

**BOSTON BOROUGH COUNCIL  
ANNUAL GOVERNANCE STATEMENT 25/26**

**1. Executive Summary**

- 1.1 Boston Borough Council (BBC) has a legal responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review is informed by several sources including the work of the Senior Leadership Team, the Internal Audit annual report, the External Auditors and Audit & Governance Committee. BBC is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. BBC 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.
- 1.2 In discharging this overall responsibility, BBC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The Council has approved and adopted a code of corporate governance. This is consistent with the principles of the latest CIPFA / SOLACE Framework *Delivering Good Governance in Local Government guidance*. This statement explains how the Council has met the requirements of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement. [Local Code of Corporate Governance \(boston.gov.uk\)](http://boston.gov.uk)

**2. The Purpose of the Governance Framework**

- 2.1 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 and value for money.
- 2.2 The system of internal control is a significant 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 risks to the achievement of the 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.
- 2.3 The governance framework has been in place at the Council for the year ended 31 March 2026 and up to the date of approval of the annual Accounts.

**3. The Governance Framework**

- 3.1 The Council's review of the effectiveness of its governance arrangements is set out below against the key elements identified in *Delivering Good Governance in Local Government: Framework*.

Key Elements	Description of Governance Mechanisms	Assurance Received
Identifying and communicating the Authority's vision of its purpose and intended outcomes for citizens and service users	<ul style="list-style-type: none"> <li>● The Sub-regional Strategy was approved at Council on the 12 November 2023. It sets out the vision and priorities for the Partnership and for the Council. The Alignment and Delivery Plan (ADP) for the Partnership sets out the projects/activities that will be taken forward to deliver on corporate priorities.</li> <li>● In addition, the Boston Borough Plan 2040, setting out three key priorities of Thriving Economy, Community Cohesion and Resilience, and A Healthy and Sustainable Borough, was agreed by Council in March 2025.</li> <li>● The Council is pro-active in reporting activity and outcomes to the public through the local press and online.</li> <li>● Most Council business is undertaken in public meetings.</li> </ul>	<ul style="list-style-type: none"> <li>● The Performance Management Framework quarterly report is reported through the Cabinet and the Overview &amp; Scrutiny Committee.</li> <li>● Portfolio Holders receive updates as required.</li> <li>● The Leadership Team receive the full quarterly reports to check the position on each indicator. Quarterly governance clinics (covering performance and risk) are also in place.</li> <li>● Mid-quarter reporting to Leadership Team seeks to identify early any matters where performance isn't on track.</li> <li>● The Strategic Risk Register and Internal Audit Plan support the achievement of the Council's priorities</li> <li>● The Medium-Term Financial Strategy which is reported at the March Council meeting not only sets the scene financially, but it also identifies any change to priorities and/or new areas of focus.</li> </ul>
Reviewing the Authority's vision and its implications for the Authority's governance arrangements	<ul style="list-style-type: none"> <li>● Challenge sessions are held annually with Senior Managers to consider the service priorities/activities and the associated targets set in the performance framework.</li> <li>● Council approves the performance framework, following discussion at Joint Strategy Board.</li> </ul>	<ul style="list-style-type: none"> <li>● Review of current performance against priorities reported to Portfolio Holders.</li> <li>● Performance reporting is aligned to the Strategic Priorities of the Partnership Business Case and Sub-regional Strategy</li> <li>● Feedback from community/member/staff consultation on Partnership and Council priorities</li> </ul>
Translating the Vision into objectives	<ul style="list-style-type: none"> <li>● The Alignment and Delivery Plan identifies activity that helps to deliver the priorities</li> <li>● The Medium-Term Financial Strategy identifies risks and opportunities to achieving the delivery of the priorities</li> <li>● The Risk Strategy and Risk Registers support the delivery of priorities.</li> </ul>	<ul style="list-style-type: none"> <li>● The Alignment and Delivery Plan sets out the deliverables in the year-ahead.</li> <li>● Service performance is monitored via Performance Framework which reports into Cabinet and Scrutiny quarterly.</li> <li>● MTFs recommended by the Cabinet and agreed by Council</li> </ul>
Measuring the quality of service for users, ensuring they are delivered in accordance with the Authority's objectives and for	<ul style="list-style-type: none"> <li>● A range of surveys are carried out each year, co-ordinated through the Corporate Consultation programme</li> <li>● Monitoring of social networking</li> <li>● Quarterly Monitoring report contains both performance and finance indicators and to show the overall health of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>● Performance Management Framework quarterly report, reported through Cabinet and the Overview &amp; Scrutiny Committee</li> <li>● Feedback from service level surveys</li> <li>● Portfolio Holder meetings held as required.</li> <li>● Complaints and Feedback process in place for the community.</li> </ul>

Key Elements	Description of Governance Mechanisms	Assurance Received
ensuring that they represent the best <b>use of resources and value for money</b>	<ul style="list-style-type: none"> <li>• Regular Portfolio Holder meetings held with key staff to monitor performance, project activity and new areas of work or policy.</li> <li>• Individual Services carry out their own customer satisfaction surveys which feed into service improvement</li> <li>• Peer Review undertaken in May 2024</li> <li>• Review by the Building Safety Regulator (BSR) July – October 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Progress Feedback Peer Review undertaken in January 2026</li> <li>• High level of compliance found by the BRS</li> </ul>
Defining and documenting the <b>roles and responsibilities</b> of the Executive, non-Executive, scrutiny, and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements	<ul style="list-style-type: none"> <li>• This is set out in the Council’s Constitution</li> <li>• The Constitution is updated where necessary. Significant changes are reported to the Audit &amp; Governance Committee and then to Council</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed changes/updates to the Constitution brought to Council for consideration including responsibility for functions.</li> <li>• The South &amp; East Lincolnshire Councils Partnership has a Memorandum of Agreement in place signed up to by all three Councils.</li> <li>• Monitoring of partnering arrangements on an ongoing basis take place through the Portfolios; and include reports to the Finance Portfolio Holder where appropriate.</li> <li>• Stakeholder Board and Joint Strategy Board in place to support the delivery of partnership activity between the Councils.</li> </ul>
Developing, communicating, and embedding <b>codes of conduct</b> , defining the standards of behaviour for members and staff	<ul style="list-style-type: none"> <li>• This is set out in the Council Constitution</li> <li>• Expectations and requirements of staff behaviour are set out in the Staff Handbook provided to all new staff</li> <li>• The Constitution sets out expectations and guidance on Councillor/Officer working relationships</li> <li>• Training is provided to all members on the member code of conduct arrangements (mandatory training)</li> <li>• Audit &amp; Governance Committee monitor member standards arrangements. This role is set out in the Constitution.</li> <li>• The Monitoring Officer provides ongoing support and advice to Councillors as required and/or requested.</li> <li>• The Monitoring Officer considers, and may investigate, complaints about BBC Councillors, and Town and Parish Councillors</li> </ul>	<ul style="list-style-type: none"> <li>• Audit &amp; Governance Committee oversees and receives reports from a Standards Sub-Committee on the local Member Code of Conduct</li> <li>• A Standards Sub-Committee provides a Hearing Panel function for dealing with any serious complaints</li> <li>• The Officer Code of Conduct is embedded in the Council Constitution.</li> <li>• A Monitoring Officer is shared with the three Councils and Deputy Monitoring Officers support Councillors as required.</li> </ul>

Key Elements	Description of Governance Mechanisms	Assurance Received
<p>Reviewing the effectiveness of the Authority's <b>decision-making framework</b>, including delegation arrangements, decision making in partnerships and robustness of data quality</p>	<ul style="list-style-type: none"> <li>• This is set out in the Constitution</li> <li>• Decision making arrangements meet legislative requirements</li> <li>• Data sharing protocols are in place where necessary</li> <li>• Service Level Agreements with partners are in place and monitored carefully (financial and performance), with named officers and Portfolio responsibilities set out</li> <li>• Memoranda of Understanding documents are produced/signed up to where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>• All members and officers are provided with guidance on decision making arrangements with detailed delegations set out in the Constitution; these are updated when necessary and reported to Council.</li> <li>• Contractual arrangements or partnering arrangements are subject to GDPR reviews on an ongoing basis, particularly where there are any changes.</li> </ul>
<p>Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability</p>	<ul style="list-style-type: none"> <li>• Partnership Risk Register in place and monitored by SLT and members</li> <li>• Strategic Risk register in place and monitored by managers and members</li> <li>• Operational Risk Registers and a Fraud Risk Register are in place and monitored by the Insights and Transformation Team and Senior Leadership Team</li> <li>• Operational staff able to escalate risks reporting to Management Team.</li> <li>• Risk Strategy aligned across the Partnership Councils and agreed at Boston Full Council on 15<sup>th</sup> January 2024</li> </ul>	<ul style="list-style-type: none"> <li>• The Risk Strategy has been fully refreshed and brought in-line with up-to-date methods of managing risk and approved through Full Council.</li> <li>• An audit of our Risk Register in 2025 provided adequate assurance and identified improvements to enhance the authority's risk management arrangements. Further work is required in 2026/27 to implement these improvements.</li> <li>• Management Team update the Strategic Risk Register quarterly and feed into quarterly reporting to members – Cabinet and Audit &amp; Governance Committee.</li> <li>• Operational Risks are identified</li> <li>• Service level monitoring</li> <li>• Risk is a standing item on the quarterly governance clinic agenda</li> <li>• The committee report template includes risk management implications.</li> </ul>
<p>Ensuring effective <b>counter-fraud and anti-corruption</b> arrangements are developed and maintained</p>	<ul style="list-style-type: none"> <li>• A Counter Fraud Policy for the Partnership was approved and implemented in Q3 25/26</li> <li>• Service Managers complete an on-line training programme on fraud</li> <li>• The Council actively takes part in the National Fraud Initiative</li> <li>• A counter fraud e-learning package is provided for all staff</li> <li>• The Council is a member of the Lincolnshire Counter Fraud Partnership which provides access to best practice, guidance and support.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit &amp; Governance Committee and Staff training</li> <li>• Work with DWP arrangements</li> <li>• Reminders provided to staff to be aware of fraud risk.</li> <li>• Internal Audit have completed their counter fraud risk work which created the fraud risk register which is now part of the quarterly reporting alongside strategic and operational risks.</li> </ul>

Key Elements	Description of Governance Mechanisms	Assurance Received
Ensuring effective management of <b>change and transformation</b>	<ul style="list-style-type: none"> <li>• Reporting of significant changes to policy or provision are reported through Portfolio and Cabinet (and Council where appropriate)</li> <li>• Innovation, Transformation and Efficiency board in place in 25/26</li> <li>• A Corporate Staff Development programme is in place</li> <li>• Workforce Strategy in place to ensure appropriate levels of support and training are in place to enable staff to manage change</li> <li>• Workforce Strategy Action plan in place and being delivered.</li> <li>• Strong internal communication to keep staff and members informed</li> <li>• 6-monthly staff survey to help monitor impact of change</li> <li>• A Project Management Framework is in place</li> <li>• Members of Corporate Management Team have corporate responsibility for projects that deliver change</li> <li>• Improved working relationship with PSPS that enables joint working on change programmes within back-office services.</li> <li>• An Organisational Development function and transformation resource is in place to support change arrangements across the council – providing additional support to managers;</li> <li>• There is a shared management team in place to support the development of the Partnership between BBC, ELDC and SHDC.</li> <li>• Below Management Team, there are a range of other shared positions that support the bringing together of the Partnership.</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership Team decisions</li> <li>• Portfolio/Cabinet reports and decisions</li> <li>• Cabinet reports considered by Scrutiny Committee prior to decision making</li> <li>• Client/Contractor management meetings are held regularly to discuss planned changes to service delivery and priorities</li> <li>• The Client Officer and members of Leadership Team were engaged with PSPS in the development of their Transformation Programme in 25/26.</li> <li>• A Workforce Strategy is in place.</li> </ul>
Ensuring the Authority's <b>financial management</b> arrangements conform with the governance requirements of the <i>CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)</i> and, where they do not, explain why and how they deliver the same impact	<ul style="list-style-type: none"> <li>• Full compliance with the CIPFA guidance: <ul style="list-style-type: none"> <li>– The Section 151 Officer has responsibilities set out in the Constitution; key member of Senior Leadership Team (SLT) and Corporate Management Team (CMT); professionally qualified accountant with direct access to the Chief Executive, Leader, Cabinet, Audit &amp; Governance Committee &amp; the appointed auditors</li> <li>– The Finance team is fit for purpose and has been reviewed by CIPFA for adequacy.</li> </ul> </li> </ul> <p>The Medium-Term Financial Strategy, annual budget process, compliance with CIPFA codes and guidance on capital finance, treasury management, and management of reserves</p>	<ul style="list-style-type: none"> <li>• Adequacy of financial arrangements are overseen by S151 Officer, Portfolio Holder for Finance, Cabinet, Audit &amp; Governance Committee and Full Council.</li> </ul>

Key Elements	Description of Governance Mechanisms	Assurance Received
<p>Ensuring the authority's <b>assurance arrangements</b> conform with the governance requirements of the <i>CIPFA Statement on the Role of the Head of Internal Audit (2019)</i> and, where they do not, explain why and how they deliver the same impact</p>	<ul style="list-style-type: none"> <li>• Full compliance with the CIPFA guidance: <ul style="list-style-type: none"> <li>– The Internal Audit Team/Head of Internal Audit provide an objective and evidence-based opinion on all aspects of governance, risk management and internal control</li> <li>– Internal Audit is delivered through Lincolnshire County Council with a principal auditor allocated to Boston Borough Council. This has improved the resilience of the audit team and enables access to specialist audit which previously had to be commissioned.</li> <li>– The internal audit service is fit for purpose</li> <li>– The Section 151 Officer is a key member of the Senior Leadership Team</li> <li>– Audit Team attend external training as necessary, and access national network of governance support through CIPFA</li> <li>– The service has been assessed as conforming to the UK Public Sector Internal Audit Standards, a Quality Assurance Improvement Programme is maintained as part of those standards. The next external assessment is in 2026.</li> </ul> </li> </ul> <p>The overall themed areas of Governance, Risk Management, Internal Control and Financial Control are all assessed as performing adequately.</p>	<ul style="list-style-type: none"> <li>• The Corporate Management Team receives and considers all Internal Audit reports</li> <li>• Senior Leadership Team reviews all low assurance reports.</li> <li>• Low assurance reports are subject to follow up audits.</li> <li>• Audit &amp; Governance Committee monitor audit recommendations and receive updates where necessary</li> <li>• Audit recommendations are discussed at Governance Clinic.</li> </ul>
<p>Ensuring effective arrangements are in place for the discharge of the <b>Monitoring Officer</b> function</p>	<ul style="list-style-type: none"> <li>• Set out in the Constitution</li> <li>• The Council shares a monitoring officer with East Lindsey District Council and South Holland District Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Council through the Constitution</li> <li>• Deputy Monitoring Officers appointed</li> <li>• The Monitoring Officer sits on the Senior Leadership Team</li> </ul>
<p>Ensuring effective arrangements are in place for the discharge of the <b>head of paid service</b> function</p>	<ul style="list-style-type: none"> <li>• Set out in the Constitution</li> <li>• The Council shares a Head of Paid Service with East Lindsey District Council and South Holland District Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Council through the Constitution</li> </ul>

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Undertaking the core functions of an <b>Audit Committee</b> , as identified in CIPFA's <i>Audit Committees: Practical Guidance for Local Authorities</i>	<ul style="list-style-type: none"> <li>• The Terms of Reference which include the core functions are set out in the Constitution</li> <li>• The Audit &amp; Governance Committee have had training to help them understand their role and responsibility</li> <li>• Training for a new Audit &amp; Governance Committee and substitution members is now identified as mandatory in the Constitution.</li> <li>• The Chair and Vice Chair attend external training as necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Council through the Constitution</li> <li>• Audit &amp; Governance Committee</li> <li>• Annual Self-Assessment exercise undertaken and Annual Report submitted to Council</li> </ul>
Ensuring <b>compliance</b> with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful	<ul style="list-style-type: none"> <li>• Annual Internal Audit Plan work includes the review of compliance in some of these areas</li> <li>• The Section 151 Officer and Monitoring Officer advise on the legality of activity where appropriate, and Legal Services Lincolnshire provides advice on legislation and law</li> <li>• An Assurance Framework has been created to monitor conformance with all Regulatory, Legislative, Policy and Operational requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Management Team, Audit &amp; Governance Committee (through Internal Audit reporting)</li> <li>• External Audit Plan</li> <li>• Annual Assurance Report to Senior Management Team and Audit and Governance Committee following the creation of the Assurance Framework</li> </ul>
<b>Whistleblowing</b> and for receiving and investigating <b>complaints</b> from the public	<ul style="list-style-type: none"> <li>• A Whistleblowing policy for the Partnership was approved and implemented in Q4 25/26</li> <li>• A clear Feedback Policy and procedure is in place (including complaints)</li> <li>• A dedicated team delivers the complaints process and also trains and advises staff accordingly.</li> <li>• CMT receives a regular report setting out the number and type of complaints.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Leadership Team Governance Meeting</li> <li>• Corporate Feedback Policy reviewed and aligned with Ombudsman guidance</li> <li>• Feedback levels included in the Quarterly Performance Report</li> </ul>
Identifying the <b>development needs of members and senior officers</b> in relation to their strategic roles, supported by appropriate training	<ul style="list-style-type: none"> <li>• Reserved Member Days are held for any training or awareness sessions requested by members and/or suggested by officers.</li> <li>• A very thorough member induction programme is delivered following District Council elections, with further development / training delivered through rolling programmes thereafter.</li> <li>• Training for named Committees is mandatory as set out in the Constitution</li> <li>• Training and development opportunities are circulated to members on a regular basis alongside internal training provision</li> <li>• Groups are encouraged to identify development priorities through local and national networks</li> <li>• Annual staff appraisals with interim check-ins mid-year.</li> </ul>	<ul style="list-style-type: none"> <li>• Member induction programme in May 2023</li> <li>• A corporate training system has been developed and rolled out to staff. This will enable both individual staff and the organisation to more easily monitor completed training, especially where it is a requirement, and/or is linked to professional standards.</li> <li>• The Corporate Training Programme budget continues to be protected to ensure staff are able to access mandatory and discretionary training and development.</li> <li>• Corporate and Group training opportunities can be supported.</li> </ul>

Key Elements	Description of Governance Mechanisms	Assurance Received
	<ul style="list-style-type: none"> <li>An annual corporate training programme is developed and implemented annually, linked to service requirements and development needs</li> </ul>	
<p>Establishing clear channels of <b>communication</b> with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation</p>	<ul style="list-style-type: none"> <li>A range of consultations are carried out with service users (co-ordinated through a central team)</li> <li>Pro-active communication through the press, along with communication through the BBC website and social media channels.</li> <li>A Town and Parish newsletter is issued regularly.</li> <li>Thorough public consultations take place where there is a potentially significant change to a service and feedback is reported through the decision-making process e.g. sub-regional strategy and town centre strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Partnership Communications Team in place to support messages to the public, including during emergency situations.</li> <li>Corporate Management Team</li> <li>Cabinet for key pieces of consultation</li> <li>Town and Parish newsletter</li> <li>Information and feedback provided via the council website</li> <li>Communication Strategy approved in 2023/4</li> </ul>
<p>Enhancing the accountability for service delivery and effectiveness of <b>other public service providers</b></p>	<ul style="list-style-type: none"> <li>The Overview &amp; Scrutiny Committee take an active role in overseeing scrutiny of other public service providers</li> <li>Significant changes to other public services communicated to members through briefing or awareness sessions</li> <li>Members are informed of any significant consultations being held by key partner organisations (e.g. NHS)</li> <li>There is now joint scrutiny of common topics for BBC, ELDC and SHDC.</li> </ul>	<ul style="list-style-type: none"> <li>Overview &amp; Scrutiny Committee Reserved Members' Days</li> <li>Joint Scrutiny undertaken by members where there are common topics across the Partnership sub-region</li> <li>Member and Senior Officer contribution to the Community Safety framework.</li> <li>Partnership scrutiny framework in place.</li> </ul>
<p>Incorporating good governance arrangements in respect of <b>partnerships</b> 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</p>	<ul style="list-style-type: none"> <li>Operational /strategic partnering arrangements are subject to contractual agreements and performance monitoring and reported on as part of service and budget monitoring</li> <li>Portfolio Holders have responsibilities for receiving reports on key partner arrangements</li> <li>A Management Agreement and Service Level Agreements are in place with PSPS with a single PSPS Client Liaison Officer in place at the Councils (Service Director – Corporate Services fulfils this role).</li> <li>PSPS provide briefing sessions to members on a regular basis.</li> <li>Joint working arrangements are subject to written agreements approved by Leadership Team and portfolio holders</li> <li>Memorandum of Understanding documents are developed and signed up to where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>Audit &amp; Governance Committee</li> <li>Corporate Management Team</li> <li>Portfolio Holder (Leader)</li> <li>Full Council</li> <li>The governance arrangements of the PSPS Board have been reviewed following an external evaluation of the current contractual arrangements.</li> <li>Client/Partner meetings held regularly</li> <li>The Memorandum of Agreement for the Partnership was updated and came into effect Q1 of 26/27</li> </ul>

Key Elements	Description of Governance Mechanisms	Assurance Received
Information Governance	<ul style="list-style-type: none"> <li>All staff and Members have access to Data Protection Act (DPA) training.</li> <li>Specific and tailored training has been requested and delivered to key teams.</li> <li>Further training will be designed to incorporate changes in Data (Use and Access) Act 2025.</li> <li>The Data Protection Officer is experienced and qualified to provide advice and shared across the Partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Audit &amp; Governance Committee</li> <li>Leadership Team</li> <li>Portfolio Holder</li> <li>Performance Report</li> <li>A Data Protection Officer (DPO) is engaged by the Council</li> <li>Data Sharing Agreements and contractual arrangements are reviewed by the DPO on an ongoing basis to ensure compliance with the UK GDPR. All new DSAs are assessed by the DPO before being signed and challenged where necessary.</li> </ul>

#### 4 Review of Effectiveness

- 4.1 The Council has responsibility for conducting, at least annually, a review of effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit’s annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The effectiveness of the governance framework has been evaluated in the following ways:

The Council:	<p>The Council approves and keeps under regular review all the strategic policies which it reserves for its own consideration, including</p> <ul style="list-style-type: none"> <li>The Constitution,</li> <li>The Sub-regional Strategy</li> <li>The Medium-Term Financial Plan and Capital Strategy,</li> <li>The Licensing Authority Policy Statement,</li> <li>The Asset Management Strategy</li> <li>The plan and Strategy which comprise the Housing Investment Programme</li> <li>The Treasury Management and Investment Strategies, and</li> <li>The Gambling Policy Statement.</li> </ul>
The Leader:	<p>Executive powers vest in the Leader, and the Leader may determine to exercise any of the executive functions of the Council personal or may arrange for the exercise of any of the Council’s executive functions by the Cabinet.</p>
Cabinet	<p>The Cabinet is appointed by the Leader and carries out the executive functions of the Council as required by legislation and the Council’s constitution and accordingly:</p> <ul style="list-style-type: none"> <li>Takes executive decisions,</li> <li>Approves policies other than those reserved for Council, and</li> </ul>

	<ul style="list-style-type: none"> <li>• Recommends to Council policies and budgetary decisions.</li> </ul>
Scrutiny	<p>The Overview and Scrutiny Committee may undertake any work relating to the four key principles of scrutiny as follows:</p> <ul style="list-style-type: none"> <li>• Hold the Cabinet to Account (Call-In),</li> <li>• Performance Management,</li> <li>• Assist Policy Development and Review, and</li> <li>• Internal/External Scrutiny.</li> </ul>
Audit and Governance Committee	<p>The Audit and Governance Committee:</p> <ul style="list-style-type: none"> <li>• Considers and approves audit plans,</li> <li>• Considers audit reports,</li> <li>• Comments on the work of audit in addressing the authority's significant risks,</li> <li>• Satisfies itself that the control and governance arrangements have operated effectively by considering audit and risk reports and undertaking ad hoc reviews,</li> <li>• Annually self-assess themselves against best practice guidance to check their effectiveness,</li> <li>• Approves the Statements of Accounts,</li> <li>• Reviews treasury policy and performance, and</li> <li>• Considers standards arrangements.</li> </ul>
Senior Leadership Team (SLT)	<p>SLT review corporate responsibility, direction and delivery of the sub-regional strategy, direction and delivery of resources, horizon scanning and key controls. SLT has a monthly meeting focused specifically on governance and receives regular reports from a variety of governance boards which have been set up to manage corporate performance and risk. These boards cover performance and risk, employee relations, safeguarding, health and safety, emergency planning, and finance, as well as the statutory officers group. There are several other groups covering cross cutting themes and specific services.</p>
Service Managers	<p>Managers have carried out self-assessments of the processes and controls they have in place to allow them to achieve their service objectives. These are reviewed by Finance to provide assurance that effective controls were in place.</p>
External Audit	<p>External audit is provided by KPMG. Following the annual audit, they issue an Audit Results Report to the Audit &amp; Governance Committee covering the opinion on the financial statements, value for money and the Whole of Government Accounts submission. The Council takes appropriate action where improvements need to be made.</p>
Internal Audit	<p>Internal Audit is provided by Assurance Lincolnshire Regular reports are provided to the Audit and Governance Committee and the lead auditor attends monthly LT meetings focused on Governance Issues.</p>

## 5 Update to Significant Governance Issues 2025/26

Action	Lead	Status
Monitoring of 'Identification and Monitoring of savings' (due to limited assurance rating in Q1)	SLT / S151	Revised approach implemented and now being embedded. Ongoing for 26/27
Monitoring of 'Financial Resilience including skills capacity and Management Code compliance'	S151	Reviews undertaken and actions being embedded through 26/27.

## 6 Combined Assurance Report and Internal Audit Report 2025/26

6.1 The Council's Combined Assurance Report is a key element of its governance and assurance arrangements. It provides the Senior Leadership & Audit and Governance Committee with better understanding on the assurances across all the Council's critical services, key risks, partnerships, and projects – identifying any areas for greater oversight, improvement, and assurance gaps. Overall, the governance framework remains strong, and the combined assurance work presents a stable and helpful foundation for the coming years' programme of work.

- Red Assurance – 3%
- Amber Assurance – 32%
- Green Assurance – 65%

6.2 The Internal Audit Annual Report 2025/26 includes an opinion on the overall adequacy of and effectiveness of the Council's governance, risk, and control framework and therefore the extent to which the Council can rely on it. It is the auditor's opinion that for 2025/26 "the frameworks of governance, risk and internal controls are adequate, and audit testing has demonstrated controls to be working in practice".

## 7 Conclusion

7.1 Having reviewed governance arrangements, the Council believes that its processes and arrangements effectively deliver the key elements of the governance framework and continue to be regarded as fit for purpose. We propose over the coming year to address and/or monitor the actions identified to further enhance our governance arrangements and the understanding of those arrangements where there is any change. We are satisfied this will address the need for improvements that were identified in our review of effectiveness, or manage any significant change, and will monitor their implementations and operation as part of our annual review.

Action	Lead	Timescale
Strengthen and formalise the risk management framework to ensure risks are identified, assessed, and managed consistently across the organization.	Monitoring Officer	March 2027
Improve the timeliness and effectiveness of implementing agreed audit actions by strengthening monitoring and accountability arrangements.	CMT	March 2027

Continue to work towards Local Government Reorganisation with a proactive yet proportionate approach.	SLT	April 26 – March 27
Through the budget process, continue to develop the approach to ensuring long term financial sustainability.	ED Finance	March 27

Rob Barlow, Chief Executive

Cllr Dale Broughton, Leader of the Council

DATE:

DATE: