

Annual Governance Statement 2015/16

1. Scope of responsibility

- 1.1 Haringey is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Haringey also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, with regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this, Haringey is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 The authority has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Haringey Council's local code of corporate governance is published on the Council's website and a copy can be obtained from the Council's Monitoring Officer. This statement explains the Council's commitments as part of the Local Code of Corporate Governance, together with how it gets assurance that these commitments are in place and effective; it also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, in relation to the publication of an Annual Governance Statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled. The framework also comprises the activities through which it accounts to, engages with and leads the community. Through the framework the authority is able to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, but it can provide a reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of Haringey's policies, aims and objectives. The system of controls also allows for the evaluation of the likelihood of risks being realised and the impact should they be realised, ensuring that we are able to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Haringey for the year ended 31st March 2016 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 make up the authority's governance arrangements are based on and consistent with the six core principles of the Council's Code of Corporate Governance:

What commitments the Council has made as part of its Code of Corporate Governance	How the Council gets assurance that its Code of Corporate Governance commitments are in place and working
<p>Corporate Governance – Core Principle 1: Focusing on the purpose of the Council, on outcomes for the community and creating and implementing a vision for the area</p>	
<p>a) To exercise strategic leadership by developing and communicating clearly the Council's purpose and vision and its intended outcomes for citizens and service users, we will:</p> <ul style="list-style-type: none"> • <i>Develop and promote the Council's purpose and vision.</i> • <i>Review on a regular basis the Council's visions for its area and its implications for the Council's governance arrangements</i> • <i>Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners</i> • <i>Publish an annual report on a timely basis to communicate the Council's activities and achievements and its financial position and performance</i> <p>b) To ensure users receive a high quality of service whether directly, or in partnership, or by commissioning, we will:</p> <ul style="list-style-type: none"> • <i>Decide how the quality of service for users is to be measured and make sure that the necessary information is available to review service quality effectively and regularly</i> • <i>Put in place effective arrangements to identify and deal with failure in service delivery</i> <p>c) To ensure that the Council makes the best use of resources and that tax payers and service users receive excellent value for money, we will:</p> <ul style="list-style-type: none"> • <i>Decide how value for money is to be measured and make sure that the Council has the information needed to review value for money and performance effectively</i> 	<ul style="list-style-type: none"> • The Corporate Plan 2015-18 sets out the Council's vision and priorities, was consulted on with residents, agreed by Full Council in February 2015 and is published on the Council's website. • The Medium Term Financial Strategy (MTFS) outlines the overall financial strategy for achieving the Council's priorities. The MTFS requires £70m of savings to deliver a balanced budget position each year between 2015 and 2018. The savings proposals were consulted on with residents, before being approved by Full Council in February 2015. • Further consultation on the budget took place with business rate payers and residents in 2015/16; alongside the review by the Overview and Scrutiny committee which presented its recommendations on 25 January 2016. The final budget for 2016/17 was approved at Full Council on 22 February 2016. • The Council's budget management position was reported to Cabinet in 2015/16; budget overspends were reported in Children's and Adult Social Services and Temporary Accommodation. • The Council's annual report for 2014/15 received an unqualified opinion from the external auditor in 2015/16, 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. • As part of the Corporate Plan delivery arrangements, the Council implemented new governance structures in 2015/16. Five Priority Boards are responsible for delivering the Corporate Plan outcomes and performance against all the priorities' objectives is published on

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<ul style="list-style-type: none"> • <i>Measure the environmental impact of policies, plans and decisions.</i> 	<p>the website under the 'Building a Stronger Haringey Together' page, which provides summary and detailed information against all key performance measures, together with action plans to address any shortfall in performance.</p> <ul style="list-style-type: none"> • The Council's Corporate Delivery Unit provided challenge and support to the organisation to deliver on priorities in the Corporate Plan in 2015/16. 'Stock takes' are held with the Chief Executive, Deputy Chief Executive and Leader of the Council to provide feedback on reviews carried out. • The Council has a Health and Wellbeing Board in place; membership comprises elected members of the Council, partners from the NHS clinical commissioning group and local Healthwatch partners. Joint health and wellbeing strategies were approved in 2015/16 following consultation with the public, service users and partner organisations; specific targets to improve health across the borough, including establishing the Haringey Obesity Alliance were agreed in 2015/16. Performance reports, indicating positive progress against strategy targets were provided to the Board during 2015/16 and published on the Council's website. • The Community Safety Partnership (CSP) is a statutory partnership which is responsible for delivering the outcomes in the Community Safety Strategy 2013 – 2017. During 2015/16, the CSP reported positive outcomes in reducing crime and disorder, substance misuse and re-offending in the borough. Reports are published on the Council's website. • Haringey's Local Plan, including the Development Management DPD; the Site Allocations DPD; and the Tottenham Area Action Plan sets out how the Council will meet the local development and housing needs of the borough, as specified in the Corporate Plan. The Local Plan was widely consulted on in 2015/16, receiving over 6,000 responses, resulting in it being amended prior to its approval by full Council.

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	<p>Actions:</p> <ul style="list-style-type: none"> • Ensure the budgets within Children’s and Adult Social Services and Temporary Accommodation are managed effectively in 2016/17.
<p>Corporate Governance – Core Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles</p>	
<p>a) To ensure effective leadership throughout the Council and to be clear about ‘executive’ and ‘non-executive’ functions and the roles and responsibilities of the scrutiny function, we will:</p> <ul style="list-style-type: none"> • <i>Set out a clear statement of the respective roles and responsibilities of the Cabinet and of the Cabinet Members individually including the Council’s approach towards putting this into practice</i> • <i>Set out a clear statement of the respective roles and responsibilities of non-executive Members, Members generally and senior officers</i> <p>b) To ensure that a constructive working relationship exists between Members and officers and that their respective responsibilities are carried out to a high standard, we will:</p> <ul style="list-style-type: none"> • <i>Determine a scheme of delegation and reserve powers within the Council’s constitution including a schedule of those matters specifically reserved to the Full Council and update this as required</i> • <i>Make a Chief Executive responsible and accountable to the Council for all aspects of operational management</i> • <i>Develop protocols to ensure that the Leader and Chief Executive have a shared understanding of their respective roles and objectives</i> • <i>Make a senior officer, the section 151 officer, responsible to the Council for ensuring that appropriate financial advice is given and for maintaining proper records and an effective system of internal financial control</i> 	<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 constitution is reviewed on an annual basis and updated to reflect functional and organisational changes. Changes are approved at Full Council; the latest update was approved and published in May 2015. • The roles and responsibilities of the Council, the Cabinet, committees, Councillors including cabinet members, and officers are clearly documented within the constitution, including protocols governing the relationships between members and officers. • The statutory responsibilities required of the section 151, monitoring officer and head of audit have been fulfilled in 2015/16 and form part of the Annual Governance Statement’s assurance report. • The Council’s constitution includes the Financial and Contract Procedure Rules, which specify the governance framework for all its operational functions. • All relevant officers were briefed on the requirements of the constitution relating to schemes of delegation and authorisation and the requirements to document and publish relevant decisions. Follow up briefings and reviews have been undertaken in 2015/16 and reports to the Council’s Statutory Officers Group indicate that services are complying with the requirements. • In 2015/16 the Council recommended establishing a Pensions Board and Committee to comply with relevant legislation and ensure effective and efficient governance and administration of the Pensions Scheme. The Council, through the Pensions Committee, retains ultimate responsibility for the administration and governance

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<ul style="list-style-type: none"> • <i>Make a senior officer, the monitoring officer, responsible to the Council for ensuring that agreed procedures are followed and that all legislation is complied with</i> <p>c) To ensure relationships between the Council, its partners and the public are clear so that each knows what to expect from the other, we will:</p> <ul style="list-style-type: none"> • <i>Develop protocols to ensure effective communication between Members and officers in their respective roles</i> • <i>Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective Corporate Committee</i> • <i>Ensure that effective mechanisms exist to monitor service delivery</i> • <i>Ensure that the Council's vision, strategic plans, priorities and targets are developed robustly in consultation with the local communities and key stakeholders and that they are clearly expressed and publicised</i> • <i>Ensure that Members working in partnership are clear about their roles and responsibilities, individually and collectively, both to the partnership and the Council</i> • <i>Ensure that all those working in partnership understand clearly the legal basis of the partnership and the extent of each representative's authority to commit their parent organisation to partnership decisions</i> 	<p>of the Pensions Fund. The Secretary of State agreed a joint Pensions Board and Committee; which will be formally established in May 2016.</p> <ul style="list-style-type: none"> • 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 these were reported to the Corporate Committee quarterly during 2015/16. All except two of the Council's key financial systems received a 'substantial' or 'full' assurance rating; two (accounts payable and housing benefits) received a 'limited' assurance rating in 2015/16. This is a similar position to previous' years performance. • 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 compliant with the Localism Act and the Transparency Code. The Statement is reviewed and approved by the Staffing and Remuneration Committee (January 2016) prior to its adoption by 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 Governance – Core Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</p>	
<p>a) To ensure Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance, we will:</p> <ul style="list-style-type: none"> • <i>Ensure that the Council's leadership sets a tone for the</i> 	<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 2015/16. • Members are provided with briefings on the code of conduct as part

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<p><i>organisation be creating a climate of openness, support and respect</i></p> <ul style="list-style-type: none"> • <i>Define and publicise the standards expected in the conduct of members and officers and in the work of the Council including work with partners and the local communities</i> • <i>Put in place and maintain in operation arrangements to ensure that Members and officers are not influenced by prejudice, bias or conflicts of interest when dealing with different stakeholders</i> <p>b) To ensure that the Council's values are put into practice and remain effective, we will:</p> <ul style="list-style-type: none"> • <i>Develop and maintain shared values, including leadership values, for both the Council and its staff which reflect public expectations and communicate these to Members, staff, the community and partners</i> • <i>Put in place arrangements to ensure that systems and processes reflect appropriate ethical standards and to monitor their continuing effectiveness in practice</i> • <i>Develop and maintain an effective Standards Committee</i> • <i>Use the Council's shared values as a guide for decision-making and a basis for developing positive and trusting relationships within the Council</i> • <i>Pursue a partnership vision with an agreed set of values for assessing decision-making and actions which must be demonstrated by the partners' individual and collective behaviour</i> 	<p>of the member induction and training programme. Key statutory training was provided to new Members following the respective by-elections in 2015/16.</p> <ul style="list-style-type: none"> • 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 2015/16. Internal Audit and the Fraud Team undertake investigations into allegations of financial irregularity and report the outcomes to the Corporate Committee on a quarterly basis; in 2015/16, 15 allegations were completed, with six cases proven resulting in three officers resigning their positions and 3 officers dismissed. This is consistent with the numbers investigated and proven in previous years. • 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 outstanding responses are escalated to senior management. As at the end of March 2016, six complaints were outside the Council's timescales for responding, with an average time overdue of 3.5 days. • Haringey Council has well established codes of conduct for officers and members, which are regularly reviewed and subject to approval by members. The 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. • The Council's Standards Committee deals with any complaints which relate to Members breaching the code of conduct for Members and reports are published on the website. The Council has independent members appointed to the Standards Committee; new members have been recruited in 2015/16 will be in post from 1 July 2017. • The Assistant Director of HR provided reports to the Council's Staffing and Remuneration Committee during 2015/16 including

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	<p>quarterly reports on sickness absence, equalities and agency staff. A summary of Year 1 achievements relating to the Council's Workforce Plan was presented to the Committee in January 2016; including the introduction of a new set of corporate values and Haringey brand; a new performance appraisal process and digital learning platform; and a review of senior manager pay and grading. A staff survey was undertaken in January 2016, with the emphasis on employee value proposition principles, with Assistant Directors responsible for agreeing action plans in line with the Workforce Plan.</p> <ul style="list-style-type: none"> • 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 2015/16, the Council investigated and recovered 40 properties; and prevented 149 fraudulent Right to Buy applications in line with the anti-fraud policy. 24 referrals were made using the whistleblowing policy (an increase from seven in the previous year); all were reviewed, investigated and reported to the Corporate Committee.
<p>Corporate Governance – Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and risk management</p>	
<p>a) To be rigorous and transparent about how decisions are taken and to listen and act on the outcomes of constructive scrutiny, we will:</p> <ul style="list-style-type: none"> • <i>Develop and maintain an effective scrutiny function which encourages effective challenge and which enhances the Council's performance overall and that of organisations for which the Council is responsible</i> • <i>Develop and maintain open and effective mechanisms for documenting the evidence for decisions and for recording the criteria, rationale and considerations behind decisions</i> 	<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 during 2015/16. External audit reported that the council had provided a good set of financial statements and working papers. No 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 on a quarterly basis during 2015/16. All high priority recommendations

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<ul style="list-style-type: none"> • <i>Put arrangements in place to safeguard Members and staff against conflicts of interest together with appropriate processes to maintain them in practice</i> • <i>Develop and maintain an effective Corporate Committee dealing with audit functions which is independent of the Cabinet and scrutiny functions</i> • <i>Make sure that effective, transparent and accessible arrangements are in place for dealing with complaints</i> <p>b) To have good quality information, advice and support which ensure that the services wanted and needed by the community are delivered effectively, we will</p> <ul style="list-style-type: none"> • <i>Ensure that decision makers in the Council and partner organisations have information that is fit for purpose i.e. relevant, timely, and with clear explanations of the technical issues</i> • <i>Ensure that proper professional advice, on matters with financial or legal implications, is available, recorded well in advance of decision-making and used appropriately</i> <p>c) To ensure that an effective risk management system is in place, we will:</p> <ul style="list-style-type: none"> • <i>Ensure that risk management is embedded into the culture of the Council with Members and managers recognising this is part of their respective roles</i> • <i>Ensure that effective arrangements for whistle-blowing are in place with access for Members, staff and those contracting with, or appointed by the Council</i> <p>d) To use the Council's legal powers for the full benefit of citizens and communities in the borough, we will:</p> <ul style="list-style-type: none"> • <i>Recognise the limits of lawful action while striving to use</i> 	<p>were found to be implemented when follow up audits were undertaken.</p> <ul style="list-style-type: none"> • The Corporate Committee fulfilled its terms of reference in 2015/16 in relation to audit functions; and reported positive outcomes in relation to counter-fraud and arrangements for ensuring good governance in schools. • Officers and Members are required to complete declarations of interest; Members' declarations are published on the website to ensure transparency and all Members complied with the requirements in 2015/16. • Full compliance was achieved in 2015/16 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 2015/16 is available on the Council website. No Council decisions were successfully challenged on the basis of inadequate equality impact assessments in 2015/16. • 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 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 recommendations are discussed and responded to by the Cabinet and published on the Council's website. • 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. During 2015/16, work started to implement a new management information system, which will provide budget holders and heads of service with details of performance and financial information in an integrated package. This is expected to be rolled out during 2016/17.

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<p><i>Council powers for the full benefit of the community</i></p> <ul style="list-style-type: none"> • <i>Comply with the specific requirements of legislation and the general duties placed on Councils by public law</i> • <i>Integrate the key principles of administrative law – rationality, legality and natural justices – into the Council’s procedures and decision-making processes</i> 	<ul style="list-style-type: none"> • 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; comments from all relevant professional services – legal, finance and procurement – must be included in all committee reports. No omissions were recorded in 2015/16. • Haringey has a corporate Risk Management Policy and Strategy which is reviewed on a regular 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 corporate Priority Boards, programmes 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. No significant business continuity issues were reported during 2015/16.
<p>Corporate Governance – Core Principle 5: Developing the capacity and capability of Members and Officers to be effective</p>	
<p>a) To make sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles, we will:</p> <ul style="list-style-type: none"> • <i>Provide induction programmes tailored to individual needs and also opportunities for Members and officers to update their knowledge regularly</i> • <i>Ensure that statutory officers have the necessary skills, resources and support to perform effectively</i> • <i>Ensure that the roles of the statutory officers are properly understood by all in the Council</i> 	<ul style="list-style-type: none"> • Members who sit on the Corporate and Regulatory Committees were provided with training specific to their responsibilities for these committees. Training sessions included planning, licensing, audit, finance, pensions and treasury. • All members have been offered an extensive training programme on matters relating to standards and ethics; children and adults’ safeguarding; public health; freedom of information/data protection and member’s enquiries; scrutiny and the way the Council operates. • The Council provides a programme of training for members, and all members have access to the Council’s corporate training and

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<p>b) To develop the capability of those with governance responsibilities and to evaluate their performance individually and collectively, we will:</p> <ul style="list-style-type: none"> • <i>Assess the skills required by Members and officers and develop those skills to enable their roles to be performed effectively</i> • <i>Develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</i> • <i>Ensure that effective arrangements are in place for reviewing the performance of the Cabinet and individual Cabinet Members and for agreeing action plans to address training or development needs</i> <p>c) To encourage new talent for membership of the Council so best use can be made of individuals' skills and resources in balancing continuity and renewal, we will:</p> <ul style="list-style-type: none"> • <i>Ensure that effective arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the Council's work</i> • <i>Ensure that proper career structures are in place for Members and officers to encourage participation and development</i> 	<p>development programme.</p> <ul style="list-style-type: none"> • All permanent staff within the Council received an annual performance review, which is linked to the Council's management standards and corporate competency framework; the Staffing and Remuneration Committee received regular reports on People Management issues. During 2016/17, the Council developed and piloted a new performance management process which will be rolled out to all staff in 2016/17. • Legal Services provide 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 in developing Council policies. <hr/> <p>Actions:</p> <ul style="list-style-type: none"> • Ensure that the new performance management framework for employees is embedded effectively across all service areas in 2016/17; and use the outcomes to develop the council's training and development plans.
<p>Corporate Governance – Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability</p>	
<p>a) To exercise leadership through a robust scrutiny function which effectively engages local people and all local stakeholders and partnerships and which develops constructive and accountable relationships, we will:</p> <ul style="list-style-type: none"> • <i>Make clear to all Members, staff and the community that we are democratically accountable for this scrutiny function</i> • <i>Consider those institutional stakeholders to whom the Council is</i> 	<ul style="list-style-type: none"> • Copies of the Council's magazine, 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. • Key information is provided for residents in the six main languages spoken in the borough; the Council has various channels of

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<p><i>accountable and assess the effectiveness of the relationships and any changes required</i></p> <ul style="list-style-type: none"> • <i>Produce an annual report on the activity of the scrutiny function</i> <p>b) To take an effective and planned approach to dialogue with, and accountability to, the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning, we will:</p> <ul style="list-style-type: none"> • <i>Ensure that clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure that they operate effectively</i> • <i>Hold meetings in public unless there are good reasons for confidentiality</i> • <i>Ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively</i> • <i>The above arrangements will recognise that different sections of the community have different priorities and will establish processes for dealing with these competing demands</i> • <i>Establish a clear policy on the types of issues where we will consult, or engage the public and service users, including a feedback mechanism to demonstrate to consultees what has changed as a result of consultation</i> • <i>Publish an annual performance plan with information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and service user satisfaction in the previous year</i> • <i>Ensure that the Council is open and accessible to the community, service users and its own staff and committed to openness and transparency in its dealings including partnerships subject to the protection of confidentiality where necessary and appropriate.</i> 	<p>communication that residents and stakeholders can use, including social media, face to face, online and via the telephone.</p> <ul style="list-style-type: none"> • The council's 2015/16 budget was scrutinised by the Overview and Scrutiny Committee (OSC); recommendations were made by the OSC to Cabinet which were responded to and the reports published on the website. • 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. During 2015/16, ten formal consultation processes were undertaken, with the results and outcomes published. • The Council has a wholly-owned company, Homes for Haringey Limited (HfH) and is a trustee of Alexandra Palace and Park (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 Council has continued to work with Alexandra Palace and Park (APP) to ensure that corporate governance arrangements and internal controls are adequate and this was continued during 2015/16. The Council reviews annually the independent audit reports for both APP and HfH, no significant governance issues were raised by the organisations' auditors. • Cabinet agendas, reports and minutes are made available on the Council's website to provide transparency. Cabinet meetings are also broadcast via the Council website.

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4. Significant governance issues

4.1 The Council identified some key areas where work would be undertaken in 2015/16 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
Changes to the Homes for Haringey governance arrangements.	Interim changes to operational and management arrangements for Homes for Haringey were put in place from October 2014. Options on the future delivery of housing services will continue in 2015/16, with a report to Cabinet by the Chief Operating Officer planned for September 2015.	Complete.
Recording and publishing delegated decisions.	Directors and Assistant Directors reported via their assurance statements that, although decisions were taken in accordance with the constitution requirements, the recording and publishing of decisions taken was not always done, or done in a timely manner. Further work will need to be done in 2015/16 to ensure that this issue is addressed and all decisions are recorded and reported according to agreed requirements.	Complete.
Budget management – Children’s Service and Adult Social Services.	Both the Children’s Service and Adult Social Services reported significant budget overspends in 2014/15. Both Directors have formulated action plans designed to bring the services’ spending in line with approved budgets. These plans will be closely monitored both by officers and members during 2015/16.	Ongoing; forms part of the Priority Board projects and risk management work (and highlighted in 2015/16 AGS).
Corporate Programmes – demonstrating delivery outcomes.	The 2015-18 Corporate Plan outcomes are dependent on the successful delivery of the corporate programmes. These will need to start to demonstrate their benefits realisation objectives during 2015/16 in order to achieve the required outcomes and external funding commitments.	Ongoing; forms part of the Priority Board projects and risk management work.

- 4.2 The Council has identified the following significant governance issues during 2015/16. 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
The Council has identified significant budget overspends within Children's and Adult Social Services and the Housing (Temporary Accommodation) budget.	Ensure the demand-led budgets within Children's and Adult Social Services and Temporary Accommodation are managed effectively in 2016/17 to reduce the identified overspends.	Director of Children's Services; Director of Adult Services; Chief Operating Officer	March 2017
The Council's agreed Workforce Plan recognises the need to develop and manage staff effectively in order to deliver the Corporate Plan; new processes were piloted during 2016/17 to assist with this.	Ensure that the new performance management framework for employees is embedded effectively across all service areas in 2016/17; and use the outcomes to develop the council's training and development plans.	Assistant Director of Human Resources	March 2017
During 2015/16, the Council implemented new governance structures to deliver the outcomes in the Corporate Plan.	Revise the Council's Local Code of Corporate Governance: ensure that it reflects the new Priority Boards' governance structures and the 2016 best practice and mandatory guidance to enable effective reporting as part of the Annual Governance Statement.	Assistant Director of Corporate Governance	March 2017

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 (April – October 2015) and the Chief Operating Officer (November 2015 – March 2016) who held 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 2015/16. Their comments on the key governance issues are as follows:
- Chief Operating Officer: There were fairly significant overspends in three areas in 2015/16: Children's and Adults Services and Temporary Accommodation; Children's and Adults Services had also reported overspends in 2014/15 as a result of additional demand on the services at the same time as both services were coping with budget reductions. Directors have been working to bring the services' spending in line with approved budgets, but further action in all these areas will be required during 2016/17.
 - Assistant Director of Corporate Governance: Following training to ensure that delegated decisions by Assistant Directors were recorded and published in line with statutory requirements, follow up reviews identified significant improvement had been made in this area in 2015/16 and the majority of decisions were in accordance with regulations. No other significant governance issues were identified during the year in relation to Monitoring Officer functions.
 - Head of Audit and Risk Management: The majority of the Council's key financial systems all received 'substantial' or higher assurance ratings from internal audit in 2015/16, with two systems (accounts payable; housing benefits) receiving 'limited' assurance. Work to assist schools to address control weaknesses continued in 2015/16 with substantially improved results: no school received a 'nil' assurance rating; two schools (out of eleven) received a 'limited' assurance rating; all other schools received a 'substantial' rating. Internal Audit continued to provide training and guidance for school governors, head teachers, and school finance staff to assist in maintaining and improving their performance in 2015/16; and an escalation process for schools that are found not to have implemented recommendations was agreed by Corporate Committee in November 2015. No other significant governance issues were raised by internal audit during 2015/16.
- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2015/16. The report concluded that in most areas across the Council, with the exception of those areas receiving 'limited' assurance, there are sound internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory. 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 2015/16 which is informed by work carried out by heads of service and 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 2015/16, 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 3 and 31 May 2016 and by the Council's Corporate Committee on 28 June 2016, who concluded that the Council has satisfactory governance systems in place and satisfactory plans to address the identified issues to ensure improvement; these arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The Chief Executive and the Statutory Officers' Group are committed to implementing the action plan, strengthening and improving controls and keeping the effectiveness of the Council's corporate governance arrangements under review during the year.

Signed by:

Councillor Claire Kober
Leader of the Council

Nick Walkley
Chief Executive

Date: