

Annual Governance Statement 2016/17

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 2017 and up to the date of the approval of the annual report and accounts.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
<p><u>Behaving with Integrity</u></p> <p>a) The Council’s Member Code of Conduct (July 2014) requires members to declare interests; applies to Members and co-opted voting members on election or appointment. Published on the internet: http://www.haringey.gov.uk/sites/haringeygovuk/files/lbh_constitution_part_5_section_a_-_part_1_0.pdf</p> <p>b) Induction is provided for all new Members when they are elected on expected standards of behaviour.</p> <p>c) Officer Code of Conduct (February 2012). Published on the internal website. Code requires officers to declare all potential conflicts of interests and is provided to all new employees. Regular reminders are issued via internal staff newsletters on expected standards of behaviour.</p> <p>d) Haringey Values updated in 2015 (Human, Ambitious, Accountable, and Professional). Published on the internal website and internet: http://www.haringey.gov.uk/local-democracy/our-standards</p> <p>e) Decision making practices for member decisions follow legal and transparency requirements. Officer decisions are also recorded and published on Modern.gov: http://www.minutes.haringey.gov.uk/mqDelegatedDecisions.aspx?DS=2&bcr=1</p> <p>f) Register of interests and gifts and hospitality for members/co-optees checked on election/appointment. Minutes show declarations of interest sought and appropriate declarations made for each meeting. http://www.haringey.gov.uk/local-democracy/our-standards/register-members-interests</p>	

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<p>g) Requirement for all new staff to complete Register of Interests declaration. Senior managers are required to complete a new form every two years; staff should complete a new form as/when circumstances change. Gifts and hospitality for members are recorded with their declarations of interests and are published on the website: http://www.haringey.gov.uk/local-democracy/our-standards/register-members-interests For officers, declaration forms are retained in Human Resources.</p> <p>h) Standard report format requires report authors to state how their proposal meets the corporate objectives and priorities. Report authors must also provide reasoning and evidence for proposals, so that the basis for decisions is clear and include statutory officer's advice, including legal and finance advice. Training for report authors on writing clear, logical and objective reports was provided for officers in 2016/17 and standard templates are held on the internal website.</p> <p>i) Anti-fraud and corruption policies are in place, including the Whistle blowing policy (July 2015). The Head of Audit and Risk Management reports on actions, effectiveness and outcomes (and use of the whistle blowing policy) to Corporate Committee and provides awareness presentations to Corporate Management Group. Copies of the policies are on the internet: http://www.haringey.gov.uk/sites/haringeygovuk/files/anti-fraud_and_corruption_policy_july_2015_-_appendix_2_whistleblowing_policy.pdf http://www.haringey.gov.uk/sites/haringeygovuk/files/anti-fraud_and_corruption_policy_july_2015.pdf</p> <p>k) Corporate and service specific complaints policies are in place and published on the website. Level of complaints upheld at Stage 1 and 2 is monitored and reported regularly to the Council's Statutory Officers Group (latest report 18/10/16). Following the transfer of Feedback and Information Governance (FIG) Team to the Shared Service Centre (SSC) there has been an overhaul of reporting with an emphasis on learning from complaints. More information is being published and made easily accessible to customers – as part of this we are also conducting a review of the</p>	

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<p>Publication Scheme. Training sessions have been developed looking at examples of best practice in responses and getting it right first time. http://www.haringey.gov.uk/contact/council-feedback/complaints-about-council</p> <p>l) Local Code of Corporate Governance (2013) in place and is published on the website: http://www.haringey.gov.uk/local-democracy/our-standards</p> <p><u>Demonstrating strong commitment to ethical values</u></p> <p>m) The Standards Committee, along with the Council's Monitoring Officer, establishes monitors and maintains the organisation's ethical standards and performance, reporting to full Council as necessary. The committee deals with allegations of breaches of the Member Code and issue (or require Groups to issue) reminders/advice notes to Members where issues of conduct cause concern. http://www.haringey.gov.uk/local-democracy/our-standards/standards-committee</p> <p>n) The Council is incorporating the Social Value Act requirements into all procurement and contracts; including a standard clause referring to 'PREVENT' in all contracts, as well as safeguarding and health and safety. The Council has various human resources policies and procedures in place; a process to review these was agreed by Staffing and Remuneration Committee in 2016/17: http://www.minutes.haringey.gov.uk/documents/s85741/SR_HR-Policy-Clustering%20JMcG.pdf</p> <p>o) The Council encourages external providers of services to act with integrity and in compliance with high ethical standards expected by the organisation in information sharing; http://www.haringey.gov.uk/community/community-safety-and-engagement/crime-and-disorder-information-sharing-protocol http://www.haringey.gov.uk/sites/haringeygovuk/files/safeguarding-adults-multi-agency-isp-2013.pdf In procurement:</p>	<p>l) Local Code of Corporate Governance to be updated in 2017 to incorporate the best practice requirements in the 2016 'Delivering Good Governance' CIPFA/SOLACE publication.</p>

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<p>http://www.haringey.gov.uk/business/selling-council/council-contracts</p> <p><u>Respecting the rule of law</u></p> <p>p) Statutory officers are appointed by full Council. Their discipline/dismissals are dealt with in line with legal requirements that take account of the need to fulfil their responsibilities in accordance with legislative and regulatory requirements.</p> <p>q) The Council optimises the powers available for the benefit of citizens, communities and other stakeholders. Decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers. The Council Constitution is reviewed and updated regularly and published on the internet: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>r) Breaches of law/financial regulations can be the subject of a report to full Council by the relevant statutory officer. No statutory officer reports have been required in 2016/17.</p> <p>s) Statutory officers are available at meetings of the Council/Cabinet to advise and ensure law and regulations are not breached.</p>	
B. Ensuring openness and comprehensive stakeholder engagement	
<p><u>Openness/ Implementing good practice in transparency</u></p> <p>a) The Council Publication Scheme sets out information available to view or download including under the requirements of the Transparency Code 2015. http://www.haringey.gov.uk/local-democracy/publications/publication-scheme</p> <p>b) Member decisions are rarely taken in the private (Part 2) section of meetings. One decision has been taken in Part 2 in 2016/17, with five reports relating to</p>	<p>a) The Council is preparing for the implementation of the EU's General Data Protection Regulation (GDPR) in May 2018; processes to prepare for GDPR will incorporate other key information governance requirements including</p>

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<p>procurement having part 2 appendices covering the commercially confidential information. Member delegated decisions are also taken at meetings advertised and open to the public. The constitution allows for deputations and petitions and a call in procedure for cabinet key decisions is in place. The local and statutory requirements are set out in the Council Constitution: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>c) The Council carries out consultation on a regular basis with stakeholders. It has a consultation co-ordinator and a consultation charter and toolkit on its internal website. All consultations require a consultation plan which is posted on the consultation e-plan on the internet. http://www.haringey.gov.uk/local-democracy/have-your-say-haringey. http://www.haringey.gov.uk/local-democracy/have-your-say-haringey/our-commitments-you http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18/your-haringey-your-future</p> <p>The Council publishes 'Performance Wheels' on Corporate Plan objectives and outcomes on the website; feedback on our performance is encouraged through this route: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance</p> <p><u>Engaging comprehensively with institutional stakeholders</u></p> <p>d) A new Partnership with the community sector was approved in December 2015 designed to forge stronger relationships with the local voluntary sector, working with the Moracle Foundation to improve the strength of the voluntary sector, enabling it to attract more funding and investment to support local communities. Co-production is being widely used across the Council's Corporate Plan Priority 2 to redesign services and deliver outcomes; the processes encompass full engagement with stakeholders and service users.</p> <p>e) Formal and informal partnerships allow for resources to be used more efficiently and outcomes achieved more effectively; the Corporate Plan incorporates key</p>	<p>Freedom of Information/Environmental Information Regulations; Transparency Code; and data sharing requirements.</p> <p>c) Establish a database of all consultation responses which is accessible on the Council's website.</p>

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<p>partnership working across all its priorities, including the Local Safeguarding Children’s Board (LSCB), Safeguarding Adults Board (SAB), Multi-Agency Risk Assessment Conference (MARAC) and the Community Safety Partnership (CSP). Agendas and minutes for the CSP are published on the website: http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=444&Year=0 Examples where the Council participates in partnership include the Joint Health & Wellbeing Partnership with Islington; the shared information technology service with Camden and Islington; delivering the STEM commission recommendations; working with our schools to improve outcomes for children.</p> <p>f) Resident engagement also occurs in formal consultation and engagement processes; examples include between October and December 2016 on service priorities which was reported to Cabinet: http://www.minutes.haringey.gov.uk/documents/s91191/Cab%20February%202017%20-%20MTFS%20and%20budget%20report%20-%20FINAL%20VERSION_18.48.pdf</p> <p>g) The Council also uses social and print media to engage with residents and stakeholders, including the Council website, My Account, Twitter, Facebook, Haringey People and the weekly Haringey People online. The Council also has specific partnerships and stakeholder newsletters including Team Noel Park; and Northumberland Park to engage with residents.</p>	
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits; and D. Determining the actions necessary to optimise the achievement of the intended outcomes</p>	
<p><u>Defining actions/outcomes and sustainable economic, social and environmental</u></p>	

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<p><u>benefits</u></p> <p>a) The Corporate Plan sets out how the Council might work with partners and with communities to improve the borough and make Haringey a more successful place, while delivering around £70million savings by 2018. The plan has five core priority areas, each under-pinned by a series of ambitious targets. It considers and balances the economic, social and environmental impact of policies, plans and decisions. The Plan includes a challenging set of performance measures. Programme planning and management require focus on outcomes and benefits identification and tracking as part of project implementation. There is a clear and consistent approach to the reporting of outcomes, benefits, risks and issues across Priority Boards. The Plan is published on the website: http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18</p> <p>b) The Council publishes updates on its website to show how the Council and partners are achieving against specific targets every three months. The outcome targets specify the intended impact on service users, residents and other stakeholders.</p> <p>c) The Council has an agreed Medium Term Financial Strategy (MTFS) and Workforce Plan. Agreed at the same time as the Corporate Plan, these set out how the Council will deliver the corporate plan taking into account the full cost of operations and within available resources, balancing service priorities, and ensure its workforce has the right skills to enable it to achieve the agreed outcomes. Quarterly reports are provided to the Cabinet: http://www.minutes.haringey.gov.uk/mgAi.aspx?ID=40179#mgDocuments</p> <p>d) Robust planning and control cycles cover strategic and operational plans, priorities and targets. A new internal governance process was implemented in 2016/17 to provide regular monitoring and scrutiny of the achievement of the corporate plan and resources applied. For each priority, three new governance Boards were introduced: Finance Sub-groups and Operational Boards attended by senior officers and Strategic Boards attended by the relevant Cabinet Members. Performance against</p>	<p>c) The Council reported an £18m overspend in 2016/17.</p>

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<p>objectives is published on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance</p> <p>e) A new 10-year capital strategy was approved by Full Council in July 2016, which sets out the Council's longer term investment requirements linked to priority objectives: http://www.minutes.haringey.gov.uk/documents/s86587/Report%20from%20Cabinet%20to%20Council%20-%20Capital%20Strategy.pdf</p> <p><u>Determining actions and optimising achievement of intended outcomes</u></p> <p>f) The Council includes requirements to enhance social value in contracts. For example, construction projects over £1m in value must include an apprenticeship scheme, and where possible, employers are encouraged to pay the London Living Wage. High value procurements include a significant weighting in the 'social value' section and, where applicable, requirements as to the use of community assets.</p>	
<p>E. Developing the entity's capacity, including the capability of its leadership and the individuals within it</p>	
<p><u>Developing the entity's capacity</u></p> <p>a) The Council's workforce plan runs from 2015-2018 and aims to ensure the Council has the right people in the right places with the appropriate skill to deliver the Council's priorities. The plan is published on the website: http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18 Workforce expectations also form a clear part of contracting and commissioning processes, as our workforce is not limited to employed staff, including complying with minimum and London Living Wage requirements.</p> <p><u>Developing the capability of the entity's leadership and other individuals</u></p>	

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<p>b) The Council Constitution specifies the types of decisions that are delegated and those reserved for the collective decision making of the full Council or Cabinet. http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>c) The Council's Constitution sets out the leader and chief executive roles to ensure the respective responsibilities are defined in accordance with decision making accountabilities. These comply with relevant statutory requirements. It also includes the general scheme of delegation. Each service area also has a service area scheme of authorisation for officers, currently published on the intranet.</p> <p>d) Members who sit on the Corporate and Regulatory Committees are provided with training specific to their responsibilities for these committees. Training sessions during 2016/17 included planning, licensing, audit, finance, pensions and treasury.</p> <p>e) The Council provides a programme of training for all members, and members have access to the Council's corporate training and development programme, which is published on the internal website.</p> <p>f) During 2016/17 the Council rolled out 'My Conversation', a new performance management process, to all staff which focuses on personal and organisational development and performance; the Staffing and Remuneration Committee receives regular reports on people management issues in line with the Workforce Plan objectives. Guidance and templates for all staff are published on the internal website.</p> <p>g) The Council's Workforce Health and Wellbeing Strategy 2015-18 focuses on ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. The Council's corporate Health, Safety and Wellbeing Board monitors all key aspects of statutory and local requirements and has an action plan in place to address any identified gaps in compliance. Health and Wellbeing Fairs have been</p>	

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<p>run to promote employee health.</p> <p>h) The Council has protocols in place which govern how the operational and working relationships between officers and members are managed and forms part of the Constitution: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>i) The Council reviews operations, performance and use of assets on a regular basis to ensure their continuing effectiveness; the Corporate Plan highlights key performance objectives, targets and outcomes which are monitored and reported via the Council website. The performance reporting also compares current performance with statistical neighbours, London and England averages in most cases: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance</p>	
<p>F. Managing risks and performance through robust internal control and strong public financial management; and G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	
<p><u>Managing risk</u></p> <p>a) Haringey has a corporate Risk Management Policy and Strategy which is published on the internal website and reviewed on a regular basis. 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> <p>b) The Council's key risks are managed via corporate risk and Priority Boards risk registers; each is regularly reviewed via strategic and operational board meetings. Responsibility for individual risks and issues identified is clearly set out in risk registers. Internal audit reviews of key risks are undertaken as part of the annual audit programme. Performance objectives and outcomes are reported on the website: http://www.haringey.gov.uk/local-democracy/performance-and-</p>	<p>a) Corporate Risk Management Policy and Strategy to be updated in 2017 to reflect new structures and governance requirements</p>

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<p>finance/council-performance</p> <p>c) Haringey's business continuity planning is based on risk assessment and business impact analysis. Each service area produces a business continuity plan which is updated twice a year. Service continuity plans are incorporated into the Council-wide Business Continuity Plan. No significant business continuity issues were reported during the year.</p> <p><u>Managing performance</u></p> <p>d) The Council monitors service delivery effectively including planning, specification, execution and independent post implementation review which is set out in the Corporate Plan and outcome objectives: http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18</p> <p>e) Overview and Scrutiny takes a detailed look at the Council's decisions and policies and works to promote open decision making and democratic accountability in Haringey by holding the Cabinet to account; developing and reviewing policy in an inclusive cross-party manner that involves local communities and other interested parties, reviewing the performance of the Council and scrutinising local services not provided by the Council, such as health services. Overview and Scrutiny Committee also reviews the Performance Wheels on a quarterly basis and individual Scrutiny Panels consider performance with reference to their reviews. The reports and recommendations are discussed and responded to by the Cabinet and published on the Council's website: http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=128&Year=0</p> <p><u>Strong public financial management and robust internal control</u></p> <p>f) The Medium Term Financial Strategy (MTFS) outlines the overall financial strategy</p>	

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<p>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. Each Priority Board considers finance and budgets at every meeting, looking at both the budget and savings positions and tracking progress on both. Transformation and delivery of outcomes are strongly aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website.</p> <p>g) The Council's financial management is based on a framework of regular management information and review to inform managers and members of the current budget position. Managers submit monthly budget forecasts and the Cabinet receives quarterly budget management information. The implementation of the new fortnightly Finance Sub-groups in 2016/17 allowed for greater senior officer scrutiny of the budget forecasts at an early stage. This led to a focus on key risk areas and the implementation of a number of effective management plans to manage demand pressures. Corporate spend controls were also implemented as a result and this led to the projected overspend reducing from £28m at the end of the first quarter to £18m by quarter 3: http://www.minutes.haringey.gov.uk/documents/s91203/Period%209%20Financial%20Report%20to%20Cabinet%20-%20Final%20-%20010217%20version.pdf</p> <p>h) The Council operates a 'zero tolerance' approach to fraud and corruption. The anti-fraud and corruption policy includes a fraud response plan, anti-bribery and money laundering policies and a whistle-blowing policy. The anti-fraud policy is published on the Council website and regular articles on how to report fraud are published in staff newsletters and Haringey People. In 2016/17, the Council investigated and recovered 48 illegally sublet properties; and prevented 100 potentially fraudulent Right to Buy applications in line with the anti-fraud policy. Referrals made using the whistle blowing policy were all reviewed, investigated and reported to the Corporate Committee, copies of the reports are on the website: http://www.minutes.haringey.gov.uk/documents/s90792/Counter%20Fraud%20updat</p>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>e%20report%20Qtr%203%202016-17%20final%202.pdf</p> <p>i) The Council's internal and external auditors produce annual audit reports and the Annual Audit Letter, which were both reported to the Corporate Committee. External audit reported that the council had provided a good set of financial statements and working papers for 2015/16. No significant governance issues were raised by either report; recommendations were made to address some identified control weaknesses.</p> <p>j) Regular internal and external audit reviews check compliance with financial and contract procedure rules across the Council and the outcomes of these are reported to the Corporate Committee on a quarterly basis. All high priority recommendations, excluding those covering schools audits, made by internal audit were found to be implemented when follow up audits were undertaken. The Corporate Committee fulfilled its terms of reference in relation to audit functions; and reported positive outcomes in relation to pro-active counter-fraud activities in 2016/17.</p> <p>k) The Council's internal control arrangements are subject to annual self assessment by the Head of Audit and Risk Management; any gaps in compliance with mandatory standards are included in the statutory annual Head of Audit report.</p>	<p>i) Ensure all external audit recommendations are followed up and implemented</p> <p>d</p>
<p><u>Managing data</u></p> <p>l) The Council has policies dealing with various aspects of data management including security and data protection; Freedom of Information Act; information asset registers; and general records management. These and supporting guidance are all published on the intranet. Data quality policy is published on the website: http://www.haringey.gov.uk/sites/haringeygovuk/files/data_quality_policy_2013.pdf</p> <p>m) The Statutory Officers Group in August 2016 agreed a new protocol for the development of and accountability for data sharing protocols with partners.</p>	

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<p><u>Implementing good practices in reporting</u></p> <p>n) The Council produces an annual report to accompany its statement of accounts; for 2015/16 this received an unqualified opinion from the external auditor in 2016/17, who confirmed that the accounts provided a true and fair view of the Council's financial position; and the arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. Under the Local Accountability Act, the Council is responsible for appointing its external auditors from 2018/19; approval for the preferred appointment process was obtained from Corporate Committee in November 2016 and Full Council in February 2017: http://www.minutes.haringey.gov.uk/documents/s91371/CC_to%20Council%202017%2002%2027%20External%20Audit%20appointment.pdf</p> <p>o) The Council's Annual Governance Statement (AGS) is produced in accordance with required guidance and included in the statement of accounts; the AGS is reviewed by the Statutory Officers Group and Corporate Committee to ensure that any gaps in assurance or compliance issues are identified and addressed. Significant issues reported in 2015/16 are being addressed.</p> <p>p) As part of the Corporate Plan delivery arrangements, five Priority Boards are responsible for delivering the Corporate Plan with a responsible manager allocated as owner for each corporate priority. Outcomes and performance against all the priorities' objectives are published on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance</p> <p><u>Assurance and effective accountability</u></p> <p>q) Internal and external audit provide assurance on the Council's system of internal control to support the section 151 officer requirements, including reporting compliance with financial and contract procedure rules across the Council. The outcomes of audits are reported to the Corporate Committee on a quarterly basis. All outstanding recommendations are reported to Corporate Committee; a focus is</p>	

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<p>maintained on ensuring all high priority recommendations are implemented. None remained outstanding in 2016/17.</p> <p>r) The Head of Audit and Risk Management and the internal audit service fully complied with the requirements of the mandatory UK Public Sector Internal Audit Standards, as evidenced by peer review and self assessment. Access to officers, members and information is guaranteed by the Constitution.</p>	

4. Significant governance issues

4.1 The Council identified some key areas where work would be undertaken in 2016/17 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress on this is set out below.

Issue	Agreed Action/ Deadline	Progress update
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. Deadline: March 2017	Actions in progress: Issue included again for 2016/17 governance statement.
Implement new processes agreed in the Council’s Workforce Plan to develop and manage staff effectively.	Performance management framework for employees to be implemented across all service areas in 2016/17; the outcomes reported to senior managers to assist in improving the Council’s training and development plans. Deadline: March 2017	Complete.
Changes to the Council’s governance structures were made to assist the delivery of the Corporate Plan.	Implement the new governance structures to assist the delivery of the outcomes in the Corporate Plan. Revise the Council’s Local Code of Corporate Governance to reflect the changes in the corporate structures. Deadline: March 2017	In progress: Priority Boards’ governance structures in place; Local Code of Corporate Governance to be agreed in 2017/18.

4.2 The Council has identified the following significant governance issues during 2016/17. It is proposed over the coming year to take steps to address the governance issues in these areas and these are set out in the action plan below. The action plan will be monitored during the year to ensure all issues are appropriately addressed.

Issue	Action	Responsibility	Due date
Delivery of the MTFS savings targets – significant budget overspends in 2016/17.	Ensure the demand-led budgets within Children’s and Adult Social Services and Temporary Accommodation are managed effectively in 2017/18 to deliver a balanced budget. Where MTFS savings targets cannot be met, the services will need to identify alternative savings plans to deliver a balanced budget. Regular reports on progress will be made to Cabinet.	Director of Children’s Services; Director of Adult Services; Section 151 Officer	March 2018
Recommendations were made by external audit to address some identified control weaknesses.	An action plan is in place to address the recommendations. Reports on progress will be made to Corporate Committee during 2017/18.	Section 151 Officer	March 2018
Schools performance; significant deterioration in audit assurance outcomes and financial balances.	The Council’s Senior Leadership Team, in conjunction with the Schools Forum, is developing an action plan to address financial and control weaknesses. Audit follow ups and action plans will be reported to the Schools Forum and Corporate Committee.	Director of Children’s Services; Section 151 Officer	March 2018
Preparing for the new EU General Data Protection Regulations in 2018.	An action plan is in place, which includes other key information governance requirements including Freedom of Information/Environmental Information Regulations; Transparency Code; and data sharing requirements.	Chief Operating Officer	March 2018
Updating the Local Code of Corporate Governance to reflect the new CIPFA/SOLACE guidance.	Revise the Council’s Local Code of Corporate Governance: ensure that it reflects the new Priority Boards’ governance structures and the 2016 guidance.	Assistant Director of Corporate Governance	March 2018
The Council’s Accounts Payable Manager identified that corporate payment control processes had broken down within Parks and Leisure Services.	A reconciliation of expenditure was undertaken to ensure that payments to authorised suppliers in Parks and Leisure Services had been made in accordance with agreed processes. New corporate processes were implemented in 2016/17; Internal Audit will review the new control processes to confirm they are operating effectively in 2017/18.	Assistant Director for Commercial and Operations	March 2018

5. Review of effectiveness

- 5.1 Haringey Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the statements of assurance and annual governance self-assessments by each director and assistant director, who have responsibility for the development and maintenance of the governance environment; the Head of Audit and Risk Management's annual report, and also by comments made by the Council's external auditors and other review agencies and inspectorates.
- 5.2 The Chief Operating Officer who holds the Council's statutory section 151 Officer role; the Assistant Director of Corporate Governance (the Council's Monitoring Officer); and the Head of Audit and Risk Management have also reviewed the work done by the Council relating to governance issues in 2016/17. Their comments on the key governance issues are as follows:
- Chief Operating Officer: There were significant overspends in three areas in both 2015/16 and 2016/17: Children's Services, Adult Social Services and Temporary Accommodation. Directors, Assistant Directors and the s151 Officer have been working to bring the services' spending in line with approved budgets, but the Council made a one-off contribution from non-ring fenced reserves to balance the budgets in these areas. Further action in all these areas will still be required during 2017/18 if the Council's MTFS is to be achieved.
 - Assistant Director of Corporate Governance: No significant governance issues were identified during the year in relation to Monitoring Officer functions.
 - Head of Audit and Risk Management: Work to support schools to address control weaknesses was maintained in 2016/17; however outcomes from school audits returned a significantly worse level of assurance overall: three schools received a 'nil' assurance rating; eleven schools received a 'limited' assurance rating; and five schools received a 'substantial' rating. Internal Audit provided training and guidance for school governors, head teachers and school finance staff in advance of all audits. Reports were made to the Schools Forum and Corporate Committee where the correlation between having a poor financial situation and a 'limited' or 'nil' assurance audit rating was highlighted. It has been agreed that further work with the Schools Forum will be undertaken during 2017/18 to help to improve the control and management processes at schools. No other significant governance issues were raised by internal audit during 2016/17.
- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2016/17. 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 outside of school audits were confirmed as being implemented when internal audit completed the follow up reviews.
- 5.4 Priority Owners have completed a statement of assurance covering 2016/17 which is informed by work carried out by Directors; Assistant Directors; heads of service and managers; internal audit; any external assessments; and risk management processes. The statements are used to provide assurance that any significant control issues that have been brought to their attention have been dealt with appropriately. No significant governance issues, apart from those identified at paragraph 4.2 were recorded.

- 5.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) statements on the role of the Chief Financial Officer (CFO) and the role of the Head of Internal Audit (HoA) in public service organisations have both been incorporated into the Council's overall governance arrangements. During 2016/17, the Council can confirm that both the CFO and HoA fulfilled all the requirements set out within the CIPFA statements, and assurance on this was obtained via internal and external audit reviews. No gaps in compliance were identified for either role.
- 5.6 The Leader of the Council and the Chief Executive have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Corporate Committee, and a plan to implement enhancements and ensure continuous improvement of the system is in place.
- 5.7 The evidence provided 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 15 November 2016 and 4 April 2017; and by the Council's Corporate Committee on 25 July 2017, 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

Zina Etheridge
Interim Chief Executive

Date: