AGS and form an associated action plan. Having reviewed the year; taken account of progress against the AGS 2020-21 action plan and also considered recommendations made within various governance related reports/audits, the following matters are put forward for consideration:

- a) Loss of key staff – ensure that robust processes are fully documented, succession plans are in place where appropriate, identify activities which are overly reliant on one individual
- b) Financial settlement – continue to update the MTFS as we gain greater certainty on the level of funding for future years
- c) Prepare for all out elections in May 2023 – ensure robust election planning and deliver an effective Member induction plan
- d) New finance system – ensure it is effective and compliant
- e) Continue the review of corporate procurement procedures (carried forward from last year).
- f) Continue the implementation of CIPFA FM Code requirements

#### **6. Issues Deemed Closed – Annual Governance Statement Action Plan 2020-21**

- 6.1 The issues which were identified as matters to be addressed via the AGS Action Plan 2020-21 are detailed below. Members are asked to review and determine whether they are satisfied that sufficient progress has been made to warrant completion.

1. #Living with Covid-19 roadmap#
2. Complete review of corporate procurement procedures#
3. Ensure compliance to meet the standards of the Financial Management Code
4. \*Produce a Cultural Strategy\*
5. \*Clarify what ‘social regeneration’ means to the Council, what it will deliver and how to resource it\*

# Carried forward from the 2019/20 AGS action plan

\* Emanating from the Peer review action plan.

6.3 The 2020-21 Action Plan is attached for review and sign off

**7. Recommendation**

Members review the draft Annual Governance Statement 2021-22 and

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3. Review the action plan for the AGS 2020-21 and approve closure

**Annual Governance Statement 2020/2021 Action Plan – to be delivered during 2021/22**

**Updated July 2022 for Closure**

Issue	Description	Action	Current Position	Date Due	Officer	BRAG
Living with Covid19 roadmap	Ensure that the council responds and effectively leads the recovery process	<ol style="list-style-type: none"> <li>1.Keep abreast of developments against the Governments road map</li> <li>2.Communicate internally/externally key messages</li> <li>3.Survey staff to understand reaction</li> <li>4.Report to Council on activity that has taken place to keep people safe and well</li> </ol>	Reviewing Governments winter plan and potential impact	April 2022	Emma Redwood	Closed
Complete review of corporate procurement procedures	Undertake a review of the procedures and implement required procedural actions	<ol style="list-style-type: none"> <li>1. Conduct survey with users of the procurement service</li> <li>2. Analyse results and report to Mgt Team</li> <li>3. Draw up action plan to address identified issues</li> <li>4. Monitor progress of plan</li> <li>5. Conduct follow-up survey</li> </ol>	Survey undertaken Ongoing discussions with Procurement Lincs	March 2022	Ady Selby	To carry over into new action plan
Ensure compliance to meet the standards of the Financial Management Code	The Financial Management Code of Practice (launched by CIPFA in November 2019) to improve the financial resilience of organisations by embedding enhanced standards of financial management. The Code is not mandatory however the council is committed to meetings the standards set in the code.	<ol style="list-style-type: none"> <li>1.VFM strategy and handbook to be reviewed and redistributed</li> <li>2.A number of training courses to be delivered for VFM</li> <li>3.Members workshop to be held to consider 22/23 budget consultation focus</li> <li>4.Review of options/project appraisal methodology and documentation to be appropriate in the context of the project</li> <li>5.Review of reports and the introduction of analytics will be an enhancement to reports</li> </ol>	A self-assessment has been carried out and appropriate action plan is in place, reported to G&A committee in April 2021	September 2022	Tracey Bircumshaw	To carry over into new action plan

		produced to Management. This will be achieved through the implementation of new technology				
Produce a Cultural Strategy	Implement action plan to develop our approach to a cultural strategy	<ol style="list-style-type: none"> <li>1. Co-ordinate the events and activities programme across the district</li> <li>2. Understand Arts Council opportunities and requirements</li> <li>3. Secure National Portfolio Organisation status</li> <li>4. Secure National Lottery Heritage funding for Trinity Arts Centre</li> <li>5. Refresh Visitor Economy Strategy and align with co-ordinated cultural offering</li> <li>6. Develop sustainable future for West Lindsey Markets supported by cultural offer</li> <li>7. Improve the long term cultural offering of the district</li> </ol>	Cultural Strategy paper to Prosperous 14 <sup>th</sup> September, and CP&R 23 <sup>rd</sup> September 2021	Some of this activity will be delivered by March 2022	Sally Grindrod-Smith & Ady Selby	Closed
Clarify what 'social regeneration' means to the Council, what it will deliver and how to resource it	To ensure that there is clear and consistent understanding of social regeneration across the council	<ol style="list-style-type: none"> <li>1. Engage with members to develop narrative which articulates Council's understanding of social regeneration</li> <li>2. Embed social regeneration into broader strategies for the council</li> </ol>	CEX's and Leaders commissioned work to develop District health and Wellbeing Strategy. Work completed and will be taken through committee processes prior to end of financial year	March 2022 - the H&W Strategy will be taken through committee in 2022	Di Krochmal	Closed