

Annual Governance Statement 2017/18

1. Scope of responsibility

1.1 Haringey is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Haringey 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, with regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this, Haringey is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 The authority has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Haringey Council's local code of corporate governance is published on the Council's website and a copy can be obtained from the Council's Monitoring Officer. This statement explains the Council's commitments as part of the Local Code of Corporate Governance, together with how it gets assurance that these commitments are in place and effective; it also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, in relation to the publication of an Annual Governance Statement.

2. The purpose of the governance framework

2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled. The framework also comprises the activities through which it accounts to, engages with and leads the community. Through the framework, the authority is able to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, but it can provide a reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of Haringey's policies, aims and objectives. The system of controls also allows for the evaluation of the likelihood of risks being realised and the impact should they be realised, ensuring that we are able to manage them efficiently, effectively and economically.

2.3 The governance framework has been in place at Haringey for the year ended 31st March 2018 and up to the date of the approval of the annual report and accounts.

The following section highlights each of the seven governance principles set out in the CIPFA / SOLACE framework "Delivering Good Governance In Local Government" and the arrangements in place demonstrating how Haringey Council meets the governance principles. Any gaps identified as part of the annual review will form an action plan agreed and monitored by the Statutory Officers with all actions to be completed by March 2019.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law <u>Behaving with Integrity</u> a) The Council's Member Code of Conduct (July 2017) requires members to declare interests; applies to Members and co-opted voting members on election or appointment. Published on the internet: http://www.haringey.gov.uk/sites/haringeygovuk/files/lbh_constitution_part_5_section_a_-_part_1_0.pdf b) Induction is provided for all new Members when they are elected on expected standards of behaviour. c) Officer Code of Conduct (February 2012). Published on the internal website. The Code requires officers to declare all potential conflicts of interests and is provided to all new employees. Regular reminders are issued via internal staff newsletters on expected standards of behaviour. d) Haringey Values updated in 2015 (Human, Ambitious, Accountable, and Professional). Published on the internal website and internet: http://www.haringey.gov.uk/local-democracy/our-standards e) Decision-making practices for member decisions follow legal and transparency requirements. Officer decisions are also recorded and published on Modern.gov: http://www.minutes.haringey.gov.uk/mg/DelegatedDecisions.aspx?DS=2&bcr=1	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
f) Register of interests and gifts and hospitality for members/co-optees checked on election/appointment. Minutes show declarations of interest sought and appropriate declarations made for each meeting. http://www.haringey.gov.uk/local-democracy/our-standards/register-members-interests g) Requirement for all new staff to complete Register of Interests declaration. Senior managers are required to complete a declaration every two years; staff should complete a new form as/when circumstances change. Gifts and hospitality for members are recorded with their declarations of interests and are published on the website: http://www.haringey.gov.uk/local-democracy/our-standards/register-members-interests For officers, declaration forms are retained in Human Resources. h) Standard report format requires report authors to state how their proposal meets the corporate objectives and priorities. Report authors must also provide reasoning and evidence for proposals, so that the basis for decisions is clear and include statutory officer's advice, including legal and finance advice. Training for report authors on writing clear, logical and objective reports was provided for officers in 2016/17 and standard templates are held on the internal website. i) Anti-fraud and corruption strategy is in place, including the Whistle blowing policy (July 2015). The Head of Audit and Risk Management reports on actions, effectiveness and outcomes (and use of the whistle blowing policy) to Corporate Committee and provides awareness presentations to Corporate Management Group. Copies of the policies are on the internet: http://www.haringey.gov.uk/sites/haringeygovuk/files/anti-fraud_and_corruption_policy_july_2015_-_appendix_2_whistleblowing_policy.pdf http://www.haringey.gov.uk/sites/haringeygovuk/files/anti-fraud_and_corruption_policy_july_2015.pdf k) Corporate and service specific complaints policies are in place and published on	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
the website. Level of complaints upheld at Stage 1 and 2 is monitored and reported regularly to the Council's Statutory Officers Group (latest report 19/09/17). Following the transfer of Feedback and Information Governance (FIG) Team to the Shared Service Centre (SSC) there has been an overhaul of reporting with an emphasis on learning from complaints. More information is being published and made easily accessible to customers – as part of this we are also conducting a review of the Publication Scheme. Training sessions have been developed looking at examples of best practice in responses and getting it right first time. http://www.haringey.gov.uk/contact/council-feedback/complaints-about-council f) Local Code of Corporate Governance (2013) in place and is published on the website: http://www.haringey.gov.uk/local-democracy/our-standards <u>Demonstrating strong commitment to ethical values</u> m) The Standards Committee, along with the Council's Monitoring Officer, establishes monitors and maintains the organisation's ethical standards and performance, reporting to full Council as necessary. The committee deals with allegations of breaches of the Member Code and issue (or require Groups to issue) reminders/advice notes to Members where issues of conduct cause concern. http://www.haringey.gov.uk/local-democracy/our-standards/standards-committee n) The Council is incorporating the Social Value Act requirements into all procurement and contracts; including a standard clause referring to 'PREVENT' in all contracts, as well as safeguarding and health and safety. The Council has various human resources policies and procedures in place; a process to review these was agreed by Staffing and Remuneration Committee in 2016/17: <u>Agenda for Staffing and Remuneration Committee on Tuesday, 7th June, 2016.</u> <u>7.00 pm Haringey Council</u> o) The Council encourages external providers of services to act with integrity and in	1) Local Code of Corporate Governance to be finalised in 2018 to incorporate the best practice requirements in the 2016 'Delivering Good Governance' CIPFA/SOLACE publication. This work commenced in 2017/18 and will be completed in 2018.

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compliance with high ethical standards expected by the organisation in information sharing: http://www.haringey.gov.uk/community/community-safety-and-engagement/crime-and-disorder-information-sharing-protocol in procurement: http://www.haringey.gov.uk/business/selling-council/council-contracts <u>Respecting the rule of law</u> p) Statutory officers are appointed by full Council. Their discipline/dismissals are dealt with in line with legal requirements that take account of the need to fulfil their responsibilities in accordance with legislative and regulatory requirements. q) The Council optimises the powers available for the benefit of citizens, communities and other stakeholders. Decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers. The Council Constitution is reviewed and updated regularly and published on the internet: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution r) Breaches of law/financial regulations can be the subject of a report to full Council by the relevant statutory officer. No statutory officer reports have been required in 2017/18. s) Statutory officers are available at meetings of the Council/Cabinet to advise and ensure law and regulations are not breached. B. Ensuring openness and comprehensive stakeholder engagement	
<u>Openness/ Implementing good practice in transparency</u>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
a) The Council Publication Scheme sets out information available to view or download including under the requirements of the Transparency Code 2015. http://www.haringey.gov.uk/local-democracy/publications/publication-scheme b) Member decisions are rarely taken in the private (Part 2) section of meetings. One decision has been taken in Part 2 in 2017/18, with 23 reports relating to procurement having part 2 appendices covering the commercially confidential information. Member delegated decisions are also taken at meetings advertised and open to the public. The constitution allows for deputations and petitions and a call in procedure for cabinet key decisions is in place. The local and statutory requirements are set out in the Council Constitution: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution c) The Council carries out consultation on a regular basis with stakeholders. It has a consultation co-ordinator and a consultation charter and toolkit on its internal website. All consultations require a consultation plan, which is posted on the consultation e-plan on the Internet. http://www.haringey.gov.uk/local-democracy/have-your-say-haringey. http://www.haringey.gov.uk/local-democracy/have-your-say-haringey/our-commitments-you http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18/your-haringey-your-future The Council publishes 'Performance Wheels' on Corporate Plan objectives and outcomes on the website; feedback on our performance is encouraged through this route: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance <u>Engaging comprehensively with institutional stakeholders</u> d) A partnership with the community sector was approved in December 2015 designed to forge stronger relationships with the local voluntary sector, working with the Moracle Foundation to improve the strength of the voluntary sector.	2) The Council is actively implementing the EU's General Data Protection Regulation (GDPR) for go live in May 2018; the implementation process has identified other areas within information governance that will require updating post the implementation date of May 2018.

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enabling it to attract more funding and investment to support local communities. Co-production is being widely used across the Council's Corporate Plan Priority 2 to redesign services and deliver outcomes; the processes encompass full engagement with stakeholders and service users. e) Formal and informal partnerships allow for resources to be used more efficiently and outcomes achieved more effectively; the Corporate Plan incorporates key partnership working across all its priorities, including the Local Safeguarding Children's Board (LSCB), Safeguarding Adults Board (SAB), Multi-Agency Risk Assessment Conference (MARAC) and the Community Safety Partnership (CSP). Agendas and minutes for the CSP are published on the website: http://www.minutes.haringey.gov.uk/lelListMeetings.aspx?CId=444&Year=0 Examples where the Council participates in partnership include the Joint Health & Wellbeing Partnership with Islington; the shared information technology service with Camden and Islington; delivering the STEM commission recommendations; working with our schools to improve outcomes for children. f) Resident engagement also occurs in formal consultation and engagement processes; examples include between October and December 2017 on service priorities which was reported to the full Council and Cabinet: http://www.minutes.haringey.gov.uk/documents/s99920/MTFS%20cover%20report.pdf <u>Agenda for Cabinet on Tuesday 13th February 2018</u> g) The Council also uses social and print media to engage with residents and stakeholders, including the Council website, My Account, Twitter, Facebook, Haringey People and the weekly Haringey People online. The Council also has specific partnerships and stakeholder newsletters including Team Noel Park; and Northumberland Park to engage with residents.	

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C. Defining outcomes in terms of sustainable economic, social, and environmental benefits; and D. Determining the actions necessary to optimise the achievement of the intended outcomes	
<u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u> a) The Corporate Plan sets out how the Council might work with partners and with communities to improve the borough and make Haringey a more successful place, while delivering around £33 million savings by 2023. The plan has seven core priority areas, each under-pinned by a series of ambitious targets. It considers and balances the economic, social and environmental impact of policies, plans and decisions. The Plan includes a challenging set of performance measures. Programme planning and management require focus on outcomes and benefits identification and tracking as part of project implementation. There is a clear and consistent approach to the reporting of outcomes, benefits, risks and issues across Priority Boards. The Plan is published on the website: http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18 b) The Council publishes updates on its website to show how the Council and partners are achieving against specific targets every three months. The outcome targets specify the intended impact on service users, residents and other stakeholders. b) The Council has an agreed Medium Term Financial Strategy (MTFS) and Workforce Plan. These set out how the Council will deliver the corporate plan taking into account the full cost of operations and within available resources, balancing	3) The Council identified a shortfall in delivering its proposed revenue savings of £9.6m in 2017/18, as reported to Cabinet in February 2018. The shortfall has been captured in the savings proposal for 2018/19.

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service priorities, and ensure its workforce has the right skills to enable it to achieve the agreed outcomes. Quarterly reports are provided to the Cabinet: http://www.minutes.haringey.gov.uk/mgAi.aspx?ID=40179#mgDocuments <u>Browse meetings - Cabinet Haringey Council</u> c) Robust planning and control cycles cover strategic and operational plans, priorities and targets. A new internal governance process was implemented in 2016/17 to provide regular monitoring and scrutiny of the achievement of the corporate plan and resources applied. For each priority, three new governance Boards were introduced: Finance Sub-groups and Operational Boards attended by senior officers and Strategic Boards attended by the relevant Cabinet Members. Performance against objectives is published on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance d) A five year capital programme was approved by Full Council on 26 February 2018, which sets out the Council's longer term investment requirements linked to policy objectives : http://www.minutes.haringey.gov.uk/documents/s99920/MTFS%20cover%20report.pdf <u>Determining actions and optimising achievement of intended outcomes</u> e) The Council includes requirements to enhance social value in contracts. For example, construction projects over £1m in value must include an apprenticeship scheme, and where possible, employers are encouraged to pay the London Living Wage. High value procurements include a significant weighting in the 'social value' section and, where applicable, requirements as to the use of community assets.	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it <u>Developing the entity's capacity</u> a) The Council's workforce plan runs from 2015-2018 and aims to ensure the Council has the right people in the right places with the appropriate skill to deliver the Council's priorities. The plan is published on the website: http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18 Workforce expectations also form a clear part of contracting and commissioning processes, as our workforce is not limited to employed staff, including complying with minimum and London Living Wage requirements. <u>Developing the capability of the entity's leadership and other individuals</u> b) The Council Constitution specifies the types of decisions that is delegated and those reserved for the collective decision making of the full Council or Cabinet. http://www.haringey.gov.uk/local-democracy/about-council/council-constitution c) The Council's Constitution sets out the leader and chief executive roles to ensure the respective responsibilities are defined in accordance with decision-making accountabilities. These comply with relevant statutory requirements. It also includes the general scheme of delegation. Each service area also has a service area scheme of authorisation for officers, currently published on the intranet. d) Members who sit on the Corporate and Regulatory Committees are provided with training specific to their responsibilities for these committees. Training sessions during 2017/18 included planning, licensing, audit, finance, pensions and treasury. e) The Council provides a programme of training for all members, and members have access to the Council's corporate training and development programme, which is	

Documentation demonstrating compliance with the governance principles published on the internal website.	Identified gaps in compliance, or further action required
f) During 2016/17 the Council rolled out 'My Conversation', a new performance management process, to all staff, which focuses on personal and organisational development and performance; the Staffing and Remuneration Committee receives regular reports on people management issues in line with the Workforce Plan objectives. Guidance and templates for all staff are published on the internal website. g) The Council's Workforce Health and Wellbeing Strategy 2015-18 focuses on ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. The Council's corporate Health, Safety and Wellbeing Board monitors all key aspects of statutory and local requirements and has an action plan in place to address any identified gaps in compliance. Health and Wellbeing Fairs have been run to promote employee health. h) The Council has protocols in place which govern how the operational and working relationships between officers and members are managed and forms part of the Constitution: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution i) The Council reviews operations, performance and use of assets on a regular basis to ensure their continuing effectiveness; the Corporate Plan highlights key performance objectives, targets and outcomes, which are monitored and reported via the Council website. The performance reporting also compares current performance with statistical neighbours, London and England averages in most cases: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance	
F. Managing risks and performance through robust internal control and strong public financial management; and	

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G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability <u>Managing risk</u> a) Haringey has a corporate Risk Management Policy and Strategy in place. It was updated to incorporate changes to the Council's structure and reporting arrangements and was presented at the Council's Corporate Committee meeting held 30th January 2018. Through a variety of processes and procedures, ensures that risk management is embedded across the organisation and its activities, including business planning and project management processes. <u>Agenda for Corporate Committee on Tuesday, 30th January, 2018, 7.00 pm Haringey Council</u> b) The Council's key risks are managed via corporate risk and Priority Boards risk registers; each is regularly reviewed via strategic and operational board meetings. Responsibility for individual risks and issues identified is clearly set out in risk registers. Internal audit reviews of key risks are undertaken as part of the annual audit programme. Performance objectives and outcomes are reported on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance c) Haringey's business continuity planning is based on risk assessment and business impact analysis. Each service area produces a business continuity plan which is updated twice a year. Service continuity plans are incorporated into the Council-wide Business Continuity Plan. No significant business continuity issues were reported during the year. In 2017/18, the Council participated in Exercise Safer City 2018, a pan London test of how councils respond to a simulated threat. <u>Managing performance</u>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
d) The Council monitors service delivery effectively including planning, specification, execution and independent post Implementation review which is set out in the Corporate Plan and outcome objectives: http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18 e) Overview and Scrutiny takes a detailed look at the Council's decisions and policies and works to promote open decision making and democratic accountability in Haringey by holding the Cabinet to account; developing and reviewing policy in an inclusive cross-party manner that involves local communities and other interested parties, reviewing the performance of the Council and scrutinising local services not provided by the Council, such as health services. Overview and Scrutiny Committee also reviews the Performance Wheels on a quarterly basis and Individual Scrutiny Panels consider performance with reference to their reviews. The reports and recommendations are discussed and responded to by the Cabinet and published on the Council's website: http://www.minutes.haringey.gov.uk/leListMeetings.aspx?Cid=128&Year=0 <u>Strong public financial management and robust internal control</u> f) The Medium Term Financial Strategy (MTFS) outlines the overall financial strategy for achieving the Council's priorities. The MTFS identifies a total of £33m of savings for delivery, plus a further £7.9m savings as yet to be identified, to deliver a balanced budget position each year between 2018 and 2023. The savings proposals were consulted on with residents, before being approved by Full Council in February 2018. Each Priority Board considers finance and budgets at every meeting, looking at both the budget and savings positions and tracking progress on both. Transformation and delivery of outcomes are strongly aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website.	

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g) The Council's financial management is based on a framework of regular management information and review to inform managers and members of the current budget position. Managers submit monthly budget forecasts and the Cabinet receives quarterly budget management information. The implementation of the new fortnightly Finance Sub-groups in 2016/17 has allowed for greater senior officer scrutiny of the budget forecasts at an early stage. h) The Council operates a 'zero tolerance' approach to fraud and corruption. The anti-fraud and corruption policy includes a fraud response plan, anti-bribery and money laundering policies and a whistle-blowing policy. The anti-fraud policy is published on the Council website and regular articles on how to report fraud are published in staff newsletters and Haringey People. In 2017/18, the Council investigated and recovered 55 illegally sublet properties; and prevented 83 potentially fraudulent Right to Buy applications in line with the anti-fraud policy. Referrals made using the whistle blowing policy were all reviewed, investigated and reported to the Corporate Committee, copies of the reports are on the website: <u>Agenda for Corporate Committee on Tuesday, 29th November, 2016, 7.00 pm Haringey Council</u> <u>Agenda for Corporate Committee on Tuesday, 31st January, 2017, 7.00 pm Haringey Council</u> i) The Council's internal and external auditors produce annual audit reports and the Annual Audit Letter, which were both reported to the Corporate Committee. External audit reported that the council had provided a good set of financial statements and working papers for 2016/17. No significant governance issues were raised by either report; recommendations were made to address some identified control weaknesses. j) Regular internal and external audit reviews check compliance with financial and contract procedure rules across the Council and the outcomes of these are reported to the Corporate Committee on a quarterly basis. All high priority	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
recommendations, excluding those covering schools audits, made by internal audit were found to be implemented when follow up audits were undertaken. The Corporate Committee fulfilled its terms of reference in relation to audit functions; and reported positive outcomes in relation to pro-active counter-fraud activities in 2016/17. k) The Council's internal control arrangements are subject to annual self assessment by the Head of Audit and Risk Management; any gaps in compliance with mandatory standards are included in the statutory annual Head of Audit report. <u>Managing data</u> l) The Council has policies dealing with various aspects of data management including security and data protection; Freedom of Information Act; information asset registers; and general records management. These and supporting guidance are all published on the Intranet. Data quality policy is published on the website: http://www.haringey.gov.uk/sites/haringeygovuk/files/data_quality_policy_2013.pdf m) The Statutory Officers Group in August 2016 agreed a new protocol for the development of and accountability for data sharing protocols with partners. <u>Implementing good practices in reporting</u> n) The Council produces an annual report to accompany its statement of accounts; for 2016/17, this received an unqualified opinion from the external auditor in 2017/18, who confirmed that the accounts provided a true and fair view of the Council's financial position; and the arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. Under the Local Accountability Act, the Council is responsible for appointing its external auditors from 2018/19; approval for the preferred appointment process was obtained from Corporate Committee in November 2016 and Full Council in February 2017. The	

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Council chose to participate in a sector led procurement exercise using Public Sector Audit Appointments (PSAA) as the Appointing Person. <u>Agenda for Corporate Committee on Tuesday, 29th November, 2016, 7.00 pm Haringey Council</u> <u>Agenda for Full Council on Monday, 27th February, 2017, 7.30 pm Haringey Council</u> o) The Council's Annual Governance Statement (AGS) is produced in accordance with required guidance and included in the statement of accounts; the AGS is reviewed by the Statutory Officers Group and Corporate Committee to ensure that any gaps in assurance or compliance issues are identified and addressed. Significant issues reported in 2016/17 are being addressed. p) As part of the Corporate Plan delivery arrangements, five Priority Boards are responsible for delivering the Corporate Plan with a responsible manager allocated as owner for each corporate priority. Outcomes and performance against all the priorities' objectives are published on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance <u>Assurance and effective accountability</u> q) Internal and external audit provide assurance on the Council's system of Internal control to support the section 151 officer requirements, including reporting compliance with financial and contract procedure rules across the Council. The outcomes of internal audits are reported to the Corporate Committee on a quarterly basis. All outstanding recommendations are reported to Corporate Committee; a focus is maintained on ensuring all high priority recommendations are implemented. None remained outstanding in 2017/18. r) The Head of Audit and Risk Management and the Internal audit service fully	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
complied with the requirements of the mandatory UK Public Sector Internal Audit Standards, as evidenced by peer review and self-assessment. Access to officers, members and information is provided by the Constitution.	

4. Significant governance issues

4.1 Following its review of governance in 2016/17, the Council identified some key areas where work would be undertaken in 2017/18 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress as at 31 March 2018 on this is set out below.

Issue	Agreed Action/ Deadline (as at 30 June 2017)	Progress update (as at March 2018)
Delivery of the MTFs savings targets – significant budget overspends in 2016/17.	Ensure the demand-led budgets within Children's and Adult Social Services and Temporary Accommodation are managed effectively in 2017/18 to deliver a balanced budget. Where MTFs savings targets cannot be met, the services will need to identify alternative savings plans to deliver a balanced budget. Regular reports on progress will be made to Cabinet. March 2018	Complete.
Recommendations were made by external audit to address some identified control weaknesses.	An action plan is in place to address the recommendations. Reports on progress will be made to Corporate Committee during 2017/18. March 2018	Complete.
Schools performance; significant deterioration in audit assurance outcomes and financial balances.	The Council's Senior Leadership Team, in conjunction with the Schools Forum, is developing an action plan to address financial and control weaknesses. Audit follow-ups and action plans will be reported to the Schools Forum and Corporate Committee. March 2018	In Progress and updated for action in 2018/19.
Preparing for the new EU General Data Protection Regulations in 2018.	An action plan is in place, which includes other key information governance requirements including Freedom of Information/Environmental Information Regulations; Transparency Code; and data sharing requirements. March 2018	In Progress and updated for action in 2018/19.

Issue	Agreed Action/ Deadline (as at 30 June 2017)	Progress update (as at March 2018)
Updating the Local Code of Corporate Governance to reflect the new CIPFA/SOLACE guidance.	Revise the Council's Local Code of Corporate Governance: ensure that it reflects the new Priority Boards' governance structures and the 2016 guidance. March 2018	In Progress and updated for action in 2018/19.
The Council's Accounts Payable Manager identified that corporate payment control processes had broken down within Parks and Leisure Services.	A reconciliation of expenditure was undertaken to ensure that payments to authorised suppliers in Parks and Leisure Services had been made in accordance with agreed processes. New corporate processes were implemented in 2016/17; Internal Audit will review the new control processes to confirm they are operating effectively in 2017/18. March 2018.	Complete.

4.2 The Council has identified the following significant governance issues during 2017/18. It is proposed over the coming year to take steps to address the governance issues in these areas and these are set out in the action plan below. The action plan will be monitored during the year to ensure all issues are appropriately addressed.

Issue	Action	Responsibility	Due date
Delivery of MTFS Savings	The Council has developed a savings programme to respond to the reduction in funding. During 2017/18, £9.6 million of savings were carried forward into 2018/19 that will form part of the £16 million to be delivered in 2018/19. Notwithstanding all of the Council's delivery and monitoring arrangements, the Quarter 3 Monitoring report to Council and the MTFS report to Full Council both recognised that there would be a significant underachievement of the 2017/18 planned savings (an estimated shortfall of £9.6m against a £20.7m target. These reports described how this position would be funded for 2017/18 and their being carried forward into the 2018/19 budget.	Director of Finance / Interim Chief Finance Officer (S151 Officer)	31 March 2019
Schools performance; significant deterioration in audit assurance outcomes and financial balances.	During the financial year 2017/18, there has been an improvement in the assurances assigned by internal audit as part of the schools' audit programme. This area will continue to be monitored to ensure the positive trend continues.	Director of Children's Services	31 December 2018
Examine the safety of two social housing buildings at Broadwater Farm.	Two residential tower blocks on Broadwater Farm (Northolt and Tangmere) did not pass structural survey tests. Work is underway to assess the issues highlighted by independent specialists and consider next steps.	Director of Housing, Regeneration and Planning	30 September 2018
Ensuring compliance with the EU's General Data Protection Regulations in May 2018.	The Council is actively implementing the EU's General Data Protection Regulation (GDPR) for go live in May 2018; the implementation process has identified other areas within information governance that will require updating post the implementation date of May 2018.	Director for Customers, Transformation and Resources	31 December 2018

Issue	Action	Responsibility	Due date
Enhance arrangements for the provision of IT infrastructure in conjunction with LBs of Camden and Islington.	The Council has entered into a partnership with Camden and Islington for shared digital and IT services. It is envisaged the three councils working together will enhance the service for residents and save costs. Current arrangements need to be enhanced to ensure the benefits outlined in the business case are delivered.	Director for Customers, Transformation and Resources	31 December 2018
Improve management and care of residents of Osborne Grove Nursing Home.	Following an internal audit of the Nursing Care Home, the regularity audit of the establishment was assigned "Nil" assurance indicating significant weaknesses in the governance arrangements. Further, a review by Care Quality Commission (CQC) raised concerns over social care practice at the establishment. Steps have been taken to safeguard the welfare of the residents and further consideration is now being given to determine the future of the residential unit and all internal audit recommendations have been implemented.	Director Adults and Health	31 December 2018
Improvements within Children's Services following a joint targeted area inspection of the multi-agency response to abuse and neglect of children.	In December 2017, Ofsted, the Care Quality Commission, HMI Constabulary and Fire & Rescue Services and HMI Probation undertook a joint inspection of the multi-agency response to abuse and neglect of children. The review identified areas of good practice but also highlighted areas for improvement. The Director of Children's Services will respond setting out a proposed course of action in relation to the findings outlined in the report.	Director of Children's Services	31 December 2018
Updating the Local Code of Corporate Governance to reflect the new CIPFA/SOLACE guidance.	The Council's Local Code of Corporate Governance is being updated to ensure that it reflects the new Priority Boards' governance structures and the 2016 guidance. The document, once updated will be formally ratified and published on the Intranet.	Assistant Director Corporate Governance	30 September 2018

5. Review of effectiveness

5.1 Haringey Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the statements of assurance and annual governance self-assessments by each director and assistant director, who have responsibility for the development and maintenance of the governance environment; the Head of Audit and Risk Management's annual report, and also by comments made by the Council's external auditors and other review agencies and inspectorates.

5.2 The Director of Finance holds the Council's statutory section 151 Officer role; the Assistant Director of Corporate Governance (the Council's Monitoring Officer); and the Head of Audit and Risk Management have also reviewed the work done by the Council relating to governance issues in 2017/18. Their comments on the key governance issues are as follows:

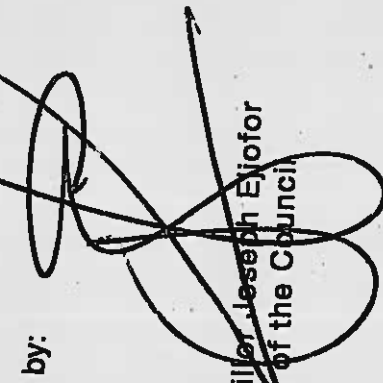
- Director of Finance: The Council identified in Quarter 3 of this year how it would address the 2017/18 forecast service overspend (lower than previous years) and maintain its General Fund Balance. The outcome position has confirmed this, along with some strengthening of the Balance Sheet to manage key financial risks. The "structural" funding difficulty of the Council remains however, with the Medium Term Financial Strategy refresh being a key process for the Council, along with the delivery of its savings plans.
- Assistant Director of Corporate Governance: No significant governance issues were identified during the year in relation to Monitoring Officer functions.
- Head of Audit and Risk Management: The work of the internal audit team provided satisfactory levels of assurances in the majority of council business but also identified weaknesses in some areas. In particular, the review of Osbourne House raised concerns over the governance, risk management and internal controls operating at the establishment and I am pleased to note the prompt action of management to make improvements. The audit of schools raised significant concerns last year and internal audit continues to monitor in implementing improvements. There is evidence to suggest improvements are underway and internal audit continues to monitor progress. A number of reviews highlighted the need for strategies, policies and procedures to be updated and the need for enforcing compliance with agreed practices. A report highlighting the work of internal audit and all its findings and conclusions will be presented to the Corporate Committee on 24 July 2018. A high-level summary of the report is provided below.

5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2017/18. The report concluded that in most areas across the Council, with the exception of those areas receiving 'limited' or 'Nil' assurance, there are sound internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory.

- 5.4 Priority Owners have completed a statement of assurance covering 2017/18 which is informed by work carried out by Directors; Assistant Directors; heads of service and managers; internal audit; any external assessments; and risk management processes. The statements are used to provide assurance that any significant control issues that have been brought to their attention have been dealt with appropriately. No significant governance issues, apart from those identified at paragraph 4.2 were recorded.
- 5.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) statements on the role of the Chief Financial Officer (CFO) and the role of the Head of Internal Audit (HoA) in public service organisations have both been incorporated into the Council's overall governance arrangements. During 2017/18, the Council can confirm that both the CFO and HoA fulfilled all the requirements set out within the CIPFA statements, and assurance on this was obtained via internal and external audit reviews. No gaps in compliance were identified for either role.
- 5.6 The Leader of the Council and the Chief Executive have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Corporate Committee, and a plan to implement enhancements and ensure continuous improvement of the system is in place.
- 5.7 The evidence provided concerning the production of the Annual Governance Statement has been considered by the Chief Executive and officers at the Statutory Officers' Group meetings on 1 May 2018; and will be considered by the Council's Corporate Committee on 24 July 2017. The Statutory Officers concluded that the Council has satisfactory governance systems in place and satisfactory plans to address the identified issues to ensure improvement; these arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The Chief Executive and the Statutory Officers' Group are committed to implementing the action plan, strengthening and improving controls and keeping the effectiveness of the Council's corporate governance arrangements under review during the year.

Signed by:

2018


Councillor Joseph Ejiofor
Leader of the Council

Zina Etheridge
Chief Executive

Date:

31-5-18

4-06-18

