

Draft Annual Governance Statement 2019/20

1. Scope of responsibility

- 1.1 We are responsible for ensuring that our 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. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which our functions are exercised, with regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this, we are also responsible for putting in place proper arrangements for the governance of our affairs, facilitating the effective exercise of our functions, which includes arrangements for the management of risk.
- 1.3 We have 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'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 our commitments as part of the Local Code of Corporate Governance, together with how we obtain 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 we direct and control the activities of the Council. The framework also comprises the activities through which we are accountable to, engages with and leads the community. Through the framework, we monitor the achievement of our strategic objectives and 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 our approved 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 for the year ended 31st March 2020 and up to the date of the approval of the annual report and accounts.
- 2.4 Like all local authorities across the country, we rapidly changed our focus in March 2020 to respond to the global COVID-19 pandemic. This involved enacting emergency planning and business continuity arrangements, protecting and supporting the most vulnerable, supporting public health measures to reduce the spread of the virus and maintaining and adapting council services to continue to serve residents and businesses in the borough. This was not just a Haringey response, we have and continue to work with partners, local and regional authorities across London and government through London emergency planning arrangements.
- 2.5 The majority of our council staff moved to working from home. A deployment and staff volunteering hub was established with approximately 1,200 staff who could be temporarily redeployed to areas of most need, along with a further 200 staff volunteers. The connected communities' helpline was set up as the 'shop front' for advice, support and information with over 6,000 people having made contact by the end of May. Alongside this, we are working with the NHS to support the c9,100 extremely vulnerable residents identified as part of the 'shielded group'. A food hub was established to help vulnerable people access food, and it continues to deliver nearly 350 food parcels including hot meals daily. We also made changes to parks to ensure their continued safe use, supported schools to open for children of key workers, facilitated payments of business grants of over £40m to 2,500 businesses and much more.
- 2.6 As with any emergency, our Gold arrangements were enacted to be the primary focus for the council's emergency response, with regular Gold meetings. Alongside this, existing strategic boards were amended, and new meetings set up to ensure we had a coordinated response to managing demand, costs and new working practices. This included:
- LB Haringey COVID-19 Gold meetings – three times weekly in the beginning, moving to twice weekly;
 - Series of Gold workstreams including health and adult social care, community response and workforce;
 - Partners GOLD meeting – originally weekly, moving to fortnightly;
 - Statutory Functions Board – move to weekly meetings to ensure focus on statutory duties;
 - North Central London Adult Social Care Group - Weekly meeting;
 - Director Adults Social Service virtual catch up (weekly);
 - Adult Social Care Covid-19 Response and Resilience Group; and
 - Finance meetings to develop tracking of costs and budget (bi-weekly).
- 2.7 We successfully enacted our business continuity plans in response to Covid-19 and were able to sustain most service by using technology to enable staff to work from home. Many services adapted their business model rapidly to move services online, or to provide support to residents remotely. Accordingly, the pressure for staff to return to the office is limited, and we are able to take a measured, phased approach to this. The facilities management team is working to introduce social distancing measures across the Council's operational estate, so that

when government guidelines support this, we will be able to allow more staff to work from our offices. Particular attention is being paid to services that may need to resume a face-to-face offer, to ensure this is done safely. We will produce and where appropriate publish the risk assessments to support this. In addition, we will conduct individual risk assessments to identify any Council staff with higher levels of vulnerability, so that we ensure that we protect the health and wellbeing of all our staff through what will continue to be a period of elevated concern.

- 2.8 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 we meet 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 2021.

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	
<p><u>Behaving with Integrity</u></p> <p>a) The Council’s Member Code of Conduct (July 2019) 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</p> <p>b) The offer of Induction is provided for all new Members when they are elected on expected standards of behaviour.</p> <p>c) The Officer Code of Conduct was reviewed in 2019 and a new version was published to staff in June 2019 following approval by Member. A copy of the Code is provided to all new officers on appointment and annual reminders are made of the need for employees to make a declaration of a conflict of interest or to declare any offers of gifts or hospitality which are received.</p> <p>d) Haringey Values updated in 2015 (Human, Ambitious, Accountable, and</p>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>Professional). Published on the internal website and internet: https://www.haringey.gov.uk/jobs-and-training/working-haringey/haringey-values</p> <p>e) Decision-making practices for member decisions follow legal and transparency requirements. Officer decisions are also recorded and published on Modern.gov: http://www.haringey.gov.uk/local-democracy/our-standards https://www.haringey.gov.uk/local-democracy/how-decisions-are-made</p> <p>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</p> <p>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, see link in f above. For officers, declaration forms are retained in Human Resources.</p> <p>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.</p> <p>i) Anti-fraud and corruption strategy is in place, including the Whistle blowing policy (July 2018). 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:</p>	<p>Training needs assessment will be completed in 2020/21.</p> <p>Review current policy during 2020/21.</p>

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>https://www.haringey.gov.uk/local-democracy/performance-and-finance/fraud-and-corruption</p> <p>j) Corporate and service specific complaints policies are in place and published on the website. Level of complaints upheld at Stage 1 and 2 is monitored and reported regularly to the Council’s Corporate Management Group using Grip Indicators. More information is being published and made easily accessible to customers. 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</p> <p>k) Local Code of Corporate Governance was refreshed in 2018/19 and was approved at Corporate Committee July 2019 it will also be presented at Full Council in 2020: https://www.minutes.haringey.gov.uk/documents/s110621/App%20B%20Code%20of%20corporate%20Governance%20for%20legal%20VB%20MJ%2014.11.18%20final.pdf</p> <p><u>Demonstrating strong commitment to ethical values</u></p> <p>l) 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</p> <p>m) The Council incorporated 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.</p> <p>n) A major review of all the Human Resources policies & procedures began in 2019</p>	<p>Progress on updated policies to be tracked in 2020.</p>

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>and is ongoing. The policies for revision undergo extensive discussion with relevant groups within the council and with trade unions before the final version is presented to Members for their approval, only when approved are policies published and details communicated to officers.</p> <p>o) The Council encourages external providers of services to act with integrity and in 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</p> <p><u>Respecting the rule of law</u></p> <p>p) The Chief Executive is appointed by full Council. Any disciplinary action or dismissal of the statutory officers is dealt with in line with legal requirements that take into account the need for them to fulfil their responsibilities in accordance with legislative and regulatory requirements. A Statutory Functions Board was convened in 2019/20, meeting quarterly the group focuses on ensuring statutory compliance and is both forward and backward looking to support the Statutory Officers in fulfilling their roles.</p> <p>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 updated and published on the internet: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>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</p>	

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<p>2019/20.</p> <p>s) Statutory officers are available at meetings of the Council/Cabinet to advise and ensure law and regulations are not breached.</p>	
B. Ensuring openness and comprehensive stakeholder engagement	
<p><u>Openness/ Implementing good practice in transparency</u></p> <p>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</p> <p>b) Member decisions are rarely taken in the private (Part 2) section of meetings. 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</p> <p>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 https://www.haringey.gov.uk/local-democracy/policies-and-strategies/borough-plan-2019-2023-consultation</p> <p>The Council publishes 'Performance Wheels' on Borough Plan priorities and outcomes on the website; feedback on our performance is encouraged through this</p>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>route: https://www.haringey.gov.uk/local-democracy/policies-and-strategies/building-stronger-haringey-together</p> <p><u>Engaging comprehensively with institutional stakeholders</u></p> <p>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, enabling it to attract more funding and investment to support local communities. A voluntary and community sector pledge is included in the Borough Plan.</p> <p>e) Formal and informal partnerships allow for resources to be used more efficiently and outcomes achieved more effectively; the Borough 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/ieListMeetings.aspx?CId=444&Year=0 Examples where the Council participates in partnership include the Joint Health & Wellbeing Partnership with Islington; delivering the STEM commission recommendations; working with our schools to improve outcomes for children.</p> <p>f) Resident engagement also occurs in formal consultation and engagement processes. More information on the Community Engagement Framework is available on our website. https://www.haringey.gov.uk/local-democracy/have-your-say-haringey/haringeys-community-engagement-framework</p> <p>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</p>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
specific partnerships and stakeholder newsletters including Team Noel Park; and Northumberland Park to engage with residents.	
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	
<p><u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u></p> <p>a) The Borough 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 £30 million savings by 2024. The plan has five 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: https://www.haringey.gov.uk/local-democracy/policies-and-strategies/borough-plan</p> <p>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.</p> <p>c) 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 service priorities, and ensure its workforce has the right skills to enable it to achieve the</p>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>agreed outcomes. Regular reports are provided to the Cabinet: https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=9157&Ver=4</p> <p>d) Robust planning and control cycles cover strategic and operational plans, priorities and targets. An internal governance process has been implemented to provide regular monitoring and scrutiny of the achievement of the corporate plan and resources applied. For each priority, Priority Boards have been introduced. Performance against objectives is published on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance</p> <p>e) A five-year capital programme was approved by Full Council on 12 February 2019, which sets out the Council's longer-term investment requirements linked to policy objectives, updates are provided to Cabinet annually at the February meeting: https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=143&MId=8669&Ver=4</p> <p><u>Determining actions and optimising achievement of intended outcomes</u></p> <p>f) 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.</p>	
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	
<u>Developing the entity's capacity</u>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>a) The Council's Workforce Development Strategy 2019 – 2023 aims to create a better place to work and to ensure the Council has the right people in the right places with the appropriate skills to deliver the Council's priorities. The plan is published on the website: https://www.haringey.gov.uk/search/haringey_cse/workforce%20development%20strategy</p> <p>b) 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.</p> <p><u>Developing the capability of the entity's leadership and other individuals</u></p> <p>c) 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</p> <p>d) 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.</p> <p>e) Members who sit on Committees are provided with training specific to their responsibilities for these committees. Training sessions during 2019/20 included planning, licensing, audit, finance, pensions and treasury.</p> <p>f) 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 published on the internal website.</p>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>g) 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.</p> <p>h) The Council’s Workforce Development Strategy 2019 – 2023 aims to create a better place to work. A Healthy Workforce Strategy was drafted in 2019 and will be approved by members in 2020. 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.</p> <p>i) 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</p> <p>j) 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</p>	

**F. Managing risks and performance through robust internal control and strong public financial management; and
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Managing risk

- a) Haringey has a corporate Risk Management Policy and Strategy in place it was reviewed in 2019 and will be approved by Members in 2020. A project to strengthen risk management and embed the Strategy has commenced in 2020. Risk Management is embedded through a variety of processes and procedures, management teams, groups and boards across the organisation and is central to activities, including business planning and project management processes.
<https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=730&MId=8242&Ver=4>
- 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. As noted previously the Council's Business Continuity Plans were implemented in response to Covid -19. One business continuity event outside of Covid-19 occurred on 26 July 2019 when the Council experienced an outage in its data centre due to severe heat. The majority of services were restored in a few hours, some took a few days, full service resumed by 01 August 2019. In 2019/20 In 2019/20, the Council participated in Exercise

Policy and Action Plan to be agreed in 2020.

<p>Safer City 2019, a pan London test of how councils respond to a simulated threat. The Business Continuity Team led the following exercises in 2019:</p> <ul style="list-style-type: none"> • Cyber Resilience workshop for Adults Social Services Oct 2019. • Brexit BC workshop for Care Providers May 2019; and • Brexit Workshop for Corporate Leadership Group Sept 2019. <p>The Team participated in a fuel supply disruption in March 2020. More information on business continuity and emergency planning is available at:</p> <p>https://www.haringey.gov.uk/environment-and-waste/major-emergencies/emergency-planning</p> <p><u>Managing performance</u></p> <p>d) The Council monitors service delivery effectively including planning, specification, execution and independent post implementation review which is set out in the Borough Plan and outcome priorities:</p> <p>https://www.haringey.gov.uk/local-democracy/policies-and-strategies/building-stronger-haringey-together</p> <p>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:</p> <p>http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=128&Year=0</p> <p><u>Strong public financial management and robust internal control</u></p> <p>f) The Medium-Term Financial Strategy (MTFS) outlines the overall financial strategy for achieving the Council's priorities. The MTFS identifies a total of £43.9m of</p>	<p>As noted elsewhere in this statement Covid-19 will have significant impact on the</p>
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<p>savings required, to deliver a balanced budget position each year between 2020 and 2025. Over half of this target (£28.4m) has been subject to consultation with residents, before being approved by Full Council in February 2020; the reminder has yet to be identified and will form part of the financial planning process during 2020/21. 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 aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website.</p> <p>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.</p> <p>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 2019/20, the Council investigated and recovered 54 illegally sublet properties; and prevented 118 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: https://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=730&Year=0</p>	<p>Council's MTFS and significant issues, actions and timelines have been identified in tables below.</p>
<p>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 2018/19. No significant governance issues were raised by either report; recommendations were made to address some identified control weaknesses.</p> <p>j) Regular internal and external audit reviews check compliance with financial and contract procedure rules across the Council and the outcomes of these are</p>	

<p>reported to the Corporate Committee on a quarterly basis. All high priority 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 2017/18.</p> <p>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.</p> <p><u>Managing data</u></p> <p>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: https://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance?sm_au=iHVVH14V03WHLnWHq</p> <p><u>Implementing good practices in reporting</u></p> <p>m) The Council produces an annual report to accompany its statement of accounts; for 2018/19, this received an unqualified opinion from the external auditor in 2019/20, 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 2019/20; approval for the preferred appointment process was obtained from Corporate Committee in November 2016 and Full Council in February 2017. The Council chose to participate in a sector led procurement exercise using Public Sector Audit Appointments (PSAA) as the Appointing Person. http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=143&MId=7868&Ver=4</p>	<p>A Data Breach was reported to the Information Commissioners Office (ICO) in February 2020, an internal investigation has produced an action plan to mitigate risk and ensure the suggestions of the ICO are completed.</p>
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| <p>n) 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 Corporate Board and the Corporate Committee to ensure that any gaps in assurance or compliance issues are identified and addressed. Significant issues reported in 2018/19 are being addressed.</p> <p>o) 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</p> | |
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Assurance and effective accountability

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| <p>p) 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 2019/20.</p> <p>q) The Head of Audit and Risk Management and the internal audit service fully 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.</p> | |
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4. Significant governance issues

- 4.1 Following our review of governance in 2018/19, we identified some key areas where work would be undertaken in 2019/20 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress as at 31 March 2020 on this is set out below. Internal Audit monitored progress with regards these actions outlined below and in February 2020 produced an update report for Corporate Committee Members.

Issue	Agreed Action/ Deadline (as at May 2019)	Progress update (as at March 2020)
Delivery of MTFS Savings	<p>The Council has developed a savings programme to respond to the reduction in funding and financial pressures in Children's and Adults Social Care provision and the use of temporary accommodation. For the financial year 2019/20, the Council's savings target is £13.7 million. This includes the impact of a review of savings proposals developed before 2019/20 which assessed whether the proposals would deliver the planned savings and where the savings were improbable, the savings proposals were written off. Reports setting out the full financial position of the Council for 2019/20 and the Medium-Term Financial Plan for 2020/21 to 2023/24 were reported to Cabinet on 12 February and Full Council on 25 February 2019. These reported total budget reductions required for the period 2019/24 of £50m, for which there were plans to deliver £30m. This represents a fundamental challenge to the Council.</p> <p>31 March 2020</p>	<p>There is regular reporting of the financial position of the council to both Senior Officers and Members. The budget for 2020/21 was approved in February. The s151 officer confirmed via the follow up work completed for Committee in February 2020 that plans were in place to address the forecasted overspend for 2019/20, that existed at that time. In light of the Covid-19 pandemic the council's MTFS will have to be reviewed and for this reason and the financial risks identified this issue has been closed but a new MTFS related issue has been included for monitoring in 2020/21.</p>
Schools performance. audit assurance outcomes and financial balances.	<p>During the financial year 2019/20, there has been a marked improvement in the assurances assigned by internal audit as part of the schools' audit programme with four (30% of schools audited; in 2017/18 this was 45%) schools receiving inadequate assurance. This area will continue to be monitored to ensure the positive</p>	<p>The Audit and Risk team still see ad hoc evidence of poor financial management in schools, however there is an increasing cross team response to this to take necessary action including supporting the</p>

Issue	Agreed Action/ Deadline (as at May 2019)	Progress update (as at March 2020)
	<p>trend continues.</p> <p>31 December 2019</p>	<p>school to move forward. These governance mechanisms will continue to strengthen into 2020/21. It should be noted that overall, the assurances in audits continue to move in the right direction with a reduction in the number of schools receiving low levels of assurance. This action will continue to be monitored in 2020/21 by Corporate Committee but not remain as a significant governance issue on the statement.</p> <p>The school's audit programme will be reviewed to ensure focus on areas of risks identified from the annual school report.</p>
<p>Safety of two social housing buildings at Broadwater Farm.</p>	<p>Two residential tower blocks on Broadwater Farm (Northolt and Tangmere) did not pass structural survey tests. In June, Cabinet considered various options for the two block and on 11 Sept 2019, began consultation with the residents of the two blocks. On 13 November Cabinet agreed to demolish the two blocks and address the rehousing requirements.</p> <p>31 March 2020</p>	<p>Update reports were provided to the Homes for Haringey Board periodically during 2019/20 and an update was also received by the CAB subgroup in November 2019 outlining progress to decant. Members of the Broadwater Farm Scrutiny panel were presented a report in March 2020. Work is on-going with the leaseholders, who remain, in both blocks to negotiate the purchase of properties.</p> <p>This issue will remain on the AGS for monitoring in 2020/21.</p>

Issue	Agreed Action/ Deadline (as at May 2019)	Progress update (as at March 2020)
<p>In October 2018, Ofsted carried out an inspection of Children's Social Care Services and published its final report on 14 December 2018. The inspection team recognised the progress the Council has made – and continues to make – in delivering children's social care. Ofsted also identified areas where improvements could still be made. Following the inspection, the service received a 'requires improvement' rating.</p>	<p>The Ofsted inspection of Children's Social Care Services was completed on 9th November 2018 and the report of the findings of the inspection was published on 14th December 2018. The inspection judged all areas inspected as 'requires improvement to be good' and listed nine areas for improvement. A high-level version of an action plan was created and reported to Cabinet on 12th March 2019. A more detailed operational plan which is specific, measurable, realistic and has targets for improvement (SMART) and sets out the actions to improve practice in the identified area has been created and is monitored quarterly through the Children's Improvement Board and at regular one-to-one meetings with the cabinet member for Children, Families and Education and the Director of Children's Services. Additionally, Ofsted will also review progress on the action plan at the Annual Engagement meeting with the Director of Children's Services. The Cabinet, Children's Scrutiny and Corporate Parenting Advisory Committee will all receive an annual update on the progress of the action plan.</p> <p>31 March 2020</p>	<p>The update position reports in September 2019 indicates that at all actions raised were complete or on track to be completed by the target deadline, with the exception of two which were amber indicating more work needed to ensure achievement. These two actions related to placement sufficiency for vulnerable adolescents. It is noted that a full update is on the forward plan for cabinet in June 2020. This will pick up the most recent Ofsted focussed visit which took place in December 2019, most recent visits recognise positive improvements. This issue will continue to be monitored in 2020/21.</p>
<p>The Council invited the Local Government Association (LGA) to undertake a Corporate Peer Challenge of the Council in February 2019. The report highlighted numerous examples of good practice and raised recommendations where the Council could make further improvements.</p>	<p>Peer challenge is a proven tool for improvement and is a process commissioned by a Council. A small team of experienced local government officers and councillors spend four days on-site and spoke with more than 120 people including a range of Council staff, Councillors, external partners, stakeholders and young people. The report from LGA highlighted many positive areas of the Council such as improvements in Children's Services and Health, Social Care Integration, and the ambitions of the Council as set out in its Borough Plan. The report</p>	<p>The peer review action plan was discussed at Corporate Board on 27th February to review progress to implement the recommendations raised. Significant progress is noted across the eight areas for development, but many include longer term projects of work.</p> <p>The action plan will continue to be</p>

Issue	Agreed Action/ Deadline (as at May 2019)	Progress update (as at March 2020)
	<p>also raised recommendations for improvement, these have been welcomed and action taken to implement the recommendations.</p> <p>31 March 2020</p>	<p>monitored by Corporate Board, but the issue will not remain a significant issue on the statement.</p> <p>The outcomes of the peer review will be revisited as part of the assessment of the Councils priorities for 2020/21.</p>

- 4.2 We have identified the following significant governance issues during 2019/20. 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
Covid -19 Impact on Financial Planning & MTFS refresh	<p>In light of the emergency situation, local authorities are relying on the statement from Robert Jenrick (Secretary of State for Housing, Communities and Local Government) of 16 March 2020 which said “the government stands ready to do whatever is necessary to support councils in their response to coronavirus” for approval to incur the essential expenditures required to fulfil their role.</p> <p>Notwithstanding this, Covid-19 must be expected to have a significant net financial impact on the Council in the short, medium and long term and the Council must recognise and start to address this.</p> <p>The financial planning timetable is being refreshed in the light of this and the assumptions in the currently agreed MTFS are being reviewed and challenged. The current Borough Plan outcomes are also being revisited to assess the impact of C-19 and if any amendments need to be made. The outcome of these reviews will drive the revised parameters for developing a balanced 2021/22, supported by budget and new 2021-2026 MTFS.</p>	Cabinet & Corporate Board – led by Dir of Finance	March 2021
Clienting of Homes for Haringey	The Council has an Arm’s Length Management Organisation, Homes for Haringey (HfH) to manage around 15,353 tenanted and 4,943 leasehold properties. A governance review is being undertaken to make sure the Council has the right processes and governance in place to fully and properly discharge its landlord responsibilities, including the Regulator of Social Housing’s Home Standard, and with particular concern over the safety of the Council’s tenants and leaseholders in their home. The review	Director of Housing, Regeneration & Planning	March 2021

Issue	Action	Responsibility	Due date
	will consider whether the Council and HfH have appropriate resources in place, with the right level and type of capacity. Alongside the right governance arrangements and procedures to ensure effective oversight and delivery.		
During 2019/20 there have been issues raised with regards the robustness of decision making relating to acquisitions and disposals of property, this has required investigation to provide assurance that effective governance is in place and to ensure that decisions have been made and recorded in line with the constitution.	<p>During 2019/20 as a result of learning from investigations, the structure of reporting and membership of officer boards such as Capital Delivery and Corporate Property Board have been considered and changes implemented to mitigate risk and generally strengthen governance.</p> <p>A Property Governance Review will be completed in 2020 to ensure that new arrangements are sound and fully embedded.</p>	Director of Customers, Transformation and Resources	September 2020
In February 2020 the Council made a report to the Information Commissioners Office (ICO) with regards a data breach. A report was also made direct to the ICO by a third party.	<p>An internal project to mitigate the risks associated with this data breach and impact on affected parties. Reports were made to the ICO and a response was received, with some suggested actions. An internal investigation was completed, picking up the ICOs suggestions and also raised a number of recommendations for control improvements. These recommendations will be tracked to completion.</p> <p>This is a high inherent risk area for the council, the arrangements in place are reviewed periodically as part of the risk management framework and the Council has an appointed Senior Information Risk Owner (SIRO). The events of 2019/20 have been considered as part of our risk analysis work and resulting</p>	Director of Customers, Transformation and Resources	September 2020

Issue	Action	Responsibility	Due date
	decision making.		
Safety of two social housing buildings at Broadwater Farm.	<p>As at 19/05/20 eight leaseholders still own homes in Tangmere (with a further 108 properties vacant). 13 leaseholders own homes in Northolt and 15 tenants are yet to move (with a further 74 homes vacant). Rehousing work will continue to ensure that vacant possession is achieved, and blocks can be demolished. Proposals to accelerate the acquisition of leasehold flats are due to be considered by Cabinet soon and officers will further recommend CPO proceedings by the Autumn if negotiations are not positive.</p> <p>Risks in each block are being mitigated by the provision of 24-hour security, the decommissioning of empty flats and the securing of front doors to prevent unauthorised access. Updates on the progress of the rehousing work will continue to be reported to members and senior officers through agreed Governance arrangements.</p>	Director of Housing, Regeneration & Planning	March 2021
In October 2018, Ofsted carried out an inspection of Children's Social Care Services and published its final report on 14 December 2018. More recent inspections have recognised a positive direction of travel.	<p>Improvement Board and at regular one-to-one meetings with the Cabinet member for Children, Families and Education and the Director of Children's Services. Ofsted are expected to visit again in 2020, we will also review progress on the action plan at the Annual Engagement meeting with the Director of Children's Services.</p> <p>The Cabinet, Children's Scrutiny and Corporate Parenting Advisory Committee all receive an annual update on the progress of the action plan.</p>	Director of Children's Services	March 2021

Issue	Action	Responsibility	Due date
<p>Schools performance, audit assurance outcomes and financial balances.</p> <p>In 2018/19 and 2019/20, there has been an improvement in the assurances assigned by internal audit as part of the schools' audit programme. The improvement is recognised, however there were still 6 schools from the 18 audited in 2019/20 where assurance provided was below expectations.</p>	<p>Covid-19 has given us some time to reflect on the schools audit approach. For 2020/21 the programme will be reviewed to ensure it is focused on highest risk areas, including any that have increased due to the response to COVID-19.</p> <p>A new approach to follow up has been designed to be more proactive. The team is also looking to work more closely with other council teams who work with schools, again to ensure efficient use of audit resources and added value from the work for stakeholders.</p> <p>Investment in training for governors and schools will continue.</p> <p>Annual reports are taken to the schools forum and Corporate Committee.</p>	<p>Director of Children's Services</p>	<p>March 2021</p>
<p>Covid-19 – Safe Service Provision and Financial Control</p>	<p>There is a risk that expenditure is incurred outside the agreed budgetary framework and without the required governance approvals and that decisions are made inconsistently around treatment of debt recovery. The Leaders signing report of 6 April 2020 provided a first new financial decision-making framework for the Council's response to the Covid-19 crisis. This will get updated as we move through the year, to respond to further developments, service and financial pressures and when there is greater certainty about the funding from Government.</p> <p>There is an enhanced risk of fraud in this situation. Decisions are being made under pressure, there is urgency in acquiring resources and responding to vulnerable people. To mitigate this, current processes have been reviewed and amended / enhanced as required; new processes written and communicated to cover any new ways of operating. Initial focus on high risk areas such as cash handling, purchase cards, emergency payments and</p>	<p>Director of Finance</p> <p>Corporate Board – all Budget Holders</p>	<p>March 2021</p>

Issue	Action	Responsibility	Due date
	<p>paying out grants to businesses. Compliance checks enhanced and agreed audit plan re-visited to re-prioritise where necessary.</p> <p>Covid-19 necessitated adapting working arrangement and condition to protect our staff and partners, our residents and people who use Council services. Our initial response was to set up practices to facilitate safe delivery of our services, with haste and with minimal impact on people who rely upon us. We are now considering the future of our governance arrangements in our services to build on good practices established during Covid-19 and consider the longer-term impact of the virus.</p>	Directors of Children's and Adults Services	September 2020

5. Review of effectiveness

- 5.1 We take responsibility for conducting an annual review of the effectiveness of our 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 2019/20. Their comments on the key governance issues are as follows:
- Director of Finance: The action we took in setting the 2019/20 Budget was appropriate. While there was still a forecast in year overspend at Qtr3 (Dec 2019), the future impact of the main underlying pressures has been addressed as part of the 2020/21. We have also taken advantage of making Live budgeting decisions in year such as the approval of a suite of invest to save proposals in Children's services which are now well underway and will contribute to better outcomes for our young people and their families. The 2019/20 draft outturn will maintain the unearmarked General Fund reserve at the agreed level and earmarked reserves will be protected at the expected level. This is more crucial than ever as we face an uncertain year ahead grappling with the immediate and longer-term impact of the Covid-19 epidemic. This has become the most serious financial risk facing the authority and will require strong governance and a forensic review of the current MTFS and how it will need to flex in line with a reshaped Borough Plan and revised resource base.
 - Assistant Director of Corporate Governance: No significant governance issues were identified during the year in relation to the 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 although it also identified weaknesses in some areas. The proportion of schools receiving a satisfactory level of assurance has improved for 2019/20, though the performance will continue to be monitored in future years. The audit of the processes for delivery of capital schemes highlighted inconsistencies in approach and clarity over responsibility and accountability and management are taking steps to implement audit recommendations. An area of concern is around Information Governance. Following a data breach in Feb 2020, a number of weaknesses were identified following an audit review. The Council's Security Information Risk Officer was engaged in taking steps to improve governance in this area. Weaknesses were also noted within Property Services, Special Education Needs – Transport Services and the Delivery of Council Housing. In all cases, management have accepted audit recommendations to improve the internal control environment in these areas.

- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2019/20. 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 discussed a statement of assurance covering 2019/20 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 2019/20, 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 the other members of the Corporate Board; and will be considered by the Council's Corporate Committee in July 2020. 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 along with the other members of the Corporate Board 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:

Councillor Joseph Ejiofor
Leader of the Council

Zina Etheridge
Chief Executive

Date:

Date: