



Haringey Council

Report for:	Corporate Committee 27 June 2013	Item number	
Title:	Annual Governance Statement 2012/13		
Report authorised by :	Director of Corporate Resources <i>J. Paver 12/6/13</i>		
Lead Officer:	Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: anne.woods@haringey.gov.uk		
Ward(s) affected: ALL	Report for: Non-Key Decision		

1. Describe the issue under consideration

1.1 To inform the Corporate Committee of the requirements of the statutory Annual Governance Statement (AGS) and provide a draft statement relating to the 2012/13 financial year for review and approval.

1.2 The Corporate Committee is responsible for approving the Council's draft AGS as part of its Terms of Reference. In order to facilitate this, and provide information on its sources of assurance from across the Council, reports have been provided on a regular basis for the Corporate Committee, culminating in the production of the draft AGS.

2. Cabinet Member Introduction

2.1 Not applicable

3. Recommendations

3.1 The Corporate Committee review and approve the draft 2012/13 AGS.

3.2 That the Corporate Committee notes the approval timescale and processes for the draft 2012/13 AGS.

4. Other options considered

4.1 Not applicable.



5. Background information

- 5.1 Since 2007/08, the Council has been required to produce an Annual Governance Statement (AGS) for publication with the Council's annual accounts. The AGS comments on the Council's governance framework as a whole. Corporate governance brings together an underlying set of legislative requirements, governance principles and management processes.
- 5.2 The preparation of an AGS is a statutory requirement of the Accounts and Audit (amendment) (England) Regulations 2011. These regulations require local authorities to produce an annual statement, in accordance with 'proper practice'.

6. Analysis

- 6.1 In order to comply with the statutory reporting deadlines, the AGS for 2012/13 has to be approved prior to 30 June 2013. The Leader and Chief Executive will need to obtain sufficient assurance that responsibilities have been adopted at a corporate level and adequate processes exist and are effective before they sign the AGS.
- 6.2 Prior to its final approval, the Council needs to demonstrate that the AGS has been reviewed and agreed by relevant senior managers across the authority and an appropriate member body. Chief Officers have reviewed a draft AGS and a copy of this is provided at Appendix A. This has been produced in line with the guidance issued by CIPFA in their report 'Delivering Good Governance', the 2012 guidance note; and from recommendations made by Grant Thornton in their 2012 national review of governance in local government: 'Improving Council Governance'.
- 6.3 The AGS format for 2012/13 has been updated to explicitly link it to the Council's published Local Code of Corporate Governance; and demonstrate more clearly the processes and assurances the Council has in place to fulfil its requirements. The Council believes this represents a better approach to producing the AGS and demonstrating the value and importance of good governance throughout the year.
- 6.4 It is acknowledged that the draft AGS is presented for review prior to the statutory external audit of the accounts. Initial discussions with Grant Thornton have not identified any further issues that they would expect to be included in the draft AGS at this stage. However, any significant governance or internal control issues which arise as a result of the final accounts audit can be included in the AGS and re-submitted for officer and member consideration and approval before the closure of the statutory audit period on 30th September 2013.
- 6.5 Corporate governance is an important element of the external assessment processes. The annual accounts, including the AGS, are subject to audit by



Haringey Council

the council's external auditors. While the whole of the financial statements may not be qualified, an incorrect or inaccurate AGS may be raised as a recommendation by the external auditors.

7. Comments of the Chief Financial Officer and Financial Implications

7.1 There are no direct financial implications arising from this report. The work within internal audit, which supports the AGS, is contained and managed within the Audit and Risk Management revenue budget. Service departments manage risks and governance arrangements as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

7.2 The Chief Financial Officer confirms that the presentation of the attached draft AGS for approval by this Committee meets the Council's statutory requirement under the 2011 Accounts and Audit Regulations.

8. Legal Implications

8.1 The Council's Head of Legal Services has been consulted in the preparation of this report, and advises that the Committee has the Constitutional power to adopt the recommendations sought.

8.2. The Head of Legal Services further advises that there are no direct legal implications arising out of the report. In so saying, the Head of Legal Services notes that colleagues have produced the draft Annual Governance Statement in line with industry best practice, and recommendations made by Grant Thornton.

9. Equalities and Community Cohesion Comments

9.1 This report deals with governance arrangements and their implementation across all areas of the Council, which have an impact on various parts of the community. Improvements in managing governance will therefore improve services the Council provides to all sections of the community.

10. Head of Procurement Comments

10.1 Not applicable.

11. Policy Implications

11.1 There are no direct implications for the Council's existing policies, priorities and strategies. However, ensuring that the Council has effective governance arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

12. Use of Appendices

12.1 Appendix A – Draft Annual Governance Statement 2012/13.

Annual Governance Statement 2012/13

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 how the council has complied with the code and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011, 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 and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; 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, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Haringey for the year ended 31st March 2013 and up to the date of the approval of the annual report and accounts.

3. The governance framework

3.1 The key elements of the systems and processes that comprise the authority's governance arrangements are consistent with the six core principles of the council's Code of Corporate Governance:

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
<p>Core Principle 1</p> <p>Focusing on the purpose of the council, on outcomes for the community and creating and implementing a vision for the area</p>	<ul style="list-style-type: none"> The Council Plan 2012-14 sets out the vision and priorities for the council. The plan identifies five key priorities which formed the major programmes of work for the period 2012/13: <ul style="list-style-type: none"> Work with local businesses to create jobs Deliver regeneration to key areas of the borough Tackle housing challenges Improve school standards and outcomes for young people Deliver responsive, high quality services to residents. The Medium Term Financial Plan (MTEP) sets out the council's spending plans for 2012-13 and 2014-15, linked to its vision and priorities, within reduced resources and takes into account residents' views from area forums and budget consultations. In 2012/13 the council completed a number of cross-cutting service reviews to improve efficiency and reduce costs, including reviewing the finance, procurement and administration functions. This resulted in the ratio of frontline staff to be increased compared to 'back office' staff. The council has seven area forums, each led by a local ward councillor with the agreed terms of reference contained within the council's constitution. Area forums develop and encourage partnerships with local residents' associations, voluntary and community bodies and other 	<ul style="list-style-type: none"> The Council Plan received endorsement from Cabinet in June 2012 and was agreed by Council on 16 July 2012. The Council Plan for 2012-2014 is published on the council's website. The quarterly performance report provides an update on the progress that has been made during 2012/13 against the key indicators and activity identified in the Council Plan. The performance reports are received by Cabinet quarterly, with agendas, reports and minutes made available on the council's website. Area Forum and Committee agendas and minutes are available on the council's website. Each forum has developed an area plan which is published on the council's website. During 2012/13 a scrutiny panel project examined area forums. Recommendations were made for further work to explore alternative models with the intention of identifying future improvements. Programme management arrangements were used to ensure the transfer of the public health function followed the necessary NHS and council requirements for the transfer of

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
	<p>stakeholder groups to raise and address issues of local interest.</p> <ul style="list-style-type: none"> • During 2012/13, preparations were carried out for the transfer of the local public health function to the council to take effect from 1 April 2013. • Haringey's Health and Wellbeing Strategy has been developed by the shadow Health and Wellbeing Board, informed by the Joint Strategic Needs Assessment and in consultation with residents and partners, to improve the health and wellbeing of children and adults in our borough and to reduce health inequalities between the east and west. • In January 2013, the council reinstated a Children's Trust. The terms of reference are being finalised. • Haringey's Community Safety Partnership produces the Community Safety Strategy and action plan, monitors the use of relevant budgets, and ensures compliance with legislation. The Community Safety Strategy 2011-14 is currently being revised, based on updated information from the Community Safety Strategic Assessment. 	<p>functions, staff and contracts.</p> <ul style="list-style-type: none"> • Actions and measures to achieve the Health and Wellbeing Strategy's priorities are monitored and reviewed on a six-monthly basis by the shadow Health and Wellbeing board and will be revised annually. <p>Actions:</p> <ul style="list-style-type: none"> ➢ Finalise the council priorities and create a new Corporate Plan for 2013-15. ➢ Ensure the Health and Wellbeing Board is fully operational in April 2013. ➢ Finalise the terms of reference for the Children's Trust ➢ Finalise the Community Safety Strategy
<p>Core Principle 2</p> <p>Members and officers working together to achieve a common purpose with clearly defined functions and roles</p>	<ul style="list-style-type: none"> • The council's constitution sets out the policy and decision making framework of the authority and is held in hard copy and on the council's intranet and external website. • The roles and responsibilities of the council, the Cabinet, committees, councillors including cabinet members, and officers are clearly documented within the constitution. • The constitution contains protocols governing the relationships between members and officers and job descriptions of the council's statutory officers (Head of Paid Service, Monitoring Officer and Section 151 Officer). 	<ul style="list-style-type: none"> • The constitution is reviewed on an ongoing basis and updated to reflect functional and organisational changes to the council. • The council's Scheme of Delegation to officers has been fully reviewed to take into account the restructure as a result of Re-Thinking Haringey. • Regular internal and external audit reviews check compliance with financial and contract procedure rules across the council and the outcomes of these were reported to the

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
	<ul style="list-style-type: none"> The council's constitution contains the Financial and Contract Procedure Rules, which specify the governance framework for all its operational functions. The constitution also includes the roles of key compliance officers, including the council's Monitoring Officer and Section 151 Officer, as well as specific functional responsibilities for the Cabinet, committees, other bodies and officers. The roles and functions of all councillors in relation to governance issues are clearly documented, including their responsibilities for ward duties and the governance of the council in accordance with relevant legislation. The council's Scheme of Delegation is contained within the constitution and is reviewed and communicated on a regular basis to all appropriate officers and members. The council's website has an 'Our Standards' page which sets out the expectations and standards required of both officers and members. The council has an agreed Pay Policy in place which is reviewed and approved by the Corporate Committee prior to Full Council. The council has approved its commitment to paying employees the London Living Wage and is working to require contractors to implement the same policy. 	<p>Corporate Committee quarterly during 2012/13. All of the key financial systems received a 'substantial' or higher assurance rating in 2012/13.</p> <ul style="list-style-type: none"> An independent review of the 2011/12 closure of accounts process which confirmed the gaps in governance arrangements was presented to Corporate Committee in March 2013. All recommendations were agreed and an action plan to address weaknesses was implemented. <hr/> <p>Actions:</p> <ul style="list-style-type: none"> Ensure the recommendations of the closure of accounts independent review are fully implemented.
<p>Core Principle 3</p> <p>Promoting values for the authority and demonstrating the</p>	<ul style="list-style-type: none"> Haringey Council has well established codes of conduct for officers and members, which are regularly reviewed and subject to approval by members. The Head of Legal Services is the Monitoring Officer and is responsible for ensuring that the council acts lawfully and in accordance with the constitution: 	<ul style="list-style-type: none"> The council requires all members to formally acknowledge receipt of their code of conduct on an annual basis. No exceptions were noted in 2012/13. Members are provided with regular briefings on the code of conduct as part of the established

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
<p>values of good governance through upholding high standards of conduct and behaviour</p>	<ul style="list-style-type: none"> o Directors have the primary responsibility for ensuring that decisions in their directorates are compliant with the Scheme of Delegation to officers. o Standards of conduct and behaviour expected of members are addressed in the members' Code of Conduct set out in the constitution. o A Standards Committee is in place. o Arrangements are in place to govern the conduct between members and officers, as set out in the Protocol on Member/Officer Relations. • The council's officer code of conduct has been reviewed and updated on a regular basis and is published on the council's intranet site. All new members of staff receive induction training, including on the code of conduct, as part of their induction processes. • The council has a corporate complaints policy, and agreed procedures, which are subject to regular review and updates. The council's policy and procedures are compliant with all relevant statutory requirements. 	<ul style="list-style-type: none"> • member induction and training programme. • Regular articles are included in corporate and staff newsletters outlining expected standards of behaviour in specific areas and these continued in 2012/13. This included how to report concerns and details of the council's whistle-blowing policy. Copies of staff newsletters are published on the council's intranet. • The council's complaints policy is publicised on the council's external website and at various public places across the borough.
<p>Core Principle 4 Taking informed and transparent decisions which are subject to effective scrutiny and risk management</p>	<ul style="list-style-type: none"> • The council has processes in place to ensure that decision takers follow due process. • 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. Key elements of the financial management system include integrated budgeting and medium term financial planning systems, regular budget monitoring reports to the Cabinet, systematic review of all key financial control processes, monitoring of key financial and other targets, and formal project management 	<ul style="list-style-type: none"> • The council's internal and external auditors produce annual audit reports and the Annual Audit Letter, which were both reported to the Corporate Committee. Issues were identified in relation to the closure of accounts processes but no other significant governance issues were raised by either report. • Regular internal and external audit reviews check compliance with financial and contract procedure rules across the council and the outcomes of these were reported to the

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
	<p>processes.</p> <ul style="list-style-type: none"> The council undertakes equality impact assessments of all major policies and strategies and all proposals for major changes in structures and service delivery models, to ensure that they do not disproportionately have a negative impact on any of Haringey's communities. Services follow Equality Impact Assessment guidance which was updated in 2012/13. The council has processes in place to ensure that decision takers follow due process, that decisions are taken having regard to all relevant considerations and that decisions are properly documented. The council's scrutiny function was reviewed during 2011 and new governance arrangements were put in place from April 2012. The Overview and Scrutiny Committee (OSC) is in place to review or scrutinise decisions or actions, in accordance with the protocol in place which sets out how the committee should operate. Scrutiny panels report through the OSC which makes recommendations to Cabinet, based on evidence gathering, consultation and research. The functions of an audit committee, as recommended in guidance by CIPFA and the Institute of Public Finance, are contained within the remit of the council's Corporate Committee. Haringey Council has a well-established and publicised anti-fraud and corruption policy and strategy, including a fraud response plan and whistle-blowing policy which complies with relevant legislation and is monitored and managed by Internal Audit. The council has a free-phone 	<p>Corporate Committee quarterly during 2012/13.</p> <ul style="list-style-type: none"> The counter-fraud team's work achieved 35 successful prosecutions for benefit fraud and recovered 36 Council properties where fraudulent tenancy issues were proven in 2012/13. Full compliance is achieved with CIPFA's statement on the role of the Chief Financial Officer. The use of the whistle-blowing processes and fraud reporting procedures are reported on a quarterly basis to Corporate Committee and the reports are published on the council's website. A list of the equality impact assessments undertaken during 2012/13 is available on the website. No successful challenges were made to the equality impact assessments. The proposed areas to be scrutinised are agreed by the panels and the OSC at the beginning of the municipal year. Cabinet members attend the relevant scrutiny panels to answer questions. The reports are published on the council's website. By taking a detailed look at the council's decisions and policies, Overview and Scrutiny 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

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
	<p>telephone number and email reporting facilities on its external website. Fraud and corruption policies and procedures are contained in the Employee Handbook, and are on the council's intranet and website.</p> <ul style="list-style-type: none"> • The council has a dedicated counter-fraud resource which undertakes reactive and pro-active fraud reviews based on an assessment of the risks included in the corporate fraud risk register, Audit Commission and CIPFA guidance and emerging risks across the public and private sectors. • The council has reviewed governance arrangements for the implementation of the new Localism Act 2011 and Health and Social Care Act 2012. • Haringey has a corporate Risk Management Policy and Strategy which is reviewed on an annual basis and, 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. • The council has a corporate risk register and all departments and business units have risk registers in place. • Haringey's business continuity planning is based on risk assessment and business impact analysis. Each service within a directorate produces a business continuity plan which is updated twice a year. Service continuity plans are incorporated into the council-wide Business Continuity Plan. 	<p>other interested parties, reviewing the performance of the council and scrutinising local services not provided by the council, such as health services. The reports and decisions of the committee are published on the council's website.</p> <ul style="list-style-type: none"> • The council's programmes and projects identify and review risks in line with the council's project management framework. • The corporate risk register is reviewed on a quarterly basis by the Directors Group and annually by Corporate Committee. A copy of the risk register and the report to Corporate Committee is published on the council's website. • The council's corporate risk management and emergency planning steering group met on a quarterly basis during 2012/13, chaired by a member of the Chief Executive's Director's Group. The group is comprised of senior officer representatives from each directorate. In addition to ensuring that the council complies with the risk management strategy, the steering group takes responsibility for managing the council's response to specific incidents and events. • The corporate Emergency Planning and Business Continuity Team proved guidance and support to services and carry out regular audits of the business continuity service plans. No

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
<p>Core Principle 5</p> <p>Developing the capacity and capability of Members and Officers to be effective</p>	<ul style="list-style-type: none"> The council provides a programme of training for members, and all members have access to the council's corporate training and development programme. All permanent staff within the council receive an annual performance review and appraisal, which is linked to the council's management standards and corporate competency framework, and results in individual work targets and development plans. Senior managers' performance targets include mandatory requirements for people and budget management. 	<p>significant business continuity incidents were reported in 2012/13.</p> <ul style="list-style-type: none"> Members who sit on the Corporate and Regulatory Committees were provided with training in 2012/13 specific to their responsibilities for these committees. Training sessions included planning, licensing, audit, finance, pensions and treasury. During 2012/13, the council provided a programme of learning events for managers and staff based on the council's vision and values, aims and objectives, and key service delivery requirements, as well as a series of senior manager seminars.
<p>Core Principle 6</p> <p>Engaging with local people and other stakeholders to ensure robust public accountability</p>	<ul style="list-style-type: none"> Haringey Council's Consultation Charter sets out how the council ensures that its consultation is effective and what can be expected from its consultation. This, together with consultation principles, is published on the website. The council's publishes a resident's magazine, Haringey People, six times per year containing information on council activities. As part of its budget consultation process, the council informed, consulted and engaged residents and businesses from November 2012 to January 2013. The consultation was undertaken using both an online and paper questionnaire which included factual information about the council's budget and its services. Local Area Committees have been operating during 2012/13. These have specific responsibilities and consultative powers and are a vital part of local 	<ul style="list-style-type: none"> No significant governance or control issues were identified by APP's independently appointed internal auditors during 2012/13. The results of the budget consultation were published on the council's website. Hard copies of Haringey People are delivered to all residential addresses and the magazine is also available via the council's intranet and external website. Once a year it includes a summarised annual report and set of financial statements. 10 public meetings were held where residents were able to ask questions and make comments on the council's budget to the Cabinet Member, effectively influencing the budget process.

Code of Corporate Governance Principle	What processes the council has in place to meet the Corporate Governance Principle	How the council gets assurance that the Corporate Governance processes work in practice
	<p>democratic engagement.</p> <ul style="list-style-type: none"> • Standing partnership bodies exist for the shadow Health and Wellbeing Board, Children's Trust and the Community Safety Board. • Public consultation was carried out on a proposal to close the John Loughborough School. • The Education Commission, Outstanding for All, reported during the year on the results of its engagement. • The council has continued to work with Alexandra Palace and Park (APP) to ensure that corporate governance arrangements and internal controls were adequate and this was continued during 2011/12. • The council has a wholly-owned company, Homes for Haringey Limited (HfH) and is a trustee of APP under the terms of the current operating requirements. The council provides advice and services to HfH and APP, which have their own board, constitution, memorandum and articles. The accounts of HfH and APP are incorporated into the group accounts of the London Borough of Haringey. The assessment of governance and controls by the relevant officers included an assessment of the governance and controls of HfH and APP. 	<ul style="list-style-type: none"> • The results of the budget consultation were used to inform the Medium Term Financial Plan (MTFP). • A summary of the budget consultation findings was given to all councillors to inform the council budget setting with the consideration of the MTFP by the council. • The complete results of the budget consultation will be published on the council's website. • The MTFP was scrutinised by the four scrutiny panels and recommendations made by the OSC to Cabinet. • The council produces a Scrutiny Annual Report which is available on its website.

4. Significant governance issues

- 4.1 During 2012/13, the council's closure of accounts process was identified as significant governance issue. Although the accounts were signed off within the statutory deadline, and were unqualified by the external auditor, there were a high level of quality issues associated with the draft accounts submitted for audit in June 2012. The following actions have been undertaken:
- An independent review of the process was commissioned by the Chief Executive, which was presented to Corporate Committee in March 2013
 - The team responsible for accounts closure has been restructured, and staff have been transferred to bolster resources and capabilities
 - CIPFA have been commissioned to provide ongoing technical advice and support
 - A robust project methodology has been established, with a project plan, risk register and issues log
 - A governance framework has been approved that sets out roles, responsibilities and escalation procedures. External challenge is a key part of this framework, and a closure review board has been set up that includes external audit and senior expertise from another local authority
 - Risk and issues are being managed more proactively at Corporate Finance Management Team, and the Assistant Director (Finance) has increased management oversight of the process through weekly update meetings.

4.2 In addition, the council identified some key areas where work would be undertaken in 2012/13 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress on this is set out below.

Issue	Action	Progress Update
Implementation of the Localism Act 2011	Ensure that the requirements of the legislation are appropriately reviewed and implemented during 2012/13, with appropriate monitoring mechanisms in place to ensure that risks and relevant regulations are appropriately managed and addressed and relevant officers and members receive adequate training to enable them to carry out their responsibilities.	Completed and operating effectively. All requirements to ensure the council was compliant with the Act were put in place effectively in 2012/13.
Implementation of the Social Care Act 2012	Ensure that the requirements of the legislation are appropriately reviewed and implemented during 2012/13, with appropriate monitoring mechanisms in place to ensure that risks and relevant regulations are appropriately managed and addressed to enable the effective transfer of the public health function fully to the local authority.	Completed and operating effectively. The public health function was successfully transferred to the council on 1 April 2013. The Health and Wellbeing Board was formally established and is operational.

Issue	Action	Progress Update
Evaluation of the Governance Review	Ensure that the recommendations of the Review Group are implemented following Full Council approval, with appropriate review mechanisms in place to ensure that the council's governance processes meet its objectives.	The recommendations were implemented following full Council approval and have since been reviewed by the member working group and reported to this year's full Council in May 2013 with subsequent minor changes.
Regeneration Programme following the riots	Ensure that the Regeneration Programme following the 2011 riots has appropriate governance structures, reporting and authorisation processes, and financial and resource monitoring processes in place in order to deliver the agreed outcomes and objectives.	Governance structures have been agreed, including sign off procedures to include Director's Group, a dedicated Programme Management Board and a Strategic Forum and with Cabinet/ member sign off as appropriate.
Children and Young People's Service Shared Services arrangements	Formalise and implement the statutory responsibilities for the Children's Trust with the Health and Wellbeing Board. Agree the form of governance and ensure that there are effective operational arrangements in place between preferred partners.	Completed and operating effectively. Governance was established for a shared service programme with Waltham Forest. That programme has since paused while the Council considers broader transformational change.

4.3 The council has identified the following significant governance issues during 2012/13. 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
Council's closure of accounts processes	Ensure the recommendations of the independent review into the 2011/12 closure of accounts processes are fully implemented.	Assistant Director of Finance	June 2013
Community Safety Strategy	Finalise the Community Safety Strategy 2011-14, based on updated information from the Community Safety Strategic Assessment.	Director of Place and Sustainability	The finalised Community Safety Strategy will be formally agreed by the Community Safety Partnership on 13 June 2013. It is scheduled to be considered by Overview and Scrutiny on 17 June, by Cabinet 9 July, and adopted by Full Council 15 July 2013.
Tottenham Regeneration Programme	Ensure that the Tottenham Regeneration Programme has appropriate governance structures, reporting and authorisation processes, and financial and resource monitoring processes in place in order to deliver the agreed outcomes and objectives.	Director of Place and Sustainability	The Programme Management Office will be launched on 3 June 2013. All associated programme management controls will be in place by 30 June 2013, including risk registers, issue logs, project summary meetings, budget forecasting and monitoring.

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 chief executive, 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 Corporate Resources (the council's statutory section 151 Officer), the Head of Legal Services, and the Head of Audit and Risk Management have also reviewed the work done by the council relating to governance issues in 2012/13. Their comments on the key governance issues are as follows:
- Director of Corporate Resources: There was a significant governance issue during 2012/13 relating to the closure of the 2011/12 accounts. Although the accounts were signed off within the statutory deadlines and were unqualified there were a high level of quality issues relating to the draft accounts. Actions are being taken to prevent this occurring in the closure of the 2012/13 accounts.
 - Head of Legal Services: Significant changes were made to corporate governance arrangements as a result of the Localism Act 2011. A local Code of Conduct for members, reformed Standards Committee and local arrangements for dealing with complaints for members were adopted by the council in 2012/13. New procedures also had to be adopted by the council arising from other provisions of the Localism Act, including those relating to the community right to bid, community right to challenge, assets of community value and the registration of neighbourhood forums. All these were put in place effectively in 2012/13 and no external challenge to the new processes were made in 2012/13.
 - Head of Audit and Risk Management: Although the closure of accounts processes highlighted some governance failings, this did not impact on the operating of the council's key financial systems which all received 'substantial' assurance ratings from internal audit in 2012/13. A higher proportion of schools received 'limited' or 'nil' assurance ratings from internal audit in 2012/13, partly as a result of recommendations relating to governance issues. Internal Audit and Corporate Finance have started a programme of training aimed at school governors, head teachers, and school finance staff to assist in improving their performance. No other significant governance issues were raised by internal audit during 2012/13.
- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2012/13, which concluded that in most areas across the council there are sound internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory and compliant with best practice. All of the council's key financial systems received a 'substantial' assurance rating or higher in 2012/13. Five of the 48 completed system reviews and 13 of the 19 schools audits completed received a 'limited' assurance rating (including one school with 'nil' assurance), with the remaining reviews completed receiving 'substantial' or higher

assurance ratings. The follow-up programme concluded that all but one high priority recommendation had been implemented, with one in the process of being implemented and with appropriate interim controls in place to manage the risk.

- 5.4 Directors have completed a statement of assurance covering 2012/13 which is informed by work carried out by departmental managers, internal audit, 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. One issue within the Children and Young People's Service was identified which fell outside routine audit and inspection processes, namely the failure to record decisions to seek or over-ride parental consent when sharing information, leading to a Judicial Review judgment against the council. Adjustment to the electronic social care recording database will be implemented as a result. New guidance has been issued to staff to ensure that practice is now compliant with the judgement. The Director of Corporate Resources identified the closure of accounts process as their main governance issue in 2012/13.
- 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 2012/13, the council has been able to confirm that 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 with regards to the production of the Annual Governance Statement has been considered by the Chief Executive, all Directors and by the council's Corporate Committee, who concluded that the council has satisfactory governance systems in place and satisfactory plans to address the identified issues to ensure improvement. The Chief Executive and the Directors' 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:

Councillor Claire Kober
Leader of the council

Nick Walkley
Chief Executive

Date: