

# ANNUAL GOVERNANCE STATEMENT 2020-21



To be the most loved, progressive and responsible way to travel, for generations to come.



**LNER**

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01

# SCOPE AND PURPOSE OF THE ANNUAL GOVERNANCE STATEMENT



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# 01 SCOPE AND PURPOSE OF THE ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement (AGS) is mandatory for all Public Sector bodies and reports on the arrangements in place for ensuring that business is conducted in accordance with the law, regulations and proper practices and that money is safely and properly accounted for. In essence, it is an accountability statement which sets out how well the business has delivered on Governance over the course of the previous year and details any current challenges and areas for improvement.

Although for LNER it is not a mandatory requirement, the AGS is a key document in providing assurance to various stakeholders, including our customers, that we are achieving good governance. Effectively the AGS shows that we are doing the right things, in the right way, for the right people in a timely, inclusive,

open, honest and accountable manner. It will also be used to support the basis for the annual Head of Risk and Assurance Opinion.

## **Good governance leads to effective:**

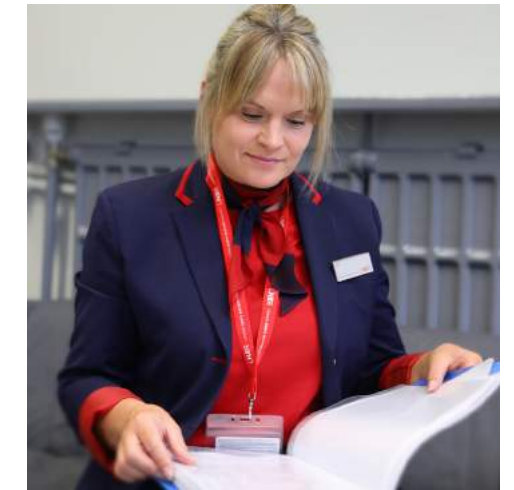
- **Leadership and management;**
- **Performance and risk management;**
- **Stewardship of money; and**
- **Public engagement and outcome for our stakeholders.**

With this in mind, the AGS is underpinned by a Governance Assurance Framework which sets out seven principles of good governance **(See Section Four)** and is the basis for developing the AGS.

In addition to the seven principles, the framework also identifies the sources of assurance which Senior

Management and Board Members can use to understand where assurances are obtained from, identify any potential gaps in levels of assurance and what level of reliance can be placed on that assurance. This is done by outlining the three lines of defence in effective risk management and control **(See Section Seven)**

Although part of the AGS process involves reviewing Internal Audits and identifying any potential areas for improvement, in order to develop an accurate and meaningful AGS, we obtain input and feedback from a wide spectrum of relevant sources across LNER to assess how we are adhering to the seven principles and to assess the governance arrangements in place.



# LINK TO OUR VISION, PURPOSE, VALUES AND BUSINESS PRIORITIES



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# 02 LINK TO OUR VISION, PURPOSE, VALUES AND BUSINESS PRIORITIES

## OUR VISION

To be the most loved, progressive and responsible way to travel, for generations to come.

## OUR PURPOSE

We put **heart** into everyone's journey

## OUR VALUES

Always care

Be bold

Own it

Bring passion

## OUR SIX BUSINESS PRIORITIES



Safety & Performance



Game Changers



Financial Sustainability



Legendary Customer Experience



Our People



Responsible Business & Partnerships

## OUR KEY GOVERNANCE GROUPS TO SUPPORT AND MONITOR DELIVERY AND ASSURANCE

Executive Safety, Security and Sustainability Board (ESSSB)

Digital Steering Group (DSG)

Timetable Strategy Group (TSG)

Customer Proposition Group (TSG)

People Steering Group (PSG)

Responsible Steering Group (RBSG)

Business Strategy Team (BST)

Remuneration Committee

Amazing Futures Group (AFG)

Security, Safety, Health and Environment Committee (SSHE)

Audit Committee

## SOME OF OUR KEY STANDARDS, POLICIES AND PROCEDURES WHICH SUPPORT THE GOVERNANCE STRUCTURE (note - this is not an exhaustive list)

Whistleblowing Policy

Code of Conduct

Information Security Policies

Health and Safety Policies

Business Continuity Policy

Anti-Money Laundering Policy

Anti-Bribery Policy

Equality and Diversity Policy

Conflicts of Interest Policy

Environmental Sustainability Strategy



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# HOW HAS THE AGS BEEN PREPARED?



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### 03 HOW HAS THE AGS BEEN PREPARED?

In preparing the AGS, some of the key steps that the Internal Audit Team have undertaken are:



Reviewed the policies and procedures in place across LNER.

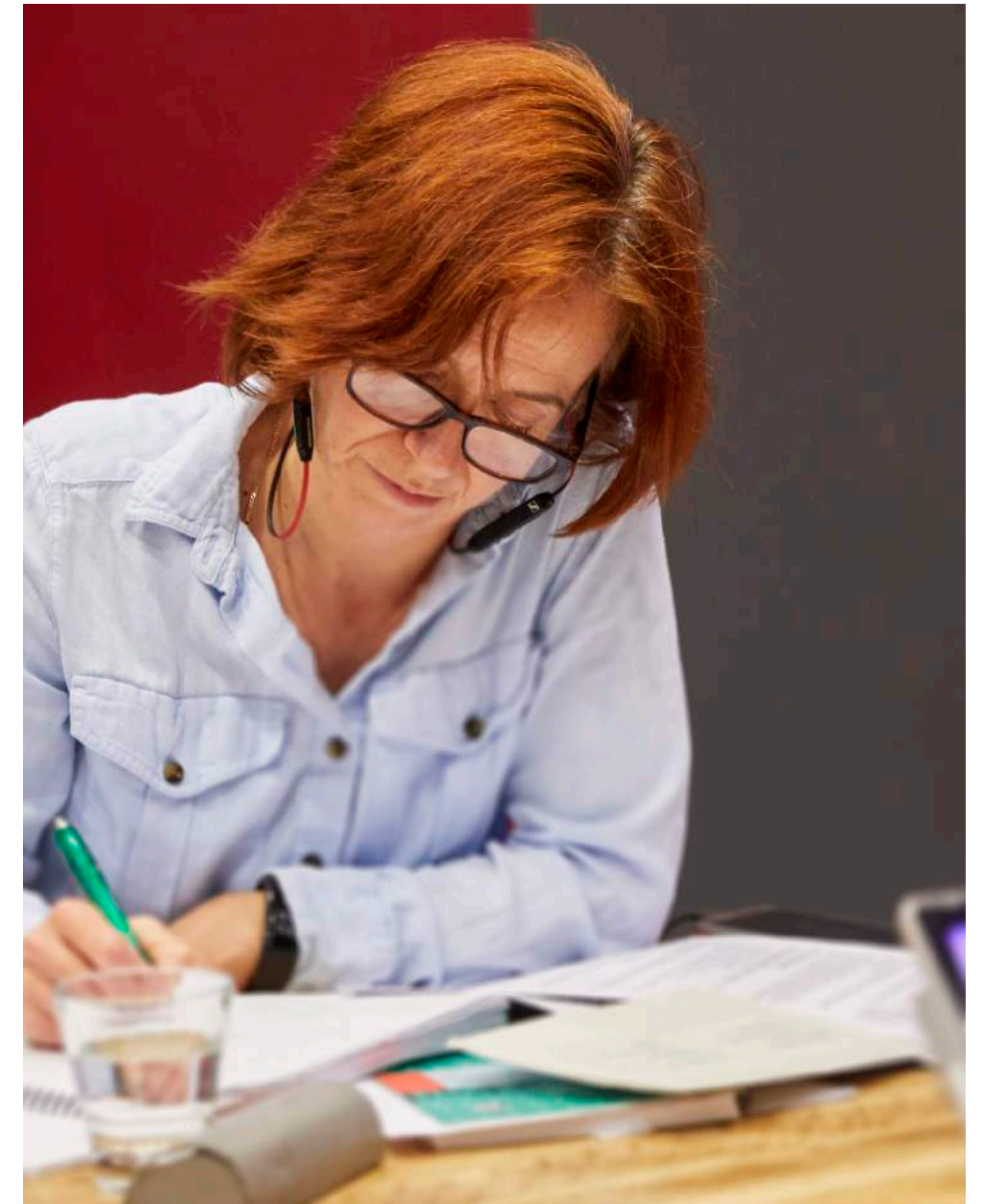
Assessed the Governance structures in place in relation to Governance Boards and Committees.



Taken the knowledge and understanding gained from carrying out recent Internal audit and assurance reviews, as well as those undertaken by other assurance teams across the business, to identify governance related measures in place.



Collaborated with appropriate colleagues and SMEs across the business to ascertain the current processes as well as any areas for improvement/potential challenges.



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# SEVEN CORE PRINCIPLES OF THE AGS

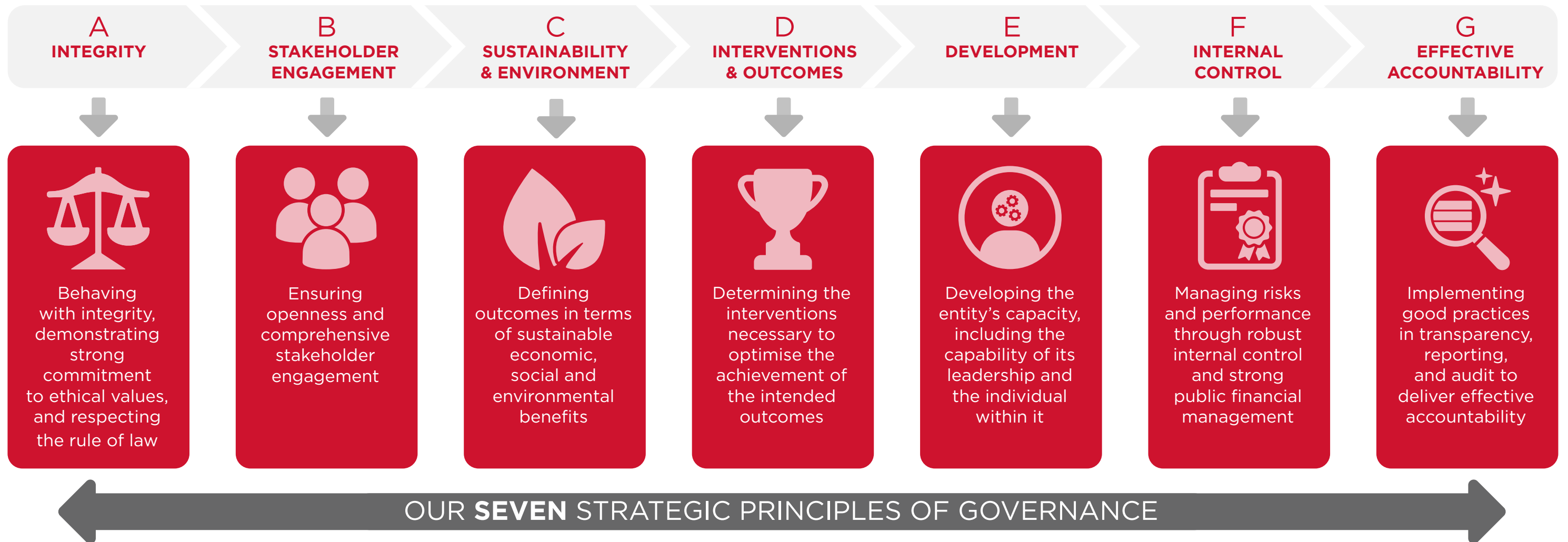


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# 04 SEVEN CORE PRINCIPLES OF THE AGS

LNER ADHERENCE TO THE SEVEN CORE PRINCIPLES SET OUT IN THE CIPFA/SOLACE FRAMEWORK



SECTION 6 provides a summary of actions taken by LNER in relation to each of these seven core principles and details our current strengths and challenges for each area.



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# IMPACT OF CORONAVIRUS PANDEMIC ON GOVERNANCE



# 05 IMPACT OF CORONAVIRUS PANDEMIC ON GOVERNANCE

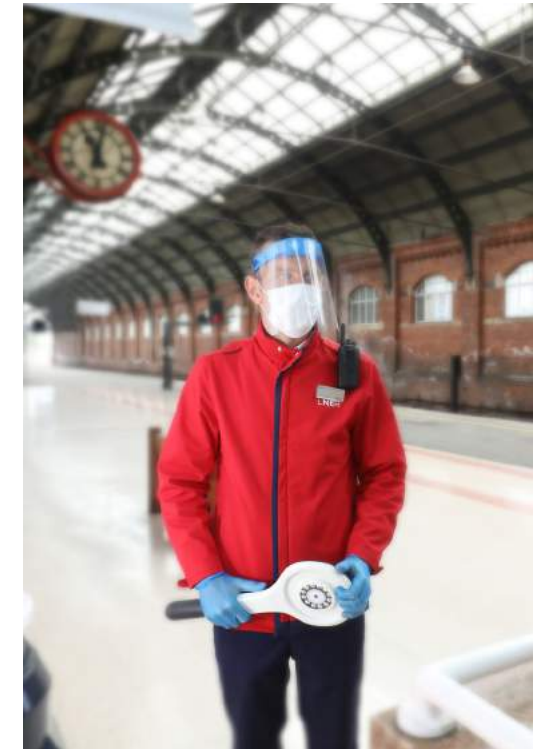
Despite the wide-ranging impacts to our business since March 2020 we have actively not only maintained, but enhanced, the governance measures in place within LNER whilst the coronavirus pandemic has continued.

In early 2020, prior to the original full lockdown, LNER established a crisis management forum to support our operations and provide a robust decision-making process from the outset, holding daily virtual meetings. During the course of the pandemic this forum transitioned into a business recovery group, identifying the steps required to lead our organisation's journey through Covid and ensure our business was 'Match Ready' for a post Covid setting. A fundamental element of the ongoing success of our approach in this area was in ensuring that our activities were underpinned by a robust foundation of strong governance.

The governance around these groups was seen as such a success that we have now transferred key elements of this to our business-as-usual activities. Specifically, we have used this format to create an LNER Business Strategy Team with the remit to shape, evolve and challenge our Business Plan through defining our strategy and ultimately governing its performance and delivery.

Prior to Covid, LNER also invested significantly in remote technology which has supported many of our key governance arrangements to transfer seamlessly to a virtual setting. The technology in place has allowed all governance meetings to continue in line with our established meeting cadence and enabled all participants to attend, irrespective of the restrictions in place.

Our suite of technology has also unlocked a new, extended communication channel to reach all of our people, allowing us to communicate any and all policies and procedures which form part of our governance structure.



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# GOVERNANCE ASSURANCE FRAMEWORK



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# 06 GOVERNANCE ASSURANCE FRAMEWORK (Principle A)

## WHAT DO WE HAVE IN PLACE ALREADY AND WHERE ARE WE IMPROVING ON THIS?



### PRINCIPLE A: INTEGRITY

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

#### STRENGTHS

At LNER we have an Executive sponsor for each area of diversity, demonstrating our commitment to provide visible leadership and change and to drive progress against the initiatives outlined in our Equality, Diversity and Inclusion Strategy. In addition, we have signed the Business in the Community Race at Work Charter, a public commitment to improving outcomes of our BAME employees, became a signatory of the rail industry Equality, Diversity and Inclusion (EDI) Charter, achieved the Bronze Inclusive Employers' Standard and became listed for a further year as one of the UK's Top Employers.

We have an in house Senior Legal Counsel who acts as a key support function in providing professional legal advice across the organisation. We also have a dedicated Employee Relations team, supported by a retained legal team providing employment law advice.

There are dedicated Committees, Steering Groups and teams in place right across our organisation to support and lead on compliance with all relevant laws and regulations. These include the People and Policy Group and the People Steering Group. We also have a number of partnerships in place with specialist Subject Matter Experts to support robust compliance within LNER.

We have a 'Living It' behavioural framework in place, developed to provide guidelines to all employees linked to our values. This provides seven key standards that we believe will support our people in delivering for themselves, colleagues, customers and communities.

There are a range of relevant policies and procedures that are stored on our intranet site, Connect. We are enhancing this to ensure all policies and procedures are reviewed and updated on a timely basis and that any updated documentation is communicated to all relevant employees.

There is an established Declaration of Interests process in place at Board level to capture any potential or perceived conflicts of interest. We are expanding the population of these declarations to incorporate other key staff across the organisation as well as introducing a new Conflicts of Interest policy to the organisation.

#### AREAS WE ARE ENHANCING

A culture review is being conducted by the People Team to help us assess where we are as an organisation and to ensure that the current culture supports our overall business goals. The outputs from this review will enable the identification of any cultural gaps and allow the creation of a cultural programme to make any changes required.

We have a Code of Conduct in place which will be subject to review and refresh before being communicated to all employees.

We have a comprehensive suite of e-learning in place, and we intend to further add to the training and awareness of laws and regulations across the organisation to ensure that all employees are aware of any legal and compliance implications as part of their role.



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# 06 GOVERNANCE ASSURANCE FRAMEWORK (Principle B)

## WHAT DO WE HAVE IN PLACE ALREADY AND WHERE ARE WE IMPROVING ON THIS?



### PRINCIPLE B: STAKEHOLDER ENGAGEMENT

**Ensuring openness and comprehensive stakeholder engagement**

#### STRENGTHS

To engender engagement with community stakeholders, from political representatives to local authorities and chambers of commerce, we run a calendar of regular engagement sessions, offering all our stakeholders the opportunity to engage with our plans and priorities in detail. We have also introduced a new newsletter, keeping stakeholders abreast of changes to our services and other important updates from across the business. Alongside this, we engage closely with stakeholders within and without the rail industry on key rail projects on our route, to understand and shape our plans for the future.

We actively engage with the Consortium of East Coast Main Line Authorities (ECMA) which is a cross-party group of Councils, Combined Authorities and Scottish Regional Transport Partnerships throughout the area served by the East Coast Main Line. ECMA works to secure investment, improve the passenger experience, improve capacity and reliability and shorten journey times on the East Coast Main Line - we are fully aligned to delivering against these aspirations that are so important to our stakeholders.

We have various measures in place to support internal colleague engagement including Yammer (our internal social media platform), Connect (our internal business hub for information) and our Coronavirus Micro-site (which includes everything colleagues need to know about changes due to COVID)

Internal Communications plays a vital role in supporting our people and their engagement with our business priorities and our learning and leadership resources. Our in-house Internal Communications team worked with colleagues to launch a range of new channels, resources and events to support colleagues through the pandemic and other strategic business changes, such as those brought by the East Coast Upgrade. Work is continually ongoing in this area to ensure our communications are constantly improving.

Our customer experience strategy is underpinned and driven by customer-led insight and engagement. Our Voice of the Customer programme is dedicated to building a solid foundation of understanding to support and drive our future vision for the business.

We have an Accessibility Forum in place where we regularly engage with a panel of disabled customers to gain feedback, discuss ongoing challenges and respond to questions from the panel.

#### AREAS WE ARE ENHANCING

We have a Fares Utopia initiative aimed at developing an even greater understanding of the needs and wants of different customer groups around fares, reservation-only services, and flexibility. The understanding from this initiative will be used to drive our fares structure going forward.

We are currently introducing an external relationship database which will help to improve our knowledge of the external stakeholders including any key contacts for these external relationships across the business.

A Customer Experience focussed empowerment scheme is being developed for roll out to relevant employees, to further encourage engagement with customers and optimise opportunities for 'real time' resolutions.



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# 06 GOVERNANCE ASSURANCE FRAMEWORK (Principle C)

## WHAT DO WE HAVE IN PLACE ALREADY AND WHERE ARE WE IMPROVING ON THIS?



### PRINCIPLE C: SUSTAINABILITY & ENVIRONMENT

Defining outcomes in terms of sustainable economic, social and environmental benefit

#### STRENGTHS

Love the Journey is our Responsible Business approach. It supports our vision to be the most loved, progressive and responsible way to travel for generations to come. This approach identifies three key areas where we can and will bring about positive change. These are:

Places with Heart: helping to create thriving communities up and down our line.

People with Heart: putting the wellbeing of our people and customers at the heart of our business.

Business with Heart: doing everything we can to minimise our environmental impact, today and in the future.

Our Community Investment Strategy, part of our Responsible Business Strategy, identifies the social issues that affect our people, customers, and communities which we feel we can have the greatest positive impact on. We address these issues through various means including the provision of funds through our Customer and Community Investment Fund, with the projects selected by our customers and colleagues.

Our Business Plan includes specific commitments to reduce our environmental impact, including through the introduction of in-station waste segregation, reducing plastic bottle usage through the fitting of water refill points, and by focusing on reducing our carbon footprint.

As part of the above we have introduced corporate social responsibility metrics, such as including Social Value measures in tender evaluations, which has to date delivered more than £7.7m, as well as auditing and monitoring suppliers from a Modern Slavery perspective.

Our Environmental Sustainability Strategy is guided through application of our ISO 14001 and ISO 50001 certified energy and environmental management system, and strengthened through our partnerships with Network Rail, industry groups, station tenants, cleaners, and colleagues. We will continue to embed the energy and environmental management system thoroughly the business and develop a defined framework to support this which will be communicated to employees.

#### AREAS WE ARE ENHANCING

The Terms of Reference for our Investment Committee's is being updated to formally define aspects relating to sustainability and the environment to reflect our Committee's responsibilities in this area.

We are committed to rising to the challenge and playing our part in rail decarbonisation, to which end we have set an ambitious target to achieve net zero carbon by 2045. This will be developed into a road map in the coming months in combination with calculation of milestone targets in line with science based methodology. Our current carbon footprint consists of Scope 1 and 2 emissions with limited Scope 3, all of which is externally validated in accordance with ISO 14064.



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# 06 GOVERNANCE ASSURANCE FRAMEWORK (Principle D)

## WHAT DO WE HAVE IN PLACE ALREADY AND WHERE ARE WE IMPROVING ON THIS?



### PRINCIPLE D: INTERVENTIONS & OUTCOMES

**Determining the interventions necessary to optimise the achievement of the intended outcomes**

#### STRENGTHS

We have a clearly defined Business Plan which is regularly reviewed and updated to reflect the current position of the business which has clearly defined actions, outcomes and measures in place to monitor delivery.

We have a Business Strategy Team in place with a remit to shape, evolve and challenge our Business Plan through defining our strategy and ultimately governing its performance and delivery.

Our LNER Board defines the direction of LNER, setting policy and strategy regarding future development and provides oversight and challenge of the day to day operation, ensuring adequate systems and processes are maintained to measure and monitor LNER's effectiveness, efficiency and economy as well as the quality of its safety, service delivery and governance arrangements.

All our employees have access to our Close Call App via their work mobile devices to allow immediate reporting of unsafe acts, unsafe conditions and/or environmental issues. The items logged are used to identify any trends, are appropriately investigated and measures are subsequently put in place to prevent the circumstances around the Close Call being repeated.

We have an industry leading capability to ensure decisions at LNER are made using data and insight. The Analytics and Insight Team cover key areas such as Data Visualisation, Efficiencies, Forecasting and Customer Insight. In particular, the LNER customer insight programme enables customer-focused and commercially viable decision-making across LNER via a range of insight tools.

We have an effective complaints handling process in place with all complaints being managed and monitored by a dedicated team within our Customer Solutions Centre.

We work extremely closely with bodies such as Transport Focus and London TravelWatch to ensure that the way in which we address customer feedback is constantly being reviewed and enhanced.

We have an annual 'Keeping Safe Keeping Time' conference to support employees to 'think down the line' to identify and discuss interventions to keep everyone safe and our services running on time. This forum allows the business to share initiatives being worked on internally relating to both safety and performance.

#### AREAS WE ARE ENHANCING

Our Performance Team have created our Performance Leadership Statement setting out clearly how we will all go about ensuring excellent performance. The five key elements of this are: Our Vision, Our Strategy, Our Plans, Objectives and Reviews.

We are focussed on driving efficiencies by bringing together data from across the business and beyond which will be used to automate, deliver cost savings, and improve the customer experience. Our Data Centre of Excellence has been established with the purpose of unlocking the power of data for decision making, efficiency and business growth whilst collaborating with the wider industry to identify further opportunities to realise this ambition.

On site 'Leading Down The Line' tours are undertaken by our Executive Team focused on engaging with employees around safety, security, performance and environmental issues. More structure will be applied to this process in 2021/22.



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# 06 GOVERNANCE ASSURANCE FRAMEWORK (Principle E)

## WHAT DO WE HAVE IN PLACE ALREADY AND WHERE ARE WE IMPROVING ON THIS?



### PRINCIPLE E: DEVELOPMENT

**Developing the entity's capacity, including the capability of its leadership and the individual within values, and respecting the rule of law**

#### STRENGTHS

We have an established Performance and Development Review process in place to ensure management staff performance is regularly monitored, reviewed and enhanced.

There are a range of learning tools available to all of our employees including Mindtools, comprehensive leadership programmes, coaching and mentoring programmes as well as support for study towards professional qualifications with a formal professional development programme in place. As part of this, we have introduced a World Class Managers development programme, available to all members of the management team.

We have been recognised as a Top Employer by the Top Employers Institute which recognises the business for our excellent work in areas such as colleague health and wellbeing, work environment and performance development, including the capability of our leadership

We are involved in the Government Kickstart scheme as well as the employment of apprentices across the business. As part of this we are an accredited apprenticeship provider and have been made part of the Education and Skills Funding Council. As this is a new area within LNER, work is ongoing to further strengthen and improve our arrangements in relation to this.

In early 2020, we were accepted onto the Education and Skills Funding Council (ESFA) Register of Approved Training Providers as an Employer Provider. This has allowed us to deliver training aligned to agreed Apprenticeship Standards. As part of the reapplication process, we are upgrading to Main provider status to better support the industry in this area

One of the key employee experience initiatives, as part of our Employee Value Proposition, is the maintenance of succession and talent plans that enable career development and support movement of employees within the business.

#### AREAS WE ARE ENHANCING

We have a suite of mandatory and voluntary e-earning available, and we are enhancing this by measures to monitor compliance and ensure that we continue to see a high level of course completion. A new system is being investigated which should help our controls in this area.

Each year the company undertakes an annual survey to measure employee engagement with a follow up pulse survey conducted six months later to review progress. As a progressive employer we are moving away from traditional annual engagement surveying, to dynamic listening and action utilising technology that provides an 'Always-on' listening platform. This will identify further opportunities to increase the capability of our people

This year we plan to launch a product with curated content focused on our top 100 senior leaders and aspiring senior leaders. This will provide access to leading academic and practitioner leadership content from one of the UK's top business schools and will be used to augment internal learning programmes, share insights and create discussion groups.



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# 06 GOVERNANCE ASSURANCE FRAMEWORK (Principle F)

## WHAT DO WE HAVE IN PLACE ALREADY AND WHERE ARE WE IMPROVING ON THIS?



### PRINCIPLE F: INTERNAL CONTROLS

**Managing risks and performance through robust internal control and strong public financial management**

#### STRENGTHS

As well as an established Audit Committee, we have a dedicated in-house Internal Audit Team in place and action plans have been agreed with management to address any recommendations arising from their activities. In addition, there are various other assurance functions across the business (e.g. Engineering, Information Security, Health and Safety, etc) to ensure LNER manage the risk of compliance with relevant standards.

We have a Security, Safety, Health and Environment Committee in place responsible for the review of the operation of the management system and its maturity within LNER, reviewing the safety audit plan and any external audit reports and assesses whether management is setting an appropriate 'culture of internal control and risk management' within the Company in relation to health, safety, security, and environment.

The Risk Management Maturity Model (RM3) tool is used by our Safety and Performance teams to 'predict and prevent' risk rather than 'find and fix'. The RM3 model is used to provide further assurance that our management system maturity is constantly improving and sustainable.

We have responded strongly to the financial challenge associated with the pandemic and delivered significant cost savings in 2020/21. We have challenged all lines of the budget - with a zero-based budget policy underpinning the start point for the review of all discretionary, controllable spend.

We have a dedicated in-house Information Security team in place. This team of suitably qualified professionals collaborate with all areas of the business to ensure that best practice is followed in respect of information security and that appropriate controls are in operation to address this key business risk area. In addition to the various applications and information security awareness programs, we have achieved ISO27001 certification to ensure a baseline level of information security is established across the company.

We have issued our '10 Essential Steps to Protect our Finances' to the organisation to ensure that key messages regarding the financial management within the organisation are clearly articulated and understood.

#### AREAS WE ARE ENHANCING

We have appointed a Business Continuity Manager with newly drafted Business Continuity Plans and Incident Management Policies in place. These business continuity arrangements will continue to be embedded across LNER and all individual plans within Directorates are to be accurately fed into the Business Continuity Plan. Work is also underway to ensure compliance with ISO standards in this area.

A formal whistleblowing framework and policy is in place within the business. This will be subject to a thorough review and update in the next 12 months before being clearly communicated to all staff to enhance our existing arrangements.

There is a clearly defined process in place in relation to Risk Management with Strategic and Corporate Risk Register maintained, updated and reported to the Audit Committee quarterly. We are strengthening the process through the use of Risk Champions within each Directorate, further embedding the reporting of risk across LNER.



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# 06 GOVERNANCE ASSURANCE FRAMEWORK (Principle G)

## WHAT DO WE HAVE IN PLACE ALREADY AND WHERE ARE WE IMPROVING ON THIS?



### PRINCIPLE G: EFFECTIVE ACCOUNTABILITY

**Implementing good practices in transparency reporting and audit to deliver effective accountability**

#### STRENGTHS

We have an independent Internal Audit team with additional specialist assurance functions throughout the business (e.g. Safety, Engineering, Information Security, etc). There is also an Audit Committee who meets on a quarterly basis underpinned by dedicated Terms of Reference to enable independent assurance for the business on the adequacy and effectiveness of the governance arrangements and internal control environment.

We have a suite of policies and strategies published on the website to ensure a more transparent reporting culture is in place (e.g. the Gender Pay Gap report, Responsible Business Strategy, Ethnicity Pay Gap report, etc). Wherever possible we aim to publish such reports voluntarily ahead of any form of statutory requirement/legal obligation.

We have a formal gifts and hospitality policy in place underpinned by an electronic portal to submit, approve and capture the details of all offers made to staff. Our Internal Audit team have oversight of all requests and the outputs from this system are reported to our Audit Committee every quarter.

We have specific customer reports that we produce and circulate online twice a year. These reports include key information relating to improvements and investments being made for the benefit of our customers and a summary of how we are performing against our key metrics such as in customer experience and train performance.

We act in accordance with the Freedom of Information (FOI) Act legislation and have an FOI publication scheme in place. Specialist resources are in place to ensure our reporting in this area is correct, complete and made within required timescales.

We use a cyber threat intelligence platform to search the clear and dark web for any cyber threats that may affect the brand and reputation of the company. This is a new system to the organisation and provides us with an enhanced audit measure to mitigate against an increasing area of business risk.

#### AREAS WE ARE ENHANCING

We are continuing to expand our assurance network outside of the organisation through the development of peer reviews, cross TOC assurance forums and more collaboration in terms of best practice sharing between different areas of the business. The next stage of this best practice sharing is to expand networks outside of the industry. An element of this will be transparency reporting and audit.

There is currently work being done in relation to creating a joint taskforce looking at our sustainability requirements to ensure we are meeting all relevant legislation and are open and transparent in terms of our reporting on this. As part of this we are committed to voluntarily publishing climate related financial disclosures as recommended by Financial Stability Board's Task Force on Climate Related Financial Disclosures.

We are carrying out an Equal Pay Audit in FY22 which provides a framework to identify and address any unjustified pay inequalities. As part of this we are exploring the use of software to provide a continuous automated solution in identifying pay gaps by gender, ethnicity, disability or working patterns.



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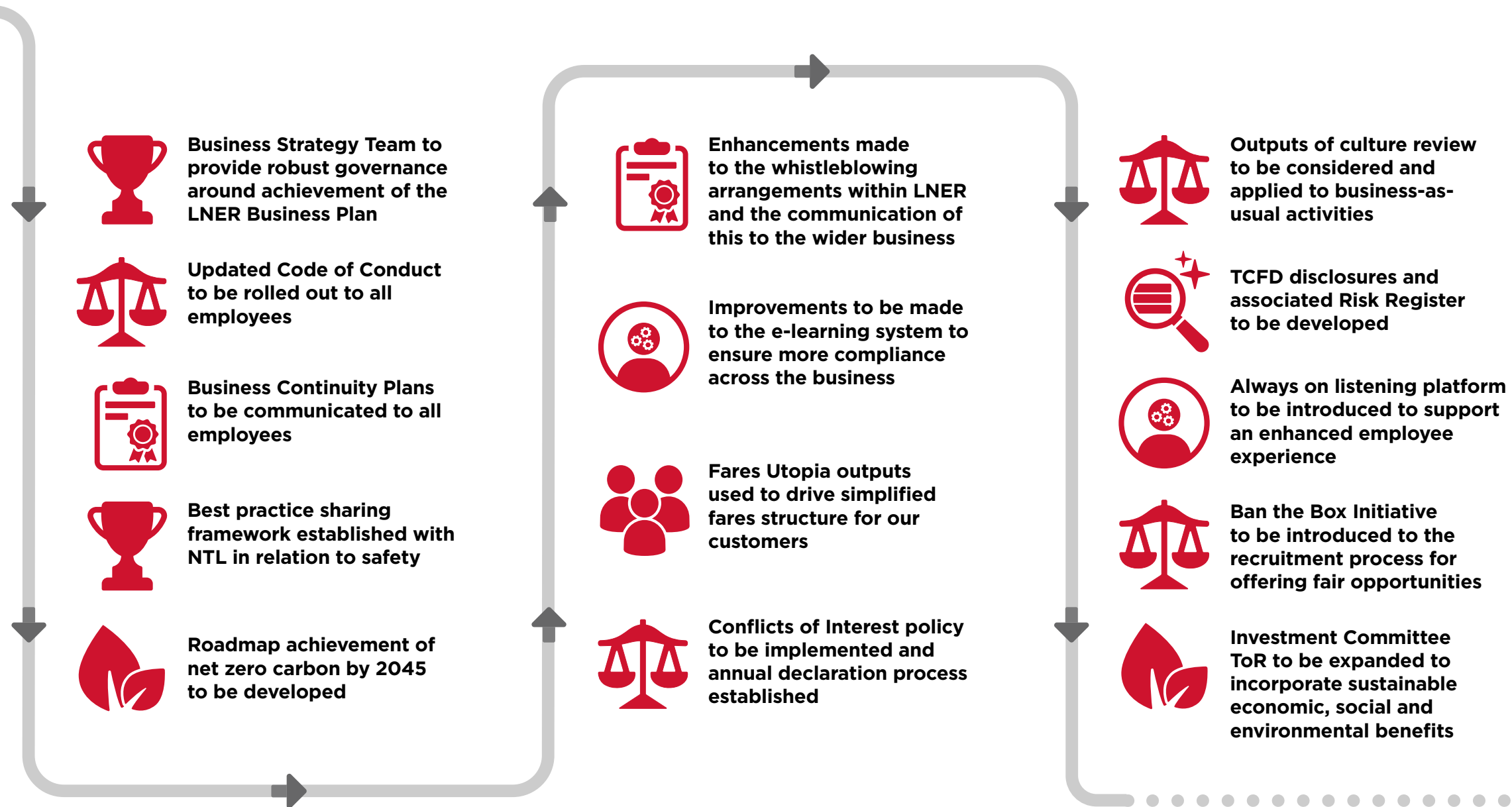
# FUTURE GOVERNANCE CONSIDERATIONS AND KEY NEXT STEPS



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# 07 FUTURE GOVERNANCE CONSIDERATIONS AND KEY NEXT STEPS



Key to AGS Principles	
	INTEGRITY
	STAKEHOLDER ENGAGEMENT
	SUSTAINABILITY & ENVIRONMENT
	INTERVENTIONS & OUTCOMES
	DEVELOPMENT
	INTERNAL CONTROL
	EFFECTIVE ACCOUNTABILITY

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# THREE LINES OF DEFENCE



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# 08 THREE LINES OF DEFENCE

← ANNUAL GOVERNANCE STATEMENT (AGS) →

AUDIT AND RISK COMMITTEE

EXECUTIVE BOARD + DOHL BOARD

**SECOND LINE OF DEFENCE**

**Oversight and Support**

- Strategy, policy and directional oversight Risk Management
- Compliance measures (Information Management and Security, HR, Legal, Contract and Financial Management)

SUPPORT

**FIRST LINE OF DEFENCE**

**Business and Operational Management**

- Existence and application of management controls
- Day to day management of risk
- Policies and procedures

VALIDATE

**THIRD LINE OF DEFENCE**

**Independent Assurance**

- Internal Audit
- External Audit
- External Inspections



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# COLLABORATIVE ASSURANCE WITHIN LNER



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## 09 COLLABORATIVE ASSURANCE WITHIN LNER

**The Internal Audit team are just a single part of a wider network of audit, risk and assurance specialists within LNER. The activities of each of these teams form a fundamental part of the governance arrangements within the organisation and play a major role in the items listed in the AGS.**

Although not exhaustive, this includes our colleagues within the following teams:

- Safety Assurance Team
- Information Security Team
- Engineering Assurance Team
- Employee Relations Team
- Performance Assurance Team
- Sustainability Team
- Catering Assurance Team



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# APPENDICES



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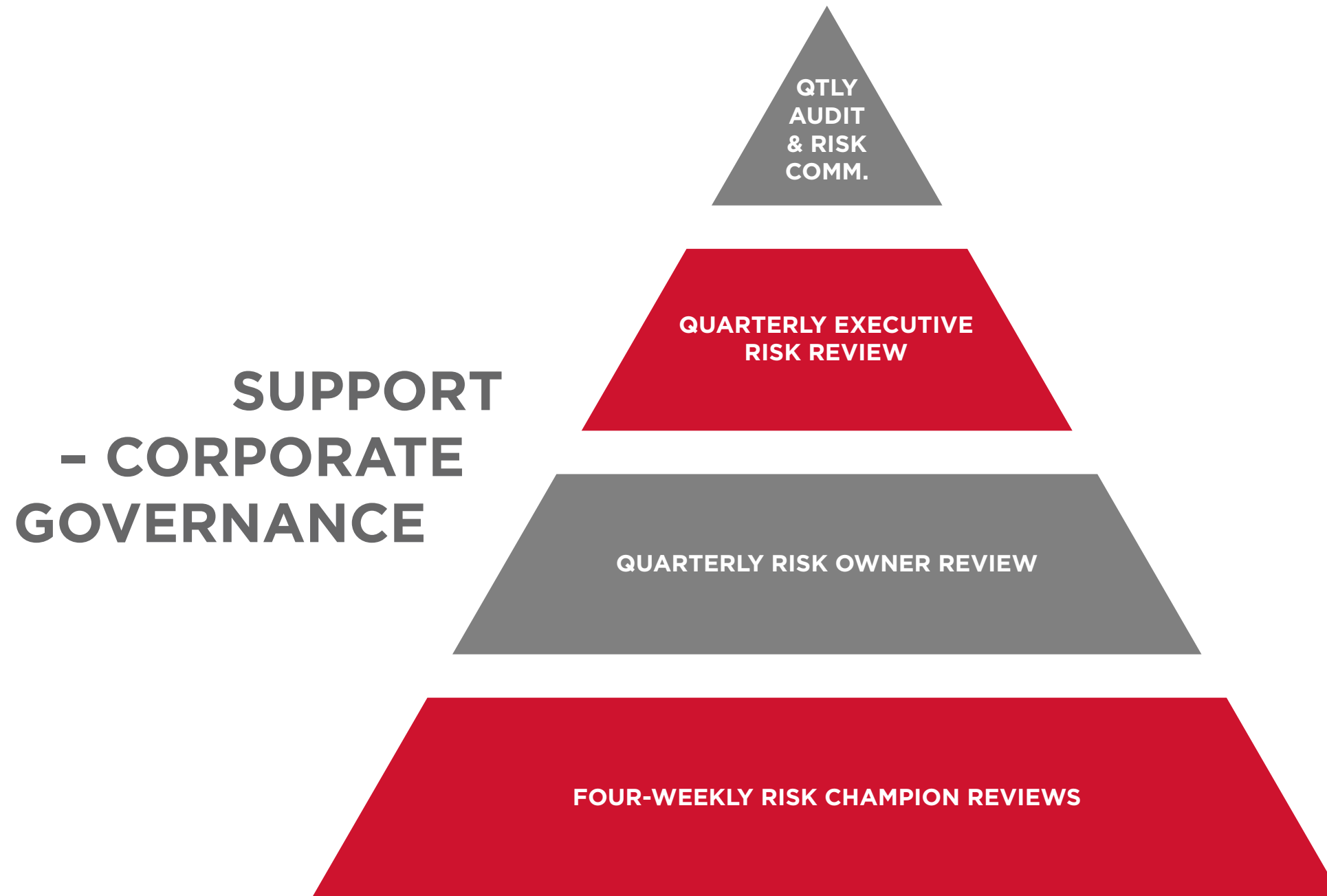
**LNER**

# APPENDIX A KEY GOVERNANCE ROLES AND RESPONSIBILITIES

<b>DOHL</b>	<ul style="list-style-type: none"><li>• Provides a support and stewardship role to LNER, promoting effective governance of its operations.</li><li>• Promotes best practice within the DOHL Group and wider rail industry.</li><li>• Ensures that LNER is operating in accordance with the Services Agreement, health and safety obligations and the terms of its licences.</li></ul>
<b>THE LNER BOARD</b>	<ul style="list-style-type: none"><li>• Main decision making body for LNER.</li><li>• Approves the organisational strategy, key policies and budgetary frameworks.</li></ul>
<b>AUDIT COMMITTEE</b>	<ul style="list-style-type: none"><li>• Provides independent assurance to the Board on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.</li><li>• Promotes high standards of member conduct.</li><li>• Approves the Annual Statement of Accounts and Annual Internal Audit Plan.</li></ul>
<b>EXECUTIVE TEAM</b>	<ul style="list-style-type: none"><li>• Implements the policy and budgetary framework set by the LNER Board.</li><li>• Contributes towards the effective corporate management and governance of LNER.</li></ul>
<b>INTERNAL AUDIT</b>	<ul style="list-style-type: none"><li>• Provides independent assurance and annual opinion on the adequacy and effectiveness of the governance, risk management and control framework of LNER.</li><li>• Delivers an annual programme of risk based audit activity, including counter fraud and investigation activity.</li><li>• Makes recommendations for improvements in the management of risk.</li></ul>
<b>EXTERNAL AUDIT</b>	<ul style="list-style-type: none"><li>• Audit / review and report on LNER's financial statements, providing an opinion on the accounts.</li></ul>
<b>MANAGEMENT TEAM</b>	<ul style="list-style-type: none"><li>• Responsible for developing, maintaining and implementing LNER's governance, risk and control framework.</li><li>• Contribute to the effective corporate management and governance of LNER.</li></ul>



# APPENDIX B RISK GOVERNANCE STRUCTURE



### Other Developments:

- Covid Risk Register
- Senior Accounting Officer Risk Register
- Corporate Criminal Offence Risk Register
- Brexit Risk Register

### Other Formal Risk Arrangements:

- Project Risk Management in place
- Operational Safety Risk Management - SHEC
- Information Security Risk Register



To be the most loved, progressive and responsible way to travel, for generations to come.

