



Brent

Audit Committee
26 June 2014

**Report from the Chief
Finance Officer**

For Action

Wards Affected:
ALL

Annual Governance Statement

1. Summary

- 1.1 This report sets out the Annual Governance Statement (AGS) for 2013/14 as required by the Accounts and Audit Regulations 2011¹.

2 Recommendation

- 2.1 The Audit Committee to consider the content of the AGS as set out in appendix 1.
- 2.2 The committee approve the content or, if required, set out those issues it wishes to be considered by the Chief Executive and Leader prior to signature.

2. Detail

- 2.1. The council is required to produce an Annual Governance Statement (AGS) as part of its published accounts. The statement must be signed by the Chief Executive and Leader of the Council.
- 2.2. Regulation 4 of the Accounts and Audit Regulations 2011 (and previously 2006) requires the Council to review its system of internal control, to have those findings considered by the Audit Committee and to publish an Annual Governance Statement to accompany the accounts.
- 2.3. CIPFA produced a framework document in 2007² setting out how local authorities could comply with the requirements of a review and production of the AGS and, in 2012, issued an update (the addendum) to the framework together with an associated guidance note. In summary, the AGS is a public statement setting out how the authority is governed and manages its

operations and identifies any significant failures or weaknesses in governance.

- 2.4. The guidance determines that the AGS should be, "...high level, strategic and written in an open and readable style...focused on outcomes and value for money and relate to the authority's vision for the area." The guidance also requires that the AGS sets out the key elements of the governance framework and that the review of the governance arrangements needs to make, "...appropriate reference to these elements".
- 2.5. The review of the governance framework for 2013/14 has been undertaken with input from the Director of Legal and Procurement, Director of Human Resources, Assistant Director of Corporate Policy, PMO Manager and the Acting Director of Finance. Officers from the Consultation Team have assisted with the elements concerning community engagement.
- 2.6. The review of the governance framework for 2013/14 has been undertaken with input from the Director of Legal and Procurement, Director of Human Resources, Head of Policy and Scrutiny, Chief Finance Officer and Assistant Chief Executive.
- 2.7. For 2013/14, each Strategic Director and CMT Member has been required to sign a certificate of assurance for their own area of responsibility. Copies of these certificates are attached at part 3. The purpose of these certificates is to provide assurance to the council, Chief Executive and Leader about governance arrangements at a departmental level.
- 2.8. In order to have assurance about the governance framework, it is important to define what constitutes a significant internal control issue and, therefore, a significant governance issue. The CIPFA guidance suggests that the identification of significant control issues can be achieved by considering the following factors:
 - The issue has seriously prejudiced or prevented the achievement of a principal objective.
 - The need to seek additional funding or divert funding to resolve the issue.
 - The issue has had a material impact on the accounts.
 - The issue has attracted significant public interest or has damaged the reputation of the organisation.
 - The issue has resulted in formal action being taken by the CFO or Monitoring Officer.
- 2.9. Items for inclusion within the list of significant governance issues were considered by the Chief Finance Officer, Head of Audit and Investigation, Assistant Chief Executive and Director of Legal and Procurement at a meeting

in early May 2014. In addition, Directors were asked to identify any significant governance issues as part of signing their certificate of assurance. Within these certificates, directors were asked to highlight any significant governance issues.

2.10. Additional assurance for the AGS is gathered from a number of sources across the Council. The Chief Executive and Leader will need to consider the work of different parts of the Council, including the Executive (now Cabinet), Monitoring Officer, Chief Finance Officer and the Audit Committee in reaching a conclusion about the effectiveness of the control environment.

2.11. The key assurance mechanisms applied to maintain and review the effectiveness of the governance framework are identified in the AGS. In the main, these can be relied upon as working effectively. The evidence for this is based on activity and documentation reviewed during the year and includes but is not limited to:

- Reports to Full Council, the Executive (now Cabinet), Overview and Scrutiny, Audit Committee and the Standards Committee
- The annual report of the Monitoring Officer
- The Head of Audit annual report
- Minutes of the Corporate Management Team and Strategic Finance Group
- One Council Programme Board
- Certificates of Assurance from Corporate and Service Area Directors
- Internal Audit Reports
- The Risk Management Process
- The Borough Plan.

3. Financial Implications

3.1. None

4. Legal Implications

4.1. Regulation 4(2) of the Accounts and Audit Regulations 2011 requires the Council to review its system of internal control and Regulation 4(3) requires the preparation of a statement on that review in accordance with “proper practice”. Following the review, an Annual Governance Statement (AGS) must be approved and accompany the statement of accounts.

5. Diversity Implications

5.1. None

6. Background Papers

1. Accounts and Audit Regulations 2011
2. CIPFA, SOLACE (2007), *Delivering Good Governance in Local Government*.
3. CIPFA, (2012), *Delivering Good Governance in Local Government: Framework (Addendum)*
4. London Borough of Brent (2013). *Constitution*.
<http://www.brent.gov.uk/constitution.nsf/>

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Draft Annual Governance Statement 2012/13**1 Scope of responsibility**

- 1.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council 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, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the Council's code is contained in part 7 of the council's Constitution and can be found on our website at <http://www.brent.gov.uk/your-council/about-brent-council/council-structure-how-we-work/our-constitution/>
- 1.4 This statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2 The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. 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 services and value for money.
- 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 and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31 March 2013 and up to the date of approval of the statement of accounts.

3 The governance framework

- 3.1 The key elements of the systems and processes that comprise the Council's governance arrangements are set out over the following pages against the six core principles upon which the CIPFA/SOLACE Framework is based. The six core principles being as follows:
1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 3. Promoting values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 5. Developing the capacity and capability of members and officers to be effective; and
 6. Engaging with local people and other stakeholders to ensure robust public accountability.
- 3.2 Each of these core principles are broken down into a number of supporting principles and these are used by the Council on an annual basis to review and summarise the key elements of the overall governance framework, as well as to identify specific actions needed to address any weaknesses and/or to achieve further improvement in the year ahead. The arrangements for reviewing the effectiveness of the governance framework are detailed in section 4 of this statement.
- 3.3 The tables set out over the following pages provide an overview of the key elements of the governance arrangements against the six core principles.

Key Elements of a good governance framework	The Council's Framework
<p>1. Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users</p>	<p>The Council has a Borough Plan, 'Brent – Our Future', for the four year period of 2010-2014. This document includes both the corporate objectives of the Council and our shared partnerships priorities. A revised plan for the period 2013/14 has been agreed by both the Executive and Full Council.</p> <p>The Plan references other key relevant documents, including the following:</p> <ul style="list-style-type: none"> • Local Development Framework; • Climate Change Strategy; • Housing Strategy; • Sports and Physical Activity Strategy; • Cultural Strategy; • Health and Wellbeing Strategy; • Engagement Strategy; and • One Council Programme. • Children and Young Peoples Plan • Child Poverty Strategy .

Key Elements of a good governance framework	The Council's Framework
	<ul style="list-style-type: none"> • People Strategy <p>The priorities of the Borough Plan are regularly set out in The Brent Magazine, its website, press releases and targeted campaigns.</p> <p>Service priorities are extensively consulted on with users and other relevant stakeholders. Service Plans are presented annually to Lead Members prior to finalisation.</p>
2. Reviewing the authority's vision and its implications for the authority's governance arrangements	<p>Implementation of the Borough Plan is monitored by the Executive.</p> <p>Implementation of Service Plans is monitored throughout the year by Corporate Management Team (CMT) and Departmental Management Teams (DMTs) using a range of embedded systems and processes including quarterly performance monitoring.</p> <p>Progress against the administration's priorities is also reported to the Executive and Overview and Scrutiny Committees.</p>
3. Translating the vision into objectives for the authority and its partnerships.	<p>The Council's Policy Team is responsible for supporting local partnership arrangement, known as Partners for Brent. The team co-ordinates a broad range of collaborative activities, which stem from the Council's engagement with local public, private and voluntary sector organisations.</p> <p>Local partners collaborate within Brent through our Local Strategic Partnership (LSP) to deliver the vision set out in the Borough Plan 2013/14.</p> <p>The LSP includes partners from all sectors and consists of an LSP Strategic Forum, LSP Executive and Thematic Partnerships.</p> <p>The LSP's focus is to understand how to ensure the best outcomes for residents by aligning the work undertaken by different organisations in the borough and engaging people effectively in change.</p> <p>At service area level, objectives of partnerships are documented in the Service Plans and within contract documentation.</p>

Key Elements of a good governance framework	The Council's Framework
<p>4. Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources and value for money</p>	<p>The Council has a Performance Management Framework, as overseen by the Corporate Performance Team and delivered via departmental performance officers working with the corporate team which seeks to strategically align all the Council's performance monitoring and reporting activity.</p> <p>Sitting under the Borough Plan the service planning framework serves as the cornerstone of the Council's approach to performance management. Each DMT is responsible for monitoring performance against their Service Plan and for reporting performance to CMT through regular scorecards to the High Level Monitoring Meeting with the Chief Executive and the Leader of the Council. Performance is also routinely discussed with the relevant Lead Member at Directors briefings.</p> <p>Key groups within the overall framework include:</p> <ul style="list-style-type: none"> • Executive – agree proposals and challenge and question lead members and directors; • CMT – challenge the performance of the Council as a whole and has overall responsibility for achieving corporate objectives; • One Council Overview and Scrutiny Committee, Partnerships and Place, Overview and Scrutiny Committee, Budget & Finance Committee and the Children and Families Scrutiny Committee. Provide a political challenge and scrutiny in relation to decisions taken by the executive • LSP – challenges delivery around key partnerships; • High Level Monitoring Group – chaired by the Chief Executive and attended by the Leader of the Council examines specific performance issues, providing on-going challenge, support and direction and tracking of improvements; • Strategic Finance Group – examines budget and activity information to assess value for money; and • One Council Programme Board – oversees the progress and achievements against the One Council Programme. <p>During 2013/14, the One Council Programme Board measured progress against its targets via fortnightly meetings. The One Council Programme Management Office (PMO) monitors the robust project and programme methodology that has been established to ensure the delivery of change projects and realisation of benefits. In June 2013, the responsibilities of the OC Programme Board were reconfigured. The CMT/OC Strategic Programme Board is chaired by the interim Chief Executive and this board is largely focussed on OC projects reporting directly into the programme (cross-council projects, partnership projects and some departmental projects). The OC Programme Delivery Board, chaired by the Strategic Director for Environment & Neighbourhoods focuses on OC projects in portfolios, Red RAG projects and programme-wide matters. The CMT/OC Strategic</p>

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	<p>Programme Board and OC Programme Delivery Board are held on alternate cycles.</p> <p>This framework includes the preparation of sound business cases for all projects within the programme and identification of future financial and non-financial benefits. The regular fortnightly monitoring of project plans enables effective management of delivery, identification of risk and tracking of both financial and non-financial benefits.</p> <p>The Corporate Management Team now sits as the OC Programme Board every 4 weeks to review progress at a strategic level and a report to the Policy Co-ordination Group is presented each quarter. The Strategic Director of Environment & Neighbourhoods and PMO Manager meet each month with the Leader and Deputy Leader to up-date them on programme delivery and achievement of the savings targets.</p> <p>The 'PerformancePlus' system is now fully operational across the Council and a standard service planning template and guidance was refreshed in 2013 with a focus upon delivering the Improvement and Efficiency objectives.</p> <p>An integrated quarterly Performance and Finance monitoring report is now produced. This is reviewed by the Executive, CMT and the Performance & Finance Select Committee</p>
<p>5. Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements</p>	<p>Article 2 of the Constitution describes the role of Members of the Council, the Executive, Mayor, Full Council and Overview and Scrutiny.</p> <p>Delegation arrangements are set out in the constitution</p> <p>Up to date job descriptions are in place for Senior Officers.</p> <p>Monitoring Officer Advice Notes give advice to Members on decision making and standards of conduct. Further details with regards to London Councils' positive assessment of these are set out against Core Principle 5.</p> <p>Local Democracy and Standards Web pages are updated regularly.</p> <p>All Executive decisions and key decisions by officers are recorded and published.</p> <p>Roles and responsibilities are covered in the Constitution.</p> <p>Member access to information rules are covered in part 7 of the Constitution and in the Access to Information protocol.</p>

Key Elements of a good governance framework	The Council's Framework
	Published Pay Strategy agreed annually by Full Council.
6. Ensuring effective arrangements are in place for the discharge of the monitoring officer function	Covered in the Constitution and job descriptions. All reports have to be cleared by the Borough Solicitor who attends all Leader's briefings and meetings of the Executive and full Council. A lawyer also attends all other committee meetings and is responsible for issuing the, monitoring officer advice notes and legal bulletins.
7. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation	<p>The Borough Plan 2013/14 sets out the aim to <i>'Support and promote greater participation if residents in decision-making, through democratic processes and council meetings'</i>. A Brent-wide Engagement Strategy was agreed in 2010/11 setting out the <i>'ambition of the council and partners to inform, consult, engage and involve our communities in all aspects of service provision from design through to delivery'</i>.</p> <p>There are a range of ways in which the local community and other key stakeholders are consulted. Key ones include:</p> <ul style="list-style-type: none"> • The Brent Magazine is regularly distributed to households, promoting Council policy and initiatives, and providing information on available services and consultation events. • Surveys of residents' are undertaken to evaluate resident satisfaction with the area and with council services. Two surveys were undertaken during 2012, 'What People Read' and a 'Reputation Tracker Survey'. A survey for waste and street cleaning services was undertaken in 2013 to establish baseline data against which the public realm contract can be performance managed. Additional recruitment to the Citizens' Panel was achieved through these surveys. The Council is embarking on a major Budget Consultation project using external consultants, Community Research • The Ward Working initiative focuses on members working within their communities to collectively address local priorities and improve the way services are delivered on a neighbourhood level. • The Council's website is another key point of engagement, both with regards to publicising and communicating key information, as well as providing residents with the opportunity to access services via web technology. We are in the process of re-designing the website around customer's needs so it is easier to use.

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	<ul style="list-style-type: none"> • There are five Brent Connects Area Forums, each chaired by a councillor, with meetings open to all members of the public. At each meeting, there is also a 'Soapbox slot' for residents to express their views and concerns about issues that affects them directly or indirectly. Outcomes of formal consultation are fed back through the Consultation Portal website. • A young person's website, 'bmyvoice', was launched in March 2010, specifically for engaging and communicating with Brent's younger residents. • The Brent Local Involvement Network (LINK) has now been superseded by Local HealthWatch. • Staff are kept informed through Brent Manager, e sight lite and the intranet. Additional workshops / meetings are also run as appropriate for example on moving to the Civic Centre. In addition we have a number of snapshot surveys taking place to evaluate staff understanding of the council's overall aims. • The Borough Plan 2013/14 stresses that we will 'ensure that local services engage with local communities more effectively about the services and issues which are important to them'. We are working towards achieving 'Excellence' level of the national equalities framework by 2014. Staff are kept informed through managers' briefing and the intranet. Additional workshops / meetings are also run as appropriate for example on moving to the Civic Centre. A new e-newsletter for staff was launched during 2012/13. In addition there were a number of snapshot surveys taking place to evaluate staff understanding of the council's overall aims.
8. Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships and reflecting these in the	<p>The term 'partnership' is defined in the Constitution and a partnership map has been established.</p> <p>Protocols and guidelines for the operation of joint working have been agreed by the LSP and covers roles and responsibilities, protocols for financial administration and staff management.</p> <p>Guidance on the legal status of partnerships is provided by the Borough Solicitor as appropriate.</p> <p>The members of the Partners for Brent Executive have agreed terms of reference and roles as part of their governance arrangements. These establish the expected values and behaviours for effective partnership working. These include a commitment to addressing inequality, focusing on preventative actions and achieving value for money through greater collaboration.</p> <p>The corporate policy team is working closely with representatives of the voluntary sector to develop principles for collaboration with the voluntary and community sectors.</p>

Key Elements of a good governance framework	The Council's Framework
authority's overall governance arrangements.	
9. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.	<p>Member Code of Conduct set out in constitution together with other codes.</p> <p>The Code of Conduct for Officers was updated and re-issued in 2010. Other codes, including the IT Usage Policy, Data and Information Security and Harassment Policy are all held on the intranet and are subject to regular review. Some of these are mandatory for all staff.</p> <p>A new fraud and bribery policy was issued in July 2013.</p> <p>Staff are made aware of their responsibilities through general communications, such as Esight lite, manager briefings and at corporate induction.</p> <p>Register of member interests and gifts and hospitality.</p> <p>The Conflict of Interest Policy for staff provides clear guidance regarding contractual and other potential conflicts.</p> <p>The council has a Standards Committee to deal with member conduct issues. The Committee is politically balanced and consists of five members and an independent co-opted member. Two separate independent individuals are involved in dealing with complaints against members. The Committee has an annual work programme and is supported by the Borough Solicitor.</p>
10. Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness	<p>The Executive is responsible for the implementation of policy and ensuring the effectiveness of service</p> <p>Members are required to make sound decisions based on written reports which are prepared in accordance with the report writing guide and have to be cleared by both Finance and Legal. The Executive receives a briefing (Leader's Briefing) two weeks prior to the Executive meeting when members can ask detailed technical questions of officers.</p> <p>All reports must be reviewed and signed-off by the Chief Financial Officer and the Director of Legal and Procurement and contain clear financial and legal advice to help members arrive at decisions.</p> <p>Senior Legal and Finance officers are available to give clear and robust advice.</p>

Key Elements of a good governance framework	The Council's Framework
of data quality.	<p>Scrutiny is responsible for monitoring the performance of the Executive. The Overview and Scrutiny Committee receive regular up-dates on the delivery of the One Council programme and performance monitoring. Periodic reports are also presented to the Budget & Finance Committee. The programme of member led task groups enable non executive members to consider matters of concern to local communities and make recommendations for action to the Executive.</p> <p>Overview and Scrutiny Chairs are given an opportunity to report back to every full Council meeting. Call in arrangements in the Constitution allow Overview and Scrutiny to review decisions made by the Executive.</p> <p>Decision making arrangements are set out in the Constitution. The Council operates a Leader and Cabinet (Executive) model of decision making. Although some decisions are reserved for Full Council, most are made by the Executive or by committees, sub-committees or officers. There are currently no decision making powers delegated to individual Members.</p> <p>In accordance with the Local government Act 2000, the Council has mechanisms in place to allow the effective, independent and rigorous examination of the proposals and decisions by the Executive. These mechanisms involve the Overview and Scrutiny process including call-in and question time. The conduct of the Council's business is governed by the Constitution, which includes Standing Orders and Financial Regulations.</p> <p>Decision making meetings of the Executive are open to the public.</p> <p>Copies of reports and decisions are available on the internet and through the One Stop Shop and Libraries.</p>
11.Undertaking the core functions of an audit committee, as identified in CIPFA's <i>Audit Committees: Practical Guidance for Local Authorities</i>	<p>The Council has an Audit Committee which meets four times during the year. The terms of reference are set out in the Constitution. The Committee exists to consider the work of internal audit and its effectiveness; to consider reports from the external auditors; to monitor the effectiveness of the governance and risk management framework and to review the accounts.</p> <p>The committee has an independent chair. Appointments are made on a two year fixed term basis.</p>

Key Elements of a good governance framework	The Council's Framework
12. Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability	<ul style="list-style-type: none"> • The Executive / Council consider risks as part of their decision making role on corporate policies, including the annual budget setting processes, major policy decisions and major projects; • The Executive and Corporate Management Team review corporate risks through regular monitoring reports. • The Strategic Finance Group review high level finance risks through regular monitoring reports. Key areas are identified and reviewed across each of the service areas on a monthly basis by the Strategic Finance Group. In each case the risk is assessed in terms of the minimum and maximum impact from a monetary perspective. In addition, an indication is provided as to whether the risk has been included in the year-end forecast for each Service Area, thereby providing a link between risk management and budget monitoring. • Risks within the One Council programme are fully documented within the reporting framework of the programme. These are reported to the Programme Board and a risk log is maintained. These are project risks and are not separately identified within the Risk Register. Operational risk arising from the One Council change programme feed into departmental registers; and • Risks are identified within Service Plans and considered on a quarterly basis as part of the performance management framework. Key operational risks are reported through to the Corporate Management Team.
13. Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained	The council has an anti-fraud and bribery policy publicised to all staff and the public. The council has an independent investigations team which is resourced appropriately.
14. Ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the authority	The council has a whistleblowing code and arrangements for the investigation of appropriate cases.

Key Elements of a good governance framework	The Council's Framework
have access.	
15.Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful	<p>Legal Implications are present in all committee reports and regular law updates are provided by the monitoring officer. Standing orders and financial regulations are in place and adherence to these is reviewed by Finance Officers and the Internal Audit Team.</p>
16. Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training	<p>The Council runs a Member development programme which is reported to the Standards Committee annually. The Borough Solicitor provides training to new and existing Members on decision making and standards of conduct.</p> <p>A comprehensive induction programme was delivered for members following the local elections in May 2010. This included both general induction and service specific sessions. Further member development events were subsequently held during the course of the year, and 34 councillors formulated and agreed individual Personal Development Plans (PDPs).</p> <p>Going forward, the member development programme will continue to be focused on both key issues and specific needs identified through the PDPs. In addition, the Council is in the process of purchasing an e-learning package which will link into the Political Skills Framework tool purchased in conjunction with Harrow Council.</p> <p>It remains a key policy of the Council to provide all new staff with an informative induction that explains the structure and work of the Council and the relationships between different parts of the organisation. It is also an important way of ensuring new staff understand the values of the organisation and the part they will play in supporting the achievements of its goals.</p> <p>We have introduced a policy framework to include individual, managerial local and corporate induction. All new entrants are expected to attend a course within their first three months of being in the Council.</p>

Key Elements of a good governance framework	The Council's Framework
	<p>The induction process marks a key part of the relationship between the Council and all new starters.</p> <p>New starters are set up with e-learning accounts to complete the mandatory e-learning modules and also to complete a personal and/or any local induction programmes.</p> <p>The programmes are fundamental in setting standards and influencing patterns of behaviour conducive to working well with partners, colleagues and delivering excellent customer services.</p> <p>The key objectives of the corporate induction programme are for delegates to:</p> <ul style="list-style-type: none"> • understand the organisation's aims, values and the standards of behaviour and performance expected; • have an opportunity to identify and resolve at an early stage any concerns, issues or queries they may have relating to their employment; and • feel engaged and enthusiastic about working at Brent. <p>Within the new management induction the key objectives are for delegates to:</p> <ul style="list-style-type: none"> • understand the key roles and responsibilities (core standards and expectations) of the Brent Manager and the Management competencies • understand how to find management information on the intranet, useful contacts, peer support; mentoring and the learning and development management offer • opportunity to complete a self-assessment of behaviours, skills and knowledge to determine strengths and opportunities and devise an individual development plan • opportunity for networking. <p>During the induction process, officers are introduced to key personnel and statutory roles. On an individual level, each officer has a job description and person specification, which clarifies their role and identifies the knowledge, skills and competences required to undertake that role successfully.</p> <p>Each year, officers have an annual appraisal containing developmental objectives and plans linked to providing them with any required support to</p>

Key Elements of a good governance framework	The Council's Framework
	<p>enable continuous professional development, to bridge any skills or knowledge gaps and also to support the achievement of statutory goals and to meet Service Plans.</p> <p>The Council's Corporate Learning and Development policy, plans and service offers are based on corporate, strategic and service needs and also individual needs identified in team plans and individual appraisals.</p> <p>Statutory officers are encouraged to maintain their continuing professional development ,including, participating in and attending external forums to maximise their learning and to development, to keep abreast of good practice and to network and share learning to improve service delivery.</p> <p>Our People strategy 2010-14 highlights workforce development gaps and plans for building capacity and capability in the Council's Workforce. The workforce development plan highlights actions and success criteria around six people priorities and addresses the needs of statutory officers as appropriate. The six priority areas are as follows:</p> <ul style="list-style-type: none"> • develop strong leadership via the new Brent management model; • streamline and re-configure the organisation on One Council principles; • support effective change management that delivers timely results; • build an agile and efficient workforce that adapts easily to change; • close skills and resources gaps by developing and reskilling staff; and • attract, retain and develop highly motivated, diverse and talented people. <p>The introduction of the Performance and Talent Management system has enabled managers to better assess key competencies; development plans and to check on progress against the objectives which have been set for staff. This technological solution enables management information to be more easily extracted and monitoring of appraisals will be more dynamic and achievements monitored in real time.</p> <p>The Staffing and Structure project began the process of introducing generic management job descriptions which will embed corporate expectations and a common understanding of the management role. This is now being extended to cover business support roles and standardising job titles.</p> <p>The Learning & Development Plan and service offering reflect the skills and knowledge required to deliver the Corporate Strategy and is reviewed on an</p>

Key Elements of a good governance framework	The Council's Framework
	<p>annual basis to ensure continuing improvement and alignment to the goals of the Council. Individuals are encouraged to develop through their annual appraisal, six monthly reviews and regular one-to-ones which focus on improving performance and achievement of corporate/departmental objectives.</p> <p>A new appraisal system has been developed based on the competency framework which includes providing a customer focussed service, and leadership and influencing skills. The corporate training offering also offers courses on customer care and working with partners.</p> <p>As indicated above, the Council has an annual corporate Learning & Development programme based on strategic objectives including the Council's performance improvement priorities. A national performance management training programme has recently been piloted for staff in conjunction with the corporate Policy and Performance team.</p> <p>A review of the Learning and Development function has been undertaken to ensure it is equipped to meet the changing shape of the organisation.</p> <p>The Council was assessed for Investors in People in March 2013 and has retained its silver award. It is now aiming to achieve gold at the end of 2014.</p>
17.Enhancing the accountability for service delivery and effectiveness of other public service providers	<p>Council policy and services are set out to residents via The Brent Magazine produced ten times per year, the council website and wider media.</p> <p>Neighbourhood Bulletins are produced for each of the 21 wards twice a year to directly communicate response to issues raised by local residents.</p> <p>The Brent Consultation Board, established 2009, scrutinises and evaluates all major consultation projects. This includes ensuring that all consultation activity meets current corporate consultation quality and legal standards with regard to information, publicity, methodology, equalities issues and reporting back.</p> <p>Most meetings are held in public. Some parts of meetings are held in private when exempt or confidential information might be discussed. This is subject to the agreement of the members present.</p> <p>Brent has 5 Area Forums, (now rebranded as Brent Connects Area Forums). Each forum meets four times per year at locations across the borough. Brent Connects Area forums offer the public and stakeholders opportunities to engage with elected councillors, council officers and managers and our partner organisations – as well as participating in the borough's consultation activity.</p> <p>In addition:</p> <p>There are 5 Service User Forums, (now rebranded as Brent Connects – User Forums), which cover Pensioners, Equalities, Voluntary Sector Liaison, Private Sector Housing and Disabilities.</p>

Key Elements of a good governance framework	The Council's Framework
	<p>A Brent Citizens' Panel, consisting of 2,000 + locally recruited resident stakeholders, is in operation.</p> <p>The Youth Parliament has been operating since March 2007 and provides an opportunity for children and young people to present their views to the Council. The Youth Parliament worked on the development of the 'bmyvoice' website that was launched in March 2010.</p>
18. Ensuring effective management of change and transformation	The Council's managing change policy includes guidance on staff and trade union consultation. The role of the line manager in people management has been documented and is shortly to be published which includes guidance on engagement. The content of this is being incorporated into the Council's new people management courses
19. Ensuring effective arrangements are in place for the discharge of the head of paid service function	During the year the Council's permanent Chief Executive left the Council. An experienced interim Chief Executive was appointed and at its meeting on 24 June 2013, Full Council agreed to commence the recruitment of a permanent Chief Executive after the May 2014 elections to provide continuity at a time of considerable change for the authority.
20. Ensuring the authority's financial management arrangements conform with the governance requirements of the <i>CIPFA Statement on the Role of the Chief Financial Officer in Local</i>	<p>During the financial year, the Council's permanent Chief Financial Officer (CFO) left the Council. As an interim measure, the Deputy Director of Finance acted as the CFO and provided stability and continuity.</p> <p>Otherwise, the main arrangements as set out in the CIPFA statement were adhered to.</p> <p>The CFO is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control. All Executive reports have to be cleared by the CFO who attends all Leader's briefings and meetings of the Executive and full Council.</p>

Key Elements of a good governance framework	The Council's Framework
<p><i>Government (2010) and, where they do not, explain why and how they deliver the same impact</i></p>	
<p>21. Ensuring the authority's assurance arrangements conform with the governance requirements of the <i>CIPFA Statement on the Role of the Head of Internal Audit (2010)</i> and, where they do not, explain why and how they deliver the same impact</p>	<p>The Head of Audit and Investigations (HAI) reports to the Director of Finance and has a dotted line to the Chief Executive. He is able to report independently to the Audit Committee and Chair as appropriate and has direct access to all Chief Officers and Directors across the organisation.</p> <p>Principle 1: The HAI advises on the annual governance review and plays a key role in reviewing governance arrangements with other executive directors. They provide advice on control systems and risks through routing audit reports, investigations and through reviewing risk registers and advising the CMT.</p> <p>Principle 2: The Internal Audit Terms of Reference, strategy and charter are clearly set out and an annual opinion is provided based on evidence from internal audit reports and investigations concluded.</p> <p>Principle 3: The HAI is of sufficient seniority within the organisation and has unfettered reporting rights and access to information.</p> <p>Principle 4: The HAI leads and directs the internal audit function which has sufficient resources to deliver a plan which is proportionate to the size and risks within the organisation. The plan is delivered primarily through an outsourced contract which has agreed standards of service delivery which conform to professional standards.</p> <p>Principle 5: The HAI is a professionally qualified accountant (CIPFA) with 23 years post qualification experience in audit. The post holder also holds an MSc in counter fraud and has the Counter Fraud Manager accredited qualification.</p>

4 Review of Effectiveness

- 4.1 The 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 work of the Directors and senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the work of the Head of Internal Audit & Investigation's annual report and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The process that has been applied in maintaining and reviewing the effectiveness of the governance framework is described below:

The Council

- Monitors performance against corporate strategy objectives by producing an annual report setting an annual budget and medium term financial plan;
- Receives an annual budget report which summarises the financial position and the transactions for the year and considers the annual performance plan; and
- Has a Constitution which sets out the decision making processes and structure, delegated authorities, standing orders and financial regulations. These underpin the internal control framework.

The Executive

- Makes key decisions in accordance with the Budget and Policy Framework;
- Conducts joint planning sessions with the Corporate Management Team to consider the council's policy priorities and its linkages with the medium term financial strategy; and
- Meets regularly with the Corporate Management Team to develop policy and to receive operational and financial performance information.

The Audit Committee

- Met four times during 2012/13 and has considered the work of Internal Audit during the year, the Head of Internal Audit's annual report and opinion and the External Auditor's annual letter;
- Maintains an overview of the Council's Constitution in respect of contract standing orders and financial regulations;
- Monitors the effective development and operation of risk management and corporate governance in the Council;

Reviews the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council; and

- Considers the Treasury Management Strategy and the Annual Investment Strategy. It also reviews treasury management activity during the year

The Standards Committee

- Receives reports from the Council's Monitoring Officer on issues concerning member conduct and would consider reports referred from the Monitoring Officer which require investigation and/or determination.

The Call-In Committee

- Is held if a decision of the Executive is called in for scrutiny.

Overview & Scrutiny Committee

- There are seven Overview and Scrutiny Committees, which cover:-
 - Budget and Finance Overview and Scrutiny Committee
 - Call In Overview and Scrutiny Committee
 - Children and Young People Overview and Scrutiny Committee
 - Health Partnerships Overview and Scrutiny Committee
 - North West London Joint Health Overview and Scrutiny Committee
 - One Council Overview and Scrutiny Committee
 - Partnership and Place Overview and Scrutiny Committee

Audit & Investigation

- Provide assurance to the Council on operational and financial controls via delivery of an agreed audit plan;
- Produce an Annual Audit Report including the Head of Audit's annual opinion on the Council's internal controls; and
- Where identified as a result of audit work, significant internal control weaknesses have been reported to Operational and Strategic Directors. Recommendations for improvement are made in each report. Each significant audit report is followed up after a suitable period and any failure to implement recommendations is noted and reported back to the relevant director, the chief executive and the Audit Committee.

External Audit

- The Deputy Director of Finance & Corporate Services and the Council's external auditors meet on a monthly basis to share information and, as appropriate, raise any concerns regarding the internal control environment. These meetings may become more frequent during the closing of the accounts process when any material weaknesses or issues would be raised.

- 4.3 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by Audit Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas addressed and those to be specifically addressed with new actions are outlined below.

5 Significant Governance Issues

- 5.1 Set out below are a number of significant governance issues which have been identified, together with a summary of the actions taken to date, or which are being proposed for 2013/14 to deal with these.

- 5.2 We have included an indication as to the progress made against those issues raised in the 2011/12 Annual Governance Statement.

- One of the key objectives of the One Council programme is the need to achieve significant savings over the period 2010-2014/15. In 2012/13, the One Council Programme delivered £54.6m per annum budget savings. The forecast for 2013/14 is an additional £10.2m and a further £11.6m in 2014/15. By 2014/15 the Programme is expected to achieve £76.4m of on-going budget savings and cost avoidance measures contributing to the majority of the Council's savings over the life of the programme. The main risks areas for the delivery of savings in 2014/15 are with the Restructure project, Procurement savings, Public Realm contract savings and Working with Families savings. These areas of risk will continue to be actively monitored by the Programme Boards and Project Management Office.
- The One Council Programme is the flagship programme for delivering complex organisational change, efficient and effective services and significant budget reductions. Two senior managers who have played key roles in the governance and delivery of the Programme have left Brent so there is a risk that this will impact on the capacity and capability to direct and govern the programme. As a consequence of their departure, the Programme Management Office has slightly reduced capacity and there is a risk that this may impact on the Project Management Office's ability to undertake project assurance and support project delivery. The governance of the Programme has been reconfigured to mitigate these risks. This includes the interim Chief Executive taking over the Programme Sponsor role and CMT becoming the Strategic Programme Board. The supporting Programme Delivery Board includes members of the original Programme Board and therefore retains knowledge, continuity and governance expertise. The resourcing and skills development requirements for the remainder of the Programme are being kept under review by the CMT Strategic Programme Board and Programme delivery Board.

- Based on future projections of funding, further fundamental changes to services are inevitable over the forthcoming years requiring decisions about what the council continues to deliver, what it stops delivering and how it delivers its services. Such significant change requires proper consultation with stakeholders and full equalities impact analysis and the council is committed to meeting its obligations in this regard. The council has proven robust arrangements in place with regard to policy decision making, equalities assessments and consultation. Discussions are currently taking place at CMT, DMTs and the One Council Programme Boards on how to manage the significant changes and funding gap facing Brent from 2014 onwards in a planned and rational way.
- The provision of school places continues to be a key issue for the Council as the number of young people requiring education in the Borough continues to rise. New places, both temporary and permanent, have been provided to meet this demand but this only just keeps pace, with no margin for error in projections. Additional funding has been secured to expand existing schools. This will help mitigate the problem but will fall well short of sums needed to meet total future demand, particularly in the secondary sector and in special education.
- The impact of a number of reforms to welfare benefits are likely to impact more heavily in Brent than in any other London Borough with a consequent impact upon the need for support from various council services, such as temporary accommodation, children's and adult's services and customer services. Reductions to Housing Benefit for claimants with "spare" bedrooms living in Social Rented accommodation, and the introduction of a local Council Tax Support scheme to replace the previous national scheme, commenced from April 2013. Rent collection and Council Tax payments from claimants have remained relatively stable following this change, though sustaining increased payments may prove more of a challenge for some claimants as time progresses.
- The government's Overall Benefit Cap will be implemented from August 2013 and will have significant impact on approximately 2000 claimants in Brent, many of whom will lose all or the majority of their Housing Benefit. The Council is attempting to mitigate this impact by encouraging employment and alternative housing options, but there is likely to be a significant increase in homelessness, and a reduction in landlords letting to benefit claimants, over the ensuing months. Beyond 2013 the national rollout of Universal Credit will present further challenges for claimants, landlords and local authorities, relating to the making claims predominantly online, monthly budgeting requirements, and the introduction of direct rent payments to claimants rather than landlords.
- The Council is undertaking a review of non permanent staffing arrangements which will see a reduction in spend on agency and consultant staff and a reduced reliance on them. A new agency contract has been let and Reed has incentives built into the contract to ensure a reduced dependency on agency workers. A new HR contract manager has been appointed to drive down

agency spend and negotiate preferential rates.

- During the year, an issue was identified regarding the under reporting of expenditure in 2011/12 within the placements budget within Children and Families. This resulted in a one off, unexpected, charge to the revenue budget for 2012/13 of £1m. This highlighted failure to adhere to proper accounting practices and is being addressed through improved systems. The increased budget pressure has been addressed via the use of reserves within the eservice area and from other under utilised budgets.

5.3 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Councillor Muhammed Butt
Leader of the Council

Christine Gilbert
Interim Chief Executive

Dated: