

Annual Governance Statement 2013/14

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 2014 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 |
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| <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 2013-15 sets out the vision and priorities for the Council. The plan identifies five key principles which underpin all the Council's priorities and work including during 2013/14: <ul style="list-style-type: none"> • A one borough focus - serving all residents in the borough with high quality services. • Investing in prevention and early help - improving the life chances of residents and reducing costs. • Promoting equality - tackling the barriers facing the most disadvantaged, enabling them to achieve their potential. • Empowering communities - enabling people to do more for themselves. • Working in partnership - leading local partnership so that we achieve more, together. • The Medium Term Financial Plan (MTFP) sets out the Council's spending plans for 2014 to 2017 and is linked to its vision and priorities, within reduced resources and takes into account residents' views from area forums and budget consultations. • The 2014/15 budget is balanced with £54 million of savings still to be found for 2015/16 and 2016/17. As a result of the Council's Senior Management restructure announced in late 2013 accountabilities have now been clearly placed with newly empowered Assistant Directors. • The four main corporate programmes (Haringey 54k; Business Infrastructure Programme, Customer Services Programme and Tottenham Regeneration) will work to | <ul style="list-style-type: none"> • The 2012-2014 Council Plan received endorsement from Cabinet in June 2012 and was agreed by Council on 16 July 2012 and is published on the Council's website. • The quarterly performance report provides an update on the progress that has been made during 2013/14 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. • The Council's Corporate Programme Board governs the delivery of the four major transformation programmes. • After the 2014 election, it is envisaged that further corporate programmes will be put in place. Appropriate governance arrangements will be put in place. • In 2013, the Council established a Corporate Delivery Unit. Its remit is to provide challenge and support to the organisation to deliver on priorities in the corporate plan and in doing so, build organisational capability to continue to deliver. 'Stocktakes' are held with the Chief |

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| | <p>identify necessary savings.</p> <ul style="list-style-type: none"> • The consultation process with residents has been enhanced and is now known as ‘Haringey: where next?’ It was launched in 2013/14 and will continue in 2014/15, to ensure the Council delivers what the residents want as well as what they need, • 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 stakeholder groups to raise and address issues of local interest. • On 1 April 2013 the Council took on the public health function to take such steps as it considers appropriate for improving the health of the people in its area. In carrying out this duty the Council is now responsible for commissioning and collaborating on a range of public health services and for advising the commissioners of local NHS services. The Council has established a new committee under s102 of the Local Government Act 1972, the Health and Wellbeing Board, responsible for preparing comprehensive joint strategic needs assessments, joint health and wellbeing strategies, and to have a role in commissioning plans that take those assessments and strategies properly into account. The committee membership reflects the provisions of the Health and Social Care Act 2012 and comprises elected members of the Council, partners from the NHS clinical commissioning group and local Healthwatch and others. • The Council has appointed a Director of Public Health. Together the Director of Public Health and the Health and | <p>Executive, Deputy Chief Executive and Leader of the Council every two months, to provide assurance on progress with delivering key corporate plan priorities.</p> <ul style="list-style-type: none"> • All mandated public health services that transferred to the Council on 1 April 2013 are being provided either under existing NHS contracts or on the Council’s contract. The Health and Wellbeing Board approved the joint strategic needs assessment and health and wellbeing strategy at its meeting of 9 July 2013. The Health and Wellbeing Board approved the Health and Social Care Implementation Plan, for the integration of the Better Care Fund, at its meeting of 11 February 2014. <hr/> <p>Actions:</p> <ul style="list-style-type: none"> ➤ Finalise the Children’s Trust terms of reference and obtain agreement for them by the Trust. |

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| | <p>Wellbeing Board have worked on improving the health and wellbeing of children and adults in the borough and reducing health inequalities between the east and the west of the borough.</p> <ul style="list-style-type: none"> • The Health and Wellbeing Board is currently working closely with the Cabinet and with Health partners to prepare for the introduction of the Better Care Fund, which will see £957,000 funding transfer to the Council in 2014/15 and £18.061m in 2015/16 for the integration of health and social care. • In January 2013, the Council reinstated a Children's Trust. • Following consultation with the local community and the completion of a Community Safety Strategic Assessment, the Community Safety Partnership prepared a revised Community Safety Strategy for the period 2013-2017 to demonstrate how it and its partners intend to reduce crime and disorder, substance misuse and re-offending in the borough. The Community Safety Strategy 2013-2017 was scrutinised by Overview and Scrutiny Committee on 17 June 2013, presented at Cabinet on 9 July 2013 and approved by Full Council on 15 July 2013. | |
| <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. • 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 Corporate Committee quarterly during 2013/14. All of the Council's key financial systems received a 'substantial' assurance rating in 2013/14. |

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| | <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 Statement 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. • In September 2013 the Corporate Committee agreed to the Chief Executive's proposals for significant change to the Council's senior leadership structure. During the period September - December 2013, the Chief Executive implemented his proposals resulting in a new senior management structure which saw a move away from functions being Directorate led and where delegated | <ul style="list-style-type: none"> • The 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 implemented in advance of the 2012/13 closure of accounts with the Council receiving an unqualified audit opinion. <hr/> <p>Actions:</p> <ul style="list-style-type: none"> ➤ Ensure the constitution is updated to reflect the new Senior Management Structure by June 2014. |

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| | <p>decision making is now Assistant Director (second tier) focussed. Officers in Legal Services and others are working on an in-depth review of the constitution to reflect the new structure.</p> | |
| <p>Core Principle 3</p> <p>Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</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 (Assistant Director of Corporate Governance) 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"> ○ Directors and Assistant Directors have the primary responsibility for ensuring that decisions in their business areas are compliant with the Scheme of Delegation to officers. ○ Standards of conduct and behaviour expected of members are addressed in the members' Code of Conduct set out in the constitution. ○ A Standards Committee is in place. ○ 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"> • The Council requires all members to formally acknowledge receipt of their code of conduct on an annual basis. No exceptions were noted in 2013/14. • Members are provided with briefings on the code of conduct as part of the member induction and training programme. • Articles are included in staff newsletters, which are published on the Council's intranet, outlining expected standards of behaviour in specific areas and these continued in 2013/14. Internal audit undertake investigations into allegations of financial irregularity and report the outcomes to the Corporate Committee on a quarterly basis. • The Council's complaints policy is publicised on the Council's external website and at various public places across the borough. The Council monitors responses to complaints on a weekly basis and reports to Cabinet on the outcomes on a regular basis. <hr/> <p>Actions:</p> <ul style="list-style-type: none"> ➤ Member learning development programme to commence in June 2014. ➤ Key statutory training to be provided to new Members within the first two weeks of June 2014. |

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| <p>Core Principle 4</p> <p>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 processes. • 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 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 the Chartered Institute of Public Finance and | <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 Corporate Committee quarterly during 2013/14. • Through the financial year 2013/14 the counter fraud team successfully led the recovery of more than 50 Council properties where fraudulent tenancy issues were proven. • Full compliance is achieved with CIPFA's statements on the role of both the Chief Financial Officer and the Head of Internal Audit. • A list of the equality impact assessments undertaken during 2013/14 is available on the Council 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 |

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| | <p>Accountancy (CIPFA) and the Institute of Public Finance, are contained within the remit of the Council's Corporate Committee.</p> <ul style="list-style-type: none"> • The mandatory UK Public Sector Audit Standards (PSIAS) were introduced from April 2013. Self assessment and peer reviews take place annually to confirm the Council fully complies with the requirements of PSIAS. No exceptions were noted in 2013/14. • 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 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. 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. • 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. • In March 2013, the Council's pensions functions were extracted from the Corporate Committee into a newly created Pensions Committee, in order to afford the Corporate Committee the opportunity for greater focus on audit and governance matters. • Haringey has a corporate Risk Management Policy and Strategy which is reviewed on an annual basis and, | <p>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. The reports and decisions of the committee are published on the Council's website.</p> <ul style="list-style-type: none"> • The Council produces a Scrutiny Annual Report which is available on its website. • 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 (Statutory Officers' 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. During 2013/14, no significant issues arose out of the identified risks. • 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 significant business continuity incidents were reported in 2013/14. <hr/> <p>Actions:</p> <ul style="list-style-type: none"> ➤ As part of the 'Managing Well' campaign, |

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| | <p>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.</p> <ul style="list-style-type: none"> • The Council has a corporate risk register and business areas have risk registers in place. • 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. | <p>refresh and publicise the Council's anti-fraud and corruption policy.</p> <ul style="list-style-type: none"> ➤ Publication of successfully investigated local and national fraud cases to demonstrate the consequences of committing fraud will be included in the staff newsletter, press releases and the Haringey website. |
| <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. • From 1 August 2013, Legal Services started providing quarterly briefings to members covering legislative and case law updates. The briefings are designed to ensure that members are kept abreast of developments of legal and political significance in local government on all matters including children and adult social services, education, health, housing, planning and licensing and any other areas of relevance. This enables members to better serve their constituents - at ward surgeries, through informed debate at committees and in their strategic role | <ul style="list-style-type: none"> • Members who sit on the Corporate and Regulatory Committees were provided with training in 2013/14 specific to their responsibilities for these committees. Training sessions included planning, licensing, audit, finance, pensions and treasury. • During 2013/14, the Council provided a development programme for senior managers based on the Council's vision and values and individual development plans to ensure that the Council's aims and objectives are delivered. • <hr/> <p>Actions:</p> <ul style="list-style-type: none"> ➤ Member learning development programme to commence in June 2014. ➤ Following the elections in May 2014, all members will be offered an extensive training programme on matters relating to standards and ethics; children and adults' |

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| | in developing Council policies. | safeguarding; public health; freedom of information/data protection and member's enquiries; scrutiny and the way the Council operates. Members will be further trained as appropriate on matters relating to planning; licensing; financial and treasury management; audit and pensions. |
| <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 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 December 2013 to March 2014. 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 2013/14. These have specific responsibilities and consultative powers and are a vital part of local democratic engagement. • Standing partnership bodies exist for the Children's Trust and the Community Safety Partnership Board. • The Council also has a statutory committee, the Health and Wellbeing Board, made up of members of the Council and health partners. • The Council has continued to work with Alexandra Palace and Park (APP) to ensure that corporate governance | <ul style="list-style-type: none"> • 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. In addition, the Council produces Haringey People Extra, a weekly electronic newsletter for residents. • The results of the budget consultation were published on the Council's website. • 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. • The results of the budget consultation were used to inform the Medium Term Financial Plan (MTFP). • The results of the budget consultation were 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 reviews annually the independent audit reports for both APP and HfH. |

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| | <p>arrangements and internal controls were adequate and this was continued during 2013/14.</p> <ul style="list-style-type: none"> 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. | |

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4. Significant governance issues

4.1 The Council identified some key areas where work would be undertaken in 2013/14 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 |
|---|---|-----------------|
| Council's closure of accounts processes | Ensure the recommendations of the independent review into the 2011/12 closure of accounts processes are fully implemented. | Complete. |
| Community Safety Strategy | Finalise the Community Safety Strategy 2011-14, based on updated information from the Community Safety Strategic Assessment. | Complete. |
| 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. | Complete. |

- 4.2 The Council has identified the following significant governance issues during 2013/14. 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 |
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| The Senior Management Restructure necessitates revised governance arrangements to be put in place. | In September 2013, the Chief Executive implemented a new senior management structure resulting in a move away from functions being Directorate led and where delegated decision making is Assistant Director (second tier) focussed. The Council's Constitution and Scheme of Delegation to Officers are being reviewed, updated and revised following the senior management restructure to ensure that it reflects the new structure and that the relevant officers are empowered with all appropriate delegated powers and financial responsibilities. | Assistant Director of Corporate Governance (Monitoring Officer)/Chief Financial Officer | July 2014 |
| Adult social care managers identified that control processes had broken down within the service responsible for direct payments. | A full reconciliation of all clients and care plans was undertaken to ensure that payments to authorised clients had been made in accordance with their assessed needs. All clients were confirmed as receiving the correct levels of care and no safeguarding issues were identified. Managers implemented new procedures and Internal audit completed a review to confirm that the new control processes were operating effectively. A peer review of the service was also undertaken and the recommendations following the review will be implemented during 2014/15. | Director for Adult Social Services | March 2015 |
| The introduction of the Better Care Fund to integrate health and social care from April 2015. The Council needs to ensure | Implement the actions as set out in the Better Care Fund Implementation Plan as agreed by the Health and Wellbeing Board, Haringey CCG, the Cabinet and NHS England in April 2014. Audit review of the implementation of the Better | Director for Adult Social Services | March 2015 |

| Issue | Action | Responsibility | Due date |
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| robust governance arrangements. | Care Fund will be undertaken. | | |
| Homes for Haringey (HfH) Board commissioned a governance review in 2013/14 which recommended changes to the HfH governance arrangements and the way in which the Board is constituted. | The Council considered the HfH governance report and proposed that interim changes to operational and management arrangements were put in place for a period of two years while further work could take place. This further work to consider options on the future delivery of housing services will continue in 2014/15 with a report to Cabinet by the Chief Operating Officer in September 2015. | Chief Operating Officer | September 2015 |
| The Corporate Programmes are key to the successful transformation of the Council and to the delivery of the Corporate Plan. Good governance of the programmes is essential. | A Corporate Programme Board has been established to oversee the due diligence of the Corporate Programmes. The Board will provide the Senior Leadership Team with confidence that the Corporate Programmes are being run effectively and will deliver the planned improvements and benefits. | Chief Operating Officer | September 2014 |
| Regeneration of Tottenham and the funding to support the programme will need to have effective oversight and monitoring functions in place to manage the significant sums of money involved. | Governance structures, reporting and authorisation processes, and financial and resource monitoring processes have been put in place to deliver the agreed outcomes and objectives. The programme will be subject to independent assurance and external challenge processes at key stages throughout the project lifecycle, which will be reported to programme boards and members accordingly. | Director of Regeneration, Planning and Development | March 2015 |

5. Review of effectiveness

- 5.1 Haringey Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the statements of assurance and annual governance self-assessments by each director and assistant director, who have responsibility for the development and maintenance of the governance environment; the Head of Audit and Risk Management's annual report, and also by comments made by the Council's external auditors and other review agencies and inspectorates.
- 5.2 The Assistant Director for Finance (the Council's statutory section 151 Officer), 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 2013/14. Their comments on the key governance issues are as follows:
- Assistant Director for Finance: There were no significant governance issues during 2013/14 with the exception of the Adult Social Care control issue highlighted above. The Director for Adults Social Services will be implementing any process changes proposed to enhance controls following the peer review during 2014/15.
 - Assistant Director of Corporate Governance: The Senior Management Restructure was completed in 2013/14 and this included a movement to services lead by Assistant Directors. This has triggered a Governance Review in particular in relation the scheme of officer delegation but also looking at other related issues such as Committee terms of reference. This work has been completed and will be going to full Council in July for approval. This will leave a significantly improved constitutional arrangements going forward.
 - Head of Audit and Risk Management: The Council's key financial systems all received 'substantial' assurance ratings from internal audit in 2013/14. A higher proportion of schools received 'limited' or 'nil' assurance ratings from internal audit again in 2013/14, partly as a result of recommendations relating to governance issues. Internal Audit delivered some workshop style sessions during 2013/14 for 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 2013/14.
- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2013/14, 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 in 2013/14. Eight of the 59 planned system reviews and nine of the 18 schools received a 'limited' assurance rating; one school received a 'nil' assurance rating; with the remaining reviews which were completed receiving 'substantial' assurance ratings. All high priority recommendations were confirmed as being implemented when internal audit completed the follow up reviews.
- 5.4 Directors and Assistant Directors have completed a statement of assurance covering 2013/14 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. 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 2013/14, 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 and officers at the Statutory Officers' Group meetings on 8 April and 3 June 2014 and by the Council's Corporate Committee on 26 June 2014, 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 Statutory Officers' Group are committed to implementing the action plan, strengthening and improving controls and keeping the effectiveness of the Council's corporate governance arrangements under review during the year.

Signed by:

Councillor Claire Kober
Leader of the Council

Nick Walkley
Chief Executive

Date: