(DRAFT AGS to be published with statement of accounts at the end of June as required by external auditors. Final AGS to be agreed/approved and considered by G and A in the Autumn.)

Annual Governance Statement 2025/26

Executive Summary:

Governance is about how local government bodies ensure that they are doing the right things in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. This includes complying with legislation, making evidence-based decisions within a clear framework, displaying a healthy culture, behaviour and values, whilst ensuring transparency, equity and accountability, engaging with and where appropriate, leading their communities.

The Annual Governance Statement (AGS) is a public report by the Council on the extent to which it complies with its governance code, legislation, directives and regulations and its performance and effectiveness of its governance arrangements during the year, and any planned changes in the coming period following assessment by external bodies including auditors, other regulators and peers.

The Council expects all members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the Officer and Member Code of Conduct, Constitution, Corporate Vision and Values, and Corporate Priorities as well as applicable statutory requirements.

This document provides an overview of our governance arrangements which are set out in more detail in the Council's Local Code of Governance and our assessment of their effectiveness. This document is drawn from a number of assurance mechanisms which includes external audits of accounts and funding arrangements, our overall governance and decision-making framework, the Scrutiny function, the work of advisors and regulators, the Governance and Audit Committee and the Internal Audit Function.

The External Audit function is undertaken by KPMG LLP, this provides an opinion of the Financial Statements and the Value for Money Opinion. Any weaknesses identified by the external auditor are highlighted in the Auditors Annual Report. The Council received an unqualified audit opinion on its 2025/26 accounts and Value for Money opinion and no significant recommendations.

1. Scope of Responsibility

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

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, incorporating the system of internal control. This includes arrangements for the management of risk.

The Council has a Local Code of Governance which details these arrangements and is structured around the seven CIPFA/Solace Principles of Good Governance, which are as follows:

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

The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement. Further, we have followed the CIPFA (Chartered Institute of Public Finance and Accountancy)/ SOLACE guidance entitled: Delivering Good Governance in Local Government Framework (updated 2025), in producing this AGS. A review of compliance against these seven principles is provided at section 4 of this Statement.

2. The Governance Framework and Annual Review of Effectiveness

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It also comprises the activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate services that represent value for money.

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, priorities, 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 risks to the achievements of the Council's policies, priorities, aims and objectives. It also evaluates the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control, reenforces the governance framework and helps the Council to:

- Operate in a lawful, transparent, inclusive and honest manner
- Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;
- Have effective arrangements for the management of risk;
- Secure continuous improvement in the way that it operates;
- Enable human, financial, environmental and other resources to be managed efficiently and effectively;
- Properly maintain records and information; and
- Ensure the Council's values and ethical standards are met.

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The Financial Management Code identifies risks to financial sustainability and introduced a framework of assurance. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework and 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 and its effectiveness within their areas.
    b. The findings from the Annual Internal Audit work plan
    c. Third Party assessment e.g., peer review, external consultancy
2. The Annual Review of Comments, Compliments and Complaints
3. The Annual Monitoring Officer Report and Review of the Constitution
4. The Annual Review of the Effectiveness of Internal Audit
5. Reviews of Whistleblowing
6. Independent Fraud Risk Assessment.
7. The Head of Internal Audit's Annual Report
8. Review of Strategic Risks
9. Comments made by external auditors and other review agencies.

3. Review of compliance against the principles detailed within the Council's Local Code of Governance

The governance framework is consistent with the principles provided by the CIPFA/SOLACE framework for good governance, and these principles are detailed and considered within the Council's Local Code of Governance. Each principle is considered below and our assessment against compliance with a RAG rating provided::

Principle A: **Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**

Compliance with this principle is deemed green

The Council is compliant with this principle having strong financial regulations in place and making the relevant changes to its Contract procedure rules to comply with new legislation, including providing training to staff regarding procurement requirements. Legal implications are considered in all reports and clear terms of reference are provided online for Committees. The Council has access to legal advice through a shared service arrangement with Lincolnshire County Council and seeks external legal advice as required. The Council has approved an updated, refreshed member/officer protocol with political awareness training planned for officers and members into the 2026 year. The Council is currently conducting a overall health check exercise of its information governance framework with a view to strengthening existing policies and procedures.

Principle B: **Ensuring openness and comprehensive stakeholder engagement**

Compliance with this principle is deemed as green

The Council complies with this principle by webcasting Council meetings (unless exempt), publishing agendas and minutes, allowing public questions at the full Council meeting and having clear Freedom of Information processes in place. 9 public consultations were carried out in the year 2025/26 and following the Pride in Place announcement from central government the Council has been instrumental in ensuring the Pride in Place board is established and that public engagement is encouraged as much as possible. This can be seen through the 9 engagement and consultation exercises which have already been carried out relating to the Pride in Place workstream, with more planned as we move into 2026/27. The Council has strong relationships with public and private sector, for example the Central Lincolnshire Joint Strategic Partnership.

Principle C: **Defining outcomes in terms of sustainable, economic, social and environmental benefit**

Compliance with this principle is deemed amber.

The Council is compliant with principle as it has a Corporate Plan and Medium Term Financial Plan. The strategic risk register is considered by the Management Team and also by the Governance and Audit Committee. The operational risk register is regularly reviewed by managers across the organisation.

The Council has reviewed its strategic risks and these will continue to be monitored and considered through the Council's internal governance processes.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Compliance with this principle is deemed as green

The Council complies with this principle by having a detailed performance management framework which ensure reports are provided to Leadership Team and Committees to ensure member oversight. Performance improvement plans are put in place if required. The Council has memberships with the LGA, LLG, Solace, and CIPFA to ensure good practice, high standards and up to date information from the local government sector is obtained. The Council has engaged with the LGA peer review process as outlined earlier in this statement which evidences the Council has listened to and applied the recommendations of the LGA team. The Council operates a Programme Board framework and produces a state of the district report.

The Council has undertaken a review of its internal governance framework and its policy committees to align it with the refreshed Corporate Plan, reflecting the three themes of Thriving Council, Thriving People and Thriving Place.

The Council's has a strong performance monitoring framework with performance regularly been reported on and considered through the Council's internal governance structures and through reporting of performance to relevant committees

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Council will continue to monitor this throughout the year and therefore this principle is deemed as amber

The Council complies with this principle by providing training as required to officers, apprenticeship schemes, corporate inductions and member induction and training. The Senior Management restructure has been completed which will provide capacity and resilience for the organisation, especially as moves through the various stages of local government reorganisation. Officer briefings are provided to elected members on strategic issues such as RAF Scampton and local government reorganisation. Wider management team meetings and staff corporate updates are held regularly to ensure information is distributed to the wider organisation.

Staff are encouraged to attend conferences and wider community events to develop leadership skills across the organisation. Staff across the organisation have also enrolled on ILM courses and will progress these throughout 2026.

The Council is conscious of the uncertainty Local Government Reorganisation will bring to staff and therefore is procuring external support as necessary to ensure staff feel supported and prepared for the challenges, opportunities and changes which will result from reorganisation.

Principle F: Managing risk and performance through robust control and strong financial management.

Compliance with this principle is deemed as green

The Council is well managed financially as outlined within the recent LGA peer review findings and also in the recent external audit of the Council's 2024/25 accounts. The Council has also recently received a positive value for money assessment. There is adherence to the Constitution, which is regularly scrutinised by the Council's governance and audit committee who receive training prior to scrutinising the Council's annual accounts and treasury management strategy. Regular meetings of the statutory officers are held to ensure high standards of governance and financial management are maintained. Budget monitoring is carried out by team managers during the year so the Council is fully aware of its financial position each month. There is also a full programme of internal audits, the results of which are reported to the Council's governance and audit committee and follow up actions implemented. The Council is in a strong financial position with a good level of reserves and currently has a balanced budget for the next three years.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Compliance with this principle is deemed as green

The Council complies with this principle by ensuring internal and external auditors are appointed, meet with the senior management and report directly to the Governance and Audit Committee. The Council has Information governance and RIPA policies in place, and the progress and delivery framework reports regularly to the Committee. The Council's website provides much information and details all reports, agendas, minutes and forthcoming meetings.

4. Update on governance issues identified in 2024/2025 Annual Governance Statement

Loss of key staff –

- The Council has put in a place a comprehensive training scheme for staff who are now progressing through ILM5 and ILM 7 leadership and management programmes.
- The Council has appointed to its Chief Executive post on a permanent basis
- The Council has statutory officers in place who are in permanent positions
- Staff updates and communication channels have been refreshed to encourage maximum engagement
- Staff are encouraged to attend courses and conferences that will further their professional development and benefit the organisation

Financial Settlement

- The financial position was closely monitored throughout the year and the result is that currently the Council is in a strong financial position (as outlined above in this Statement) with adequate financial reserves in place.

Local Government Reorganisation

- Has continued to progress across Lincolnshire and the Council has provided regular briefings to members and staff, and presented formal reports through the committee process.
- Engagement has continued with senior lead officers across the Lincolnshire local government organisations, resulting in 7 distinct workstreams being formalised, each being attended by a senior officer of the Council.

- The Chief Executive and Leader of the Council have engaged actively with central government to ensure the Council and its residents are represented strongly as the local government process continues to move forward into 2026, including a visit to West Lindsey being planned by the relevant government department to take place in June 2026.

Greater Lincolnshire Combined County Authority

- The Chief Executive and Leader have continued to attend the District Joint Committee, ensuring that representation at a district authority level is provided at the boards and meetings of the Greater Lincolnshire Combined County Authority.

5. Significant Governance Issues

Have previously inserted any Audit concerns, this draft statement will be considered by internal and external auditors prior to final publication.

6. Governance Risks - Areas for Improvement during 2026-27 (year ahead)

Whilst we are satisfied with the effectiveness of the corporate governance arrangements and systems of internal control, as part of our continued efforts to improve governance, the following actions have been identified as part of the 2025-26 Annual Governance Statement process.

PRINCIPLE	ACTIONS	RESPONSIBLE OFFICER	TARGET DATE
A-integrity, ethical values, rule of law	A1- Promote shared understanding of member/officer relations through training and awareness sessions A2-Promotion of Whistleblowing policies and procedures A3-Promotion of Fraud/bribery policies and procedures A4-Complete health check programme of Information Governance framework and review and consider findings and recommendations made	Assistant Chief Executive Governance/ Director of Corporate Services	All September 2026
B- Ensuring openness and comprehensive stakeholder engagement	B1 – to continue to engage with local authorities across Lincolnshire to consider progress and workstreams relating to LGR, ensuring streamlined working and preparedness for the transition.	Assistant Chief Executive Policy and Performance/Leadership Team	Ongoing throughout 26/27

	B2- To continue to work with officers and Members of the Greater Lincolnshire Combined County Authority as required, including engagement with Lead Policy Officers.		
D-determining interventions necessary to optimise achievement of outcomes	D1-Development of Corporate Governance Group to consider various governance items including the progress of this action plan D2- Review the effectiveness of the Council's Governance and Audit Committee through internal audit processes.	Assistant Chief Executive Governance Assistant Chief Executive Governance	Ongoing throughout 26/27 September 2026
E- develop council's capacity and capability	E1- Complete recruitment process for Director vacancy E2-continue to promote and encourage attendance at external forums and training courses E3-continue to support staff cohort through ILM accreditations E4- Enhance and promote staff networks and wider staff communications E5- consider development needs through the revised appraisal process E6- Develop and enhance Member/Officer training and development, having due regard to LGR needs. E7- Monitor staff resource and capacity through the LGR process and consider organisation resilience	Head of People Services/Leadership Team/all Heads of Service Head of Communications and Engagement Leadership Team/Heads of Service Assistant Chief Executive Governance Leadership Team	August 2026 Ongoing throughout 26/27
F- risks and performance, robust control, strong financial management	F1-to keep under review the Council's strategic risk register through the Strategic Delivery Panels, ensuring alignment with corporate plan themes	Leadership Team/Heads of Service	All ongoing throughout 26/27

	F2- Enhanced reporting framework to Members aligned with the Corporate Plan themes, through the Council's three Policy Committees F3-Continue to monitor the financial position, particularly as the impacts and pressures of LGR remain an unknown. F4-Keep under consideration the legislative timeline in respect of LGR as regards financial decisions	Assistant Chief Executive Policy and Performance Director of Corporate Services Director of Corporate Services	

7. Approval of the Annual Governance Statement 2025-26
The council is satisfied that appropriate and effective governance arrangements have been in place for 2025-26

Signed by:
Paul Burkinshaw
Chief Executive, West Lindsey District Council
Xx/xx/2026
Councillor Jackie Brockway Leader, West Lindsey District Council
Xx/xx/2026