



Governance and Audit

25th November 2025

Subject: Annual Governance Statement and Local Code of Governance

Report by:	Assistant Director People and Democratic Services Monitoring Officer
Contact Officer:	Lisa Langdon Lisa.langdon@west-lindsey.gov.uk
Purpose / Summary:	To consider the final version of the Annual Governance Statement and the revised Local Code of Governance

RECOMMENDATION(S):

1. That Members review the updated Annual Governance Statement 2024-25 and provide approval for its inclusion within the 2024-25 Financial Statement
2. That members review and approve the revised Local Code of Governance as at Appendix 3

IMPLICATIONS

Legal:

The Council is legally required to publish an Annual Governance Statement.

Whilst there is no legal requirement to have a Local Code of Governance, it is recommended by CIPFA/SOLACE (Delivering Good Governance in Local Government Framework 2016) that local authorities should produce a Code that illustrates how they achieve good governance across the organisation.

Financial:

The internal Audit Service has been contracted to RSM LLP and is within budget for 25/26.

Staffing: None directly arising from this report

Equality and Diversity including Human Rights:

The organisation's policies and procedures in relation to Equality and Diversity form part of the evidence base and are listed in the Code of Governance.

Data Protection Implications:

The organisation's information governance policies and procedures are detailed within the Code to illustrate compliance with data protection legislation.

Climate Related Risks and Opportunities:

None from this report

Section 17 Crime and Disorder Considerations:

None directly arising from this report

Health Implications:

None from this report

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

Risk Assessment:
N/A

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

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No

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Key Decision:

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

Yes

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No

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1. Background

- 1.1 The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement (AGS).
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that the Council is compliant with legislation and directives, that officers and Members demonstrate good behaviours, and the Council makes sound and compliant decisions.
- 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 The AGS includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.
- 1.5 The report refers to the governance framework in place for the financial year ended 31 March 2025. However, it is only reviewed by the auditors post year-end and signed off at the same time as the financial statements are approved with the audit opinion. The statement refers to the controls in place during the year.

2. Developing The Annual Governance Statement 2024-25

- 2.1 Sources of information used to develop the AGS include:

- The Combined Assurance Report 2024-25
- 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 the external Auditors.

- 2.2 The draft AGS was considered by the July 2025 Governance and Audit Committee and Members of the Committee were encouraged to both provide comments in the meeting and by correspondence to the Monitoring Officer and the Director of Finance and Assets. No comments further to the meeting have been received.
- 2.3 The draft AGS was also considered by the Council's Management Team prior to this Governance and Audit Committee.
- 2.4 Following approval of the Annual Governance Statement by the Governance and Audit Committee both the Leader and Chief Executive will sign the statement prior to publication.

3 The Local Code of Governance

- 3.1 The Council's 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. These seven principles are:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the Council's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

These are detailed in the Council's Code of Governance which is at Appendix 2 and last reviewed in 2019.

- 3.2 The Monitoring Officer has reviewed the Council's Local Code of Governance, and the revised version is at Appendix 3. The revised Code of Governance provides examples which evidence how the Council meets the actions and behaviours outlined by CIPFA, and

presents the Code of Governance in accordance with the Council's current branding.

4. Annual Governance Statement 2024-25

- 4.1 The Annual Governance Statement 2024-25 accompanies this report. The AGS provides a narrative and RAG rating in relation to each of the seven principles of good governance referred to by CIPFA. Once approved the final AGS will be subject to the usual Council branding prior to publication. Members are asked to consider the AGS and approve it for signature and inclusion within the financial statements.

5. Recommendation

- 5.1 That Members review the updated Annual Governance Statement 2024-25 and provide approval for its inclusion within the 2024-25 Financial Statement
- 5.2 That members review and approve the revised Local Code of Governance as at Appendix 3.