

The Annual Governance Statement 2013/14 Draft Annual Governance Statement

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. 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.
- 2.2 The governance framework has been in place for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

3 The governance framework

- 3.1 The Borough Plan sets out the council's vision for the area, this is underpinned by a Corporate Plan which identifies the key tasks from which team plans and individual objectives are set. The council has recently achieved the Investors In People silver accreditation which demonstrates its commitment to best practice in staff development and learning.
- 3.2 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.
- 3.3 Each of these core principles are broken down into a number of supporting principles and these are considered 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.
- 3.4 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 for the year period of 2013 to December 2014 agreed by the then Executive (now Cabinet) and Full Council. This document includes the corporate objectives of the Council and our shared partnerships priorities with other public agencies. The delivery of the Borough Plan is supported by a detailed Corporate Plan setting out key activities and milestones. Progress against the milestones is monitored on a quarterly basis and reported to the Corporate Management Team. A revised Borough Plan will be developed in collaboration with residents and partners over the summer of 2014 to cover the period 2014 – 2019. This will be subject to annual review and revision.</p> <p>The Borough 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 . <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. Departmental Service Plans are discussed annually with Lead Members prior to finalisation.</p>

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	The Corporate Plan feeds into team plans and individual objectives.
2. Reviewing the authority's vision and its implications for the authority's governance arrangements	<p>Implementation of the Borough Plan was monitored by the Executive (now Cabinet).</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 (now Cabinet) and Overview and Scrutiny Committees.</p>
3. Translating the vision into objectives for the authority and its partnerships.	<p>The Assistant Chief Executive's Service is responsible for supporting local partnership arrangements, 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 Executive (now Cabinet) and Five 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. They are then reflected in staff's individual objectives.</p>
4. Measuring the quality of services for users, for ensuring they are delivered in accordance with	<p>The Council has a Performance Management Framework, as overseen by the Performance Team, within the Assistant Chief Executive's Service. The team works with DMTs 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 as appropriate Performance is also routinely discussed with the relevant Lead Member and reported to the Executive (now Cabinet) and Scrutiny.</p>

Key Elements of a good governance framework	The Council's Framework
<p>the authority's objectives and for ensuring that they represent the best use of resources and value for money</p>	<p>Performance is also monitored through individual plans and the appraisal process.</p> <p>Key groups within the overall framework include:</p> <ul style="list-style-type: none"> • Executive (now Cabinet) – 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 which provide a political challenge and scrutiny in relation to decisions taken by the executive (now Cabinet). Performance reports are received by the Committee, where there are areas of concern Directors and Lead Members are questioned by the Committee. Member led task groups can undertake more detailed investigation of areas of persistent underperformance or where concerns have been raised by local residents. • LSP – challenges delivery around key partnerships; 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. The OC Programme Delivery Board, is chaired by the Assistant Chief Executive and focuses on OC projects in portfolios, Red RAG projects and programme-wide matters. 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. Concept papers for new projects to enter the programme are agreed by CMT prior to detailed business cases being developed and quality assured by the OC Programme Board.</p> <p>The Assistant Chief Executive 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 council's IT systems for collection of performance data, 'inphases' is currently being upgraded and refreshed with the new set of corporate and service specific performance measures. A standard service planning template and guidance was refreshed in 2014 with a focus upon delivering the Corporate and Borough Plan objectives.</p> <p>During 2013/14 an integrated quarterly Performance and Finance monitoring report is produced each quarter. This is reviewed by the Executive (now Cabinet) and One Council Overview and Scrutiny Committee.</p>

Key Elements of a good governance framework	The Council's Framework
<p>5. Defining and documenting the roles and responsibilities of the executive (now Cabinet), non-executive (now Cabinet), 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 (now Cabinet) (now Cabinet), Mayor, Full Council and Overview and Scrutiny.</p> <p>Delegation arrangements are set out in the constitution and Officer delegation documents are held electronically by the Director of Legal and procurement</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 Cabinet 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> <p>Published Pay Strategy agreed annually by Full Council.</p>
<p>6. Ensuring effective arrangements are in place for the discharge of the monitoring officer function</p>	<p>Covered in the Constitution and job descriptions. All reports have to be cleared by the Director of Legal and Procurement who attends all Leader's briefings and meetings of the Executive (now Cabinet) and full Council. A lawyer also attends all other committee meetings. The Director of Legal and Procurement is responsible for issuing the monitoring officer advice notes and legal bulletins.</p>

Key Elements of a good governance framework	The Council's Framework
<p>7. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation</p>	<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 review of our engagement arrangements is currently taking place and will bring forward proposals to the Executive (now Cabinet) in August 2014.</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 undertook a major Budget Consultation project using external consultants, Community Research, workshops and an interactive tool and over 600 people took part in the consultation. • 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 customers' needs so it is easier to use. • 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 persons' 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.

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	<ul style="list-style-type: none"> • The Chief Executive writes a fortnightly blog for staff. • The Leader writes a regular blog which will become monthly in 2014/15. • 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. 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.
<p>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 authority's overall governance arrangements.</p>	<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 (now Cabinet) 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>

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<p>9. Developing, communicating and embedding codes of conduct defining behaviour for members and staff</p>	<p>Member Code of Conduct set out in constitution together with other codes these have been reviewed and the updated codes of Conduct have been agreed by the Standards Committee..</p> <p>The Code of Conduct for Officers was updated and re-issued in 2010. Other codes include the IT Usage Policy, Data and Information Security and Grievance Policy, Disciplinary Policy, Capability Policy and Probation Policy are all held on the intranet and are subject to regular review. HR policies are mandatory for all staff.</p> <p>A new antifraud 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>Gifts and Hospitality policy for staff.</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>
<p>10. Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality.</p>	<p>The Executive (now Cabinet) 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 (now Cabinet) receives a briefing (Leader's Briefing) two weeks prior to the Executive (now Cabinet) meeting when members can ask detailed technical questions of officers.</p> <p>All reports must be reviewed and signed-off by the Chief Finance 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> <p>Scrutiny is responsible for monitoring the performance of the Executive (now Cabinet). The Overview and Scrutiny Committee receive regular up-dates</p>

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	<p>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 (now Cabinet) members to consider matters of concern to local communities and make recommendations for action to the Executive (now Cabinet).</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 (now Cabinet).</p> <p>Decision making arrangements are set out in the Constitution. The Council operates a Leader and Cabinet (Executive (now Cabinet)) model of decision making. Although some decisions are reserved for Full Council, most are made by the Executive (now Cabinet) 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 (now Cabinet). 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 (now Cabinet) 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 (now Cabinet) / 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 Corporate Management Team review corporate risks through regular monitoring reports. • 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 regular basis within departmental management teams and 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 a new anti-fraud and bribery policy (2013) 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 have access.	The council has a whistleblowing policy which was revised in 2014 and arrangements for the investigation of appropriate cases.

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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 member development charter was awarded in 2014.</p> <p>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 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. A tailored induction programme is also provided for all council apprentices and national graduates.</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> <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 essential (mandatory) e-learning modules and also to complete a personal and/or any</p>

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	<p>local induction programmes. There is also a mandatory Manager Essential programme for new managers to Brent and newly appointed managers within Brent.</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 manager essential programme the key objectives are for delegates to understand the key roles and responsibilities (core standards and expectations) of the Brent Manager and the Management competencies</p> <ul style="list-style-type: none"> • During the induction process, officers are introduced to key personnel and statutory roles. The Chief Executive attends all corporate induction sessions. • 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>Each year, officers have an annual performance appraisal containing developmental objectives and plans linked to providing them with any required support to enable continuous professional development, to bridge any skills or knowledge gaps and also to support the achievement of the council's objectives.</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 HR Strategy 2014-17 outlines the priority areas the council will focus on in respect of workforce capacity and capability. The five strategic aims are:</p>

Key Elements of a good governance framework	The Council's Framework
	<ol style="list-style-type: none"> 1. Achieving organisational effectiveness and strong performance management to ensure an excellent service is provided to customers and residents; 2. Recruiting, retaining and rewarding a diverse, highly skilled, flexible and motivated workforce; 3. Valuing diversity, reducing inequalities and responding to the diverse needs of the community; 4. Developing high performing managers and talented staff; 5. Building the professionalism and skills of the workforce to support One Council projects and deliver high quality services. <p>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.</p> <p>The Council has an annual corporate Learning & Development offer which supports council priorities, as identified through the newly developed Planning & Evaluation Framework.</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 again in March 2014 and has retained its silver award. It is now aiming to achieve gold during 2014/15.</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>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,</p>

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	<p>Private Sector Housing and Disabilities.</p> <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	<p>The council's business transformation process is driven by the One Council Programme. This programme is intended to deliver improvements and efficiency across all service areas through a series of projects. The Corporate Management Team oversees the programme and each project has a sponsor and project manager. Projects are controlled using a project management framework, utilising project plans and risk logs with regular reporting to the board.</p> <p>In relation to organisational change the council's managing change policy includes guidance on staff and trade union consultation. Human Resources proactively supports all change programmes within the council.</p>
19. Ensuring effective arrangements are in place for the discharge of the head of paid service function	<p>During the previous year the Council's permanent Chief Executive left the Council. An experienced interim Chief Executive was appointed in November 2012 and has been in post for the whole of 2013/14.</p>
20. Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA	<p>The 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 (now Cabinet) reports have to be cleared by the CFO who attends all Leader's briefings and meetings of the Executive (now Cabinet) and full Council.</p>

Key Elements of a good governance framework	The Council's Framework
<p><i>Statement on the Role of the Chief Financial Officer in Local 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 Chief Finance Officer 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>The arrangements as set out in the CIPFA statement were adhered to.</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 (now Cabinet)

- 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 2013/14 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;
- Monitors the effective development and operation of risk management;
- 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 (now Cabinet) is called in for scrutiny.

Overview & Scrutiny Committee

- There were seven Overview and Scrutiny Committees during 2013/14, which covered
- 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 Chief Finance Officer and the Council's external auditors meet regularly 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 the 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.

- **Property Management.** An issue has arisen concerning the exercise of contractual rights within commercial leasehold agreements. This has resulted in additional rental liabilities being incurred. Various options are being considered to address how these liabilities might be mitigated.
- **FOI compliance.** The council has a statutory duty to respond to freedom of information requests within 20 working days. The council's processes for identifying, distributing and responding to FOI requests have not kept pace with the significant growth in the number of requests received. Consequently the council did not consistently meet the 20 day deadline for responding to FOI requests. In late 2013/14 new processes were introduced to improve management information and accountability, allowing the council to strengthen its performance in this area in 2014/15.

5.2 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:

Mohammed Butt
Leader of the Council

Christine Gilbert
Interim Chief Executive

Dated: