

## **ANNUAL GOVERNANCE STATEMENT**

This statement, from the Leader and Chief Executive, provides assurance to all stakeholders that within the London Borough of Havering, processes and systems have been established which ensure that decisions are properly made and scrutinised, and that public money is being spent economically and effectively to ensure maximum benefit to everyone who is served by the Borough.

### **Scope of responsibility**

The London Borough of Havering is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The London Borough of Havering 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.

In discharging this overall responsibility, the London Borough of Havering is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The London Borough of Havering is committed to operating in a manner which is consistent with the principles of the CIPFA/SOLACE\* Framework *Delivering Good Governance in Local Government*. This statement explains how the London Borough of Havering has complied with these principles and also meets the requirements of regulation 4(3) of the Accounts and Audit Regulations 2011, which requires all relevant bodies to prepare an annual governance statement.

### **The purpose of the governance framework**

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 the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the 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 ongoing process designed to identify and prioritise the risks to the achievement of the London Borough of Havering's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the London Borough of Havering for the year ended 31 March 2015 and up to the date of approval of the statement of accounts.

\* Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives

### **The governance framework**

The key elements of the systems and processes that comprise the Council's governance arrangements are described in more detail below.

### **Our Vision for the Borough – Clean, Safe and Proud**

The Council has a three point vision for Havering:

- Havering will be clean and its environment looked after for future generations.
- People of all ages will be safe, in their homes and in the community.
- Residents will be proud to live in Havering, where we respect each other, value our traditions and work together to improve our quality of life.

To achieve this vision, the Council will support the local community with direct investment in the services and projects that matter most to local people, use its influence to attract investment to Havering, while preserving 'green Havering' and its quieter communities, and lead by example, by running a low cost, high standard local authority.

### **The organisation's Values**

The work of the Council and its staff is anchored in the organisation's Values. After an extensive period of engagement with staff, the Council's Values have been re-defined and simplified this year by the people who work here:

- Be positive;
- Respect Others; and
- Work Together.

### **Corporate Performance Framework**

The Corporate Performance Framework has several functions:

- To focus on priorities, which have been set according to the needs of the Council and the public;
- To ensure relevant, timely and accurate information is available to measure and monitor performance to support decision making; and
- To ensure high quality public services that provide value for money.

The Council's Corporate Plan 2011-14 has been at the heart of the organisational Corporate Performance Framework. It sets out the overall priorities and objectives of the organisation and outlines the key activities that will be undertaken as well as the measures put in place to monitor delivery. Sitting beneath the Corporate Plan are service plans, which outline in more detail the work that will be undertaken to achieve the corporate objectives. Market research into public opinion, the outcome of the residents' survey, studies of needs in the Borough and the requirements of the Council's priorities also help to define corporate and service plan objectives.

During 2014/15, the Council engaged in a process of refreshing the Corporate Plan and the service planning process and template in readiness for 2015/16. The refreshed Corporate Plan was endorsed by Cabinet in March 2015 and sets out the Council's new Vision **Clean | Safe | Proud** and the activities that the Council will undertake to support our community, use our influence and lead by example.

The Council's new approach will be to "get there, together":

- We will **support our community** by spending your money on the things that matter most to residents - like clean, safe streets and protecting people in need. We will support local firms to grow and create jobs and we will energise our towns to improve the quality of life in Havering.
- We will **use our influence** to bring more jobs, homes, schools and transport to Havering. We will use our planning powers to balance the growth of business centres with the protection of 'green Havering' and its quieter communities. We will encourage local people to do the right things - keep Havering tidy, be good neighbours and lead healthier lives.
- We will **lead by example** by running a low cost Council that respects residents by using their money wisely. We will work with others to reduce costs, we will help people to do business with us at any time of the day or night and we will hold ourselves to the high standards residents expect from us.

The annual service planning process for 2015/16, which has been undertaken during quarter four of 2014/15, has included the following enhancements to the approach taken in previous years:

- The narrative at the beginning of service plans has been more focused on the outcomes the service is seeking to achieve and on clarifying the 'golden thread' between the Corporate Plan, the service's target outcomes and what this means for individual teams within services.
- The addition of a section analysing key volumetrics and recent trends in demand for services as well as projecting forward how demand for services is expected to change in the future and setting out the service's plans for mitigating / managing this.
- Increased use of benchmarking to inform target setting.
- The introduction of a more sophisticated approach to performance thresholds, with the blanket approach of  $\pm 10\%$  replaced by the setting of specific tolerances for each individual performance indicator as part of the annual service planning process.

- More robust scrutiny and challenge of performance indicators and targets, with the Council's new Overview and Scrutiny Board participating in this process for the first time this year.
- The introduction of a quarterly review, progress monitoring and change control process, making Service Plans 'live' documents that will be revisited and refreshed throughout the year in light of changing and emerging priorities.

The Corporate Performance Framework operates at a number of different levels throughout the organisation. For example, in addition to the Corporate Management Team (CMT) and Members scrutinising the quarterly Corporate Performance Reports, individual performance management takes place as part of the Performance Development Review (PDR) process within the Council's two Directorate Management Teams and oneSource.

The Overview and Scrutiny Committees also consider the quarterly Corporate Performance Reports, together with any other reports that they have commissioned, and carry out their own independent reviews.

The Council's Annual Report reviews performance against the objectives of the organisation. This is published on the website and is also produced for distribution as hard copy on request.

There are clear guidelines around data quality to ensure that all performance indicators are reported to the same robust standard. Methodology statements are in place in respect of all the corporate performance indicators in order to ensure that changes in personnel do not impact on the manner in which performance data is collected and analysed, and any performance data can be subject to either internal or external audit. Regular data quality reports are produced and regular data cleansing is carried out in respect of key areas such as Adults' and Children's Social Care.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Council's financial management approach has in the past broadly been led through its Medium Term Financial Strategy (MTFS), which had customarily been produced in the summer, ahead of the detailed budget process, setting out the approach to financial planning for the subsequent three financial years. A new financial strategy was developed by the Council's new administration following the May 2014 elections. The strategy reflected the ongoing reductions in Government funding and focussed on balancing the Council's MTFS over a two year period. The proposals were subject to review by the Overview and Scrutiny Committee and options impacting upon service delivery were subject to extensive public consultation prior to the approval of the Budget and the MTFS in early 2015.

There are a number of strategies linked directly with the MTFS; this includes the Capital Strategy, the Corporate Asset Management Plan, the Risk Management Strategy, the ICT Strategy and the Workforce Planning Strategy. These are now refreshed to reflect any material changes, rather than solely on an annual basis.

Additional strategies are now also being developed that will support the ethos and delivery of the MTFs, such as the development of an Early Help, Intervention and Prevention Strategy.

### **Codes of Conduct**

The Council has Employee and Member Codes of Conduct supported by the requirement to make declarations of interest and to declare gifts and hospitality. Interests must be declared by officers above a certain grade or who hold specific decision making and procurement positions. All officers, regardless of their employment status, are required to adhere to the Code of Conduct and to decline gifts and hospitality to ensure that they are not inappropriately influenced. Members are required to register within their declaration of interest any gifts and hospitality accepted. The Codes and related policies and procedures are communicated via induction sessions and are available via the intranet. In 2014/15 the Employee Code of Conduct was updated and launched to ensure that there was awareness of all requirements and of responsibilities. The relevant Corporate Management Team member is tasked with ensuring that appropriate arrangements are in place for declarations and the systems are reviewed periodically by internal audit.

### **Financial Rules and Regulations**

The Council has Financial and Contract Procedure Rules and Financial and Procurement Frameworks along with other policy and procedural documents in place to guide officers in their everyday duties and ensure appropriate processes and controls are adhered to. The iProcurement system makes use of authorisation limits which are built into the management hierarchies rather than being manually checked before transactions are processed. Transactions are gradually being migrated onto this new system. Compliance with the various financial rules and regulations is monitored by management and considered during audits of systems and processes. Reports are available to managers through the One Oracle dashboards to enable monitoring and transparency of specific financial delegations.

### **Effective Audit Committee**

The Audit Committee operates in accordance with the relevant CIPFA guidance. The Committee's terms of reference set out in the Constitution contain responsibilities relating to internal control, external audit and internal audit. Members are expected to serve a four year term on the Committee to ensure consistency; they also nominate named substitute members who receive the same level of induction and ongoing training to ensure there is sufficient expertise at every meeting to challenge officers. During 2014/15 six members sat on the Audit Committee representing the Conservative, Residents and Labour Groups of the Borough. The membership mirrors the political make up of the Council. The Audit Committee met four times in 2014/15 and has an annual work plan made up of regular and specific agenda items. Its effectiveness is reviewed annually and an annual report is produced to communicate the Committee's performance to Council. As a result of the annual review, the committee will meet five times in 2015/16 to ensure that its meeting agendas remain manageable.

### **Compliance with laws, regulations and internal policies**

The Constitution sets out the framework for decision making and the publication of those decisions. There is a scrutiny system in place to ensure that the work of the Council complies with all appropriate policies and achieves value for money. Overview and Scrutiny has the power to call in and challenge all decisions of Cabinet and individual Cabinet Members and key decisions of staff. Legal, finance and human resources staff, as well as the Corporate Diversity Advisor, review every Cabinet, Council and Committee report and every Cabinet Member decision for compliance with laws, policies and regulations. The statutory officers also provide advice to Members at all appropriate times. Internal policies and procedures exist to guide officers and ensure compliance with legislation and proper practice.

### **Counter Fraud and Confidential Reporting**

The Council has a corporate strategy for the prevention and detection of fraud and corruption. The effectiveness of the arrangements in place was reviewed in 2013 and in 2014/15 the service has been subject to a full service review as part of the oneSource integration. A oneSource Fraud Structure was launched on 1<sup>st</sup> April 2015. Responsibility for investigating and prosecuting housing benefit fraud has moved to the Department for Work and Pensions with effect from 1 April 2015; this will impact on the future fraud strategy and focus of resource and will be considered when the new strategy is developed.

The work of the service and achievement of the corporate fraud strategy is monitored by the Audit Committee. Ad hoc promotion of the strategy takes place throughout the year as part of the fraud strategy action plan. Integral to these arrangements is the Confidential Reporting (also known as Whistleblowing) Policy which is communicated to staff via induction, the intranet and ad hoc awareness initiatives. The effectiveness of arrangements is reviewed annually as part of a wider review of anti-fraud and corruption. The results of fraud investigations are publicised to further promote the arrangements in place, as appropriate.

The Council also undertakes and participates in a number of data matching exercises including the National Fraud Initiative (NFI), a computerised data matching exercise led by the Audit Commission, designed to detect fraud perpetrated on public bodies. Havering has been praised on their efforts with this exercise.

### **Complaints**

A Customer Complaints Policy and Procedure exists to ensure that all standard complaints are effectively recorded and dealt with in the same way. The Council's approach to dealing with complaints has been reviewed and strengthened in 2014/15 and this new approach will be embedded in the early months of 2015/16. Appropriate procedures are also in place to ensure that statutory complaints relating to adults' and children's social care are dealt with in accordance with the relevant regulations. These procedures are supported by the relevant technologies to ensure efficiency and streamlined processes and include an escalation procedure if a complainant remains dissatisfied.

### **Ombudsman**

The Council comes within the jurisdiction of the Local Government Ombudsman. In 2014/15, the Ombudsman made no finding of maladministration against the Council.

### **Training and Development**

The Council has a commitment that every member of staff has an ongoing Performance Development Review throughout the year as well as formal timescales for agreeing targets and objectives and outcomes.

The Council's One Oracle system captures performance, development and training information within modules meaning that system generated management information is available for both strategic and operational management of resources and decision making. It also allows for senior management to ensure that there is compliance within the organisation with corporate policy in this area and efficiently provides assurance that mandatory training, required for officers to competently fulfil their roles, has been completed.

The Council's expectations and demands on managers are high; a behavioural competency framework is in place and annually all people resources are assessed against the competencies as part of the annual Performance Development Review which also rates progress towards objectives.

The Council has attained the Member Development Charter. A development programme to keep Members up to date with changes and support their individual training needs is provided, with training is tailored to individual roles. Training is supplemented by information through briefings and bulletins.

### **Communication and Engagement**

The Council strives to identify and develop new effective mechanisms to communicate and consult with the community. A wide number of fora take place to consult with members of the community, particularly targeting 'hard-to-reach' groups, such as the Over 50s forum, the BME (Black and Minority Ethnic) forum and the Inter Faith forum. The Council also has a small Community Engagement Team which focuses on community development but also supports and seeks to maximise engagement in key corporate consultation exercises.

The Council maintains a website to provide information and services to the residents of the Borough. The publication 'Living in Havering' is distributed to all households on a quarterly basis, promoting access to services and raising the profile of the work done by the Council and local people to make Havering a good place to live. This is augmented with regular emailed bulletins on a host of subjects to tens of thousands of subscribers, as well as communication through a host of other channels, from social media to poster sites and the local press.

An extensive consultation process is carried out as part of the development of the MTFS and annual budget. Views are sought through various media and the budget itself is subject to scrutiny through Cabinet and Overview and Scrutiny, Committees.

The public are also consulted on the Council's future priorities. Over the past three years, there have been two 'Your Council, Your Say' surveys asking local people for

their opinions on current services and their future priorities. There has also been a stand alone survey considering the cleanliness of the Borough. Between them, these surveys have attracted approximately 27,000 responses. Most recently, the Council's budget consultation exercise in 2014 was extremely comprehensive surveying views on the overall budget priorities, as well as specific savings proposals. The feedback in these surveys informed the 'Clean, Safe, and Proud' Vision and Corporate Plan.

### **Transformation**

The Council's original transformation programme running from 2010 to 2014 has been replaced with a comprehensive approach to delivering further savings as part of the Council's mainstream activity. A number of new programmes/projects have been initiated to deliver savings required to close the budget gap to 2018. In many cases these comprise a reduction in service delivery or reduction in grant funding. All activity and savings are being reported by heads of service to the Programme Director for Corporate and Customer Transformation. These reports feed into an overall delivery plan which is compiled and monitored by the Programme Director and reported to the Corporate Management Team. Full oversight and strategic decision making is held by the Corporate Management team who review progress against the overall plan on a monthly basis and also the position on budgets and benefit achievements to ensure any risks are identified early and mitigations put in place.

Focus has now turned to Council-wide staff engagement to uncover and develop new ideas to close the remaining budget gap.

### **Partnerships and Collaborative Working**

There are a number of partnership boards in place such as the Community Safety Partnership, the Health and Wellbeing Board and the Children's Trust. There are also a number of other fora in existence in Havering including the Culture Forum, a range of equality and diversity forums and many others.

The Council has for a number of years worked closely with neighbouring boroughs to share good practice and efficiency success. In response to the reduced funding for local government this work has expanded to consider stronger relationships that will yield cost savings to all parties. These initiatives have in the past involved shared procurements, information technology developments and shared management posts.

#### **oneSource**

In April 2014 the Council's shared back office service with the London Borough of Newham was launched, resulting in significant changes to the governance framework. A Joint Committee has been established to oversee the partnership arrangements and a shared management structure established with officers from both councils having executive responsibilities delegated to them within the two Constitutions via the Scheme of Delegation.

#### **One Oracle**



In 2011 the Council implemented a number of key financial systems within Oracle. During 2014/15 the Council implemented a second version of Oracle along with five other boroughs. This project provided the opportunity to share costs of implementation and ongoing costs of administering, developing and maintaining the systems. The London Borough of Newham will install One Oracle in 2015/16.

### **Review of effectiveness**

The London Borough of Havering 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 Authority's Governance Group who have responsibility for the development and maintenance of the governance environment, by the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

Outlined below are the arrangements in place to review the effectiveness of the governance framework and the sources of information and assurance on which this statement is based.

### **Constitution**

The Monitoring Officer keeps the Constitution under continual review, having delegated powers to make amendments arising from organisational changes and legal requirements and to correct errors. Other amendments are considered by the Governance Committee and Council. The oneSource management structure was reflected in the Constitution in April 2014 and a comprehensive update of the Constitution will take place in 2015/16.

### **Governance Group**

The Council's officer Governance Group is charged with reviewing the governance arrangements and monitoring any actions designed to improve the framework. Close links exist between this group and the Corporate Management Team (CMT) who receive reports from the group after every meeting. In 2014/15 the group was expanded to include colleagues from across the organisation representing corporate services as well as those who deliver public facing services. One of the main outcomes of the group each year is to facilitate the effective production of this statement. The group at the end of March 2015 had identified a comprehensive list of issues and actions to address and progress towards task completion was being closely monitored.

### **Corporate Management Team and Corporate Leadership Team**

In 2014/15 there have been significant changes in the senior management structure of the Council. The Corporate Management Team has reduced and consists of a part-time Chief Executive and two full time Directors. The back office services are managed for both Havering and Newham by the Managing Director of oneSource with a number of other members of the Corporate Leadership Team now having a dual role across the two organisations.

## **Governance Committee**

The Council's Governance Committee, attended by the Leader of the Council and other Group Leaders, is charged with overseeing the organisation's governance arrangements including the Code of Conduct for Members.

## **Audit Committee**

The Audit Committee is responsible for monitoring the work of internal audit regarding internal control. This monitoring is integral in the process to compile a robust Annual Governance Statement, which is approved by the Audit Committee. Significant governance issues are escalated to the Governance Committee by the Chair of the Audit Committee as required.

## **Adjudication and Review Committee**

The Adjudication and Review Committee, which is made up of nine Councillors other than the Leader and limited to only one Cabinet member, provides panels of three Members to hear any complaints about the conduct of Members. The Adjudication and Review Committee also have a role in considering Stage Three complaints by members of the public.

## **Overview and Scrutiny**

The Overview and Scrutiny function reviews decisions made by the Executive and other bodies, e.g. National Health organisations. The focus of their role is to provide a challenge to decisions made by the Executive and to assist in the development of policy.

In late 2014 a review of the Overview and Scrutiny arrangements was undertaken which led to a revision of its governance structure.

An overarching Board has been established which undertakes all call-in functions and acts as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees is co-ordinated to avoid duplication and to ensure that areas of priority are being pursued.

The Board has subsumed the role of the former Value Scrutiny Committee which oversaw general management matters. The remaining six Overview and Scrutiny Committees have become sub-committees of the new Overview and Scrutiny Board. The Board's membership is politically balanced but includes the Chairmen of the Overview and Scrutiny sub-committees amongst others.

The Overview and Scrutiny Board and its sub-committees have the opportunity to consider performance information within their area of responsibility using monthly Members packs and other relevant performance data.

Each year Overview and Scrutiny is tasked with identifying areas of the Council's work that it wishes to consider in detail, for which purpose task groups comprised of members of the Board and its sub-committees are set up to research the issue with the assistance of officers and sometimes external bodies and report their findings and recommendations.

## **Internal Audit**

Internal Audit is an independent appraisal function that measures, evaluates and reports upon the effectiveness of the controls in place to manage risks. In doing so Internal Audit supports the Group Director, Communities and Resources in his statutory role as Section 151 Officer. Annually a Head of Internal Audit Opinion and annual report provide assurance to officers and Members regarding the system of internal control; this assurance has also been considered in the production of this statement.

## **Risk Management**

The responsibility for the system of internal control sits with management therefore each Head of Service is required to complete their own assessment and declaration with regard to the arrangements in place within their respective areas. For 2014/15 these will in some instances be gathered via work shopping with the management team for the service. These declarations from services have been considered when compiling this statement. The Council has embedded risk management processes and relevant policies and the strategy are reviewed and approved annually by the Audit Committee. The 2014/15 review was delayed pending the implementation of new oneSource structure which will provide more dedicated resources focused on supporting management with risk management.

Heads of Service maintain Service Risk Registers and identify their key risks as part of the annual service planning process. The strategic risks to the achievement of the Authority's objectives are captured within a Corporate Risk Register. The Council has an Operational Risk Management Group that considers local or organisation wide risks. In 2014/15 this group has reviewed and commented on a sample of Service Risk Registers and all of the Corporate Risks. The Corporate Risk Register was last reviewed by CLT and approved by CMT, before being presented to the Audit Committee in March 2015.

## **External Inspectors**

The Council is subject to review and appraisal by a number of external bodies; results of such reviews are considered within the performance management framework. The work of the Council's External Auditor, currently PricewaterhouseCoopers (PwC), is reported to the Audit Committee. The Council's accounts are audited annually by the external auditor and an unqualified opinion was given for 2013/14 following similar opinions in previous years. The results of all external reviews have also been considered in the process of compiling this statement.

Certain services across the Council also engage in sector-led improvement initiatives. For example, in December 2014 Children's Services participated in a Child Sexual Exploitation (CSE) peer review as part of a London-wide Directors of Children's Services initiative. The findings of this are being used to inform the services provided and improvement plans and are driving the work of the Havering Safeguarding Children Board's (HSCB's) CSE Subgroup.

During 2014/15 the Council also asked the Chartered Institute of Housing to undertake a 'root and branches' review of Housing Services. The review took place over the course of a month and completed in December 2014. As a result of the findings, a Housing Management Board has been established, which is overseeing the action plan that is delivering against the recommendations.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate Management Team and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### Significant governance issues

The issues identified in the 2013/14 Annual Governance Statement have been monitored by management and the Governance Group throughout the year with review periodically to challenge actions and progress by both the Corporate Management Team and the Audit Committee. The four issues which related to the Information Governance Agenda, Austerity, Pace of Organisational Change and Compliance have all been high risk areas in recent years and have wide reaching implications for the governance framework. During the process to produce the Annual Governance Statement for 2014/15 it has been decided that a more focused approach and operational action plan in this area is required and the new Governance Group was tasked with embedding their work and the work to produce this statement within the everyday operations of the Council through efficient and effective channels of communication and reporting. The four previous issues have now been fed into the Governance Group's work; they will therefore be closed and a new set of issues have been identified.

<b>Significant Issue</b> and action already taken	<b>Planned action</b>	<b>CMT Lead</b>
<p><b>1. Scheme of Delegation</b></p> <p>Issues with the scheme of delegation were identified following the amendments to include oneSource.</p> <ul style="list-style-type: none"> <li>➤ Some work to review the scheme of delegation has been undertaken to ensure oneSource delegations have been accurately captured and are comprehensive.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Governance training to be proactive from 2015/16 to ensure clarity of role and responsibility;</li> <li>➤ Full review of Constitution and delegations planned;</li> <li>➤ Audit work around effectiveness and efficiency of delegations.</li> </ul>	<p>Managing Director, oneSource</p>

Significant Issue and action already taken	Planned action	CMT Lead
<p><b>2. Declarations of Interest</b></p> <p>There have been instances identified of failings by officers to comply with expectations regarding declarations.</p> <ul style="list-style-type: none"> <li>➤ Project to implement on line process;</li> <li>➤ Improvement to process thorough inclusion of third tier manager in sign off;</li> <li>➤ Updated and re-launched code of conduct;</li> <li>➤ Disciplinary action taken in areas of non compliance identified in 2014/15.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Implement on-line process;</li> <li>➤ Review of process and procedure in light of move to on-line;</li> <li>➤ Audit work to provide assurance.</li> </ul>	<p>Managing Director, oneSource</p>

Significant Issue and action already taken	Planned action	CMT Lead
<p><b>3. Assurance</b> – as a result of reduced capacity the organisation’s approach to ensuring compliance with policy and procedure has had to shift. Compliance issues have identified gaps in this assurance framework that need to be addressed.</p> <ul style="list-style-type: none"> <li>➤ New Governance Group approach established;</li> <li>➤ New audit structure vision is around assurance;</li> <li>➤ A review of reporting effectiveness has been undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Implement new audit structure and oneSource vision; assurance model</li> <li>➤ Continue to develop the role and effectiveness of the new Governance Group.</li> </ul>	<p>Chief Executive</p>

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:**

Leader of the Council

A handwritten signature in cursive script, appearing to read "Roger Ramsey", written above a horizontal dotted line.

Chief Executive

A handwritten signature in cursive script, written above a horizontal dotted line.