

ANNUAL GOVERNANCE STATEMENT

This statement, from the Leader and Chief Executive, provides reasonable 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.

The Annual Governance Statement is co-ordinated within the audit service and the production and progress of the statement is monitored by the officer Governance Group.

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 seven 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 regulations 6(1) (a) and (b) of the Accounts and Audit Regulations 2015, 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

*Chartered Institute of Public Finance Accountancy

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 2016 and up to the date of approval of the statement of accounts.

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:

- 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 provides value for money.

The Council's Corporate Plan 2015/16 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 2016/17, which has been undertaken during quarter four of 2015/16, 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. Each of the Council's two Directorate Management Teams also receive and discuss a monthly performance pack detailing performance against the key performance indicators in their respective service areas. There are changes to this structure for 2016/17 with CMT moving to Senior Leadership Team under the leadership of a new Chief Executive.

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.

During 2015/16 a particular issue was identified with the arrangements for reporting performance to Members and, as a result, improvements have been made going forwards. Under the arrangements for 2015/16, the quarterly and annual corporate performance reports were reported to Cabinet first, then the Overview and Scrutiny Board and then the various Overview and Scrutiny sub-committees. Depending on the corporate meetings schedule for any given quarter, this resulted in the whole cycle of reporting taking between four and seven months to complete. From 2016/17 onwards, it has now been agreed with Members that the reports will be presented to the sub-committees first, then to the Overview and Scrutiny Board and finally to Cabinet. As well as reducing the time taken to complete the entire reporting cycle, this will allow the Cabinet reports to reflect the value that Overview and Scrutiny is adding in scrutinising performance.

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.

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. During 2014/15 the Employee Code of Conduct was updated and re-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, Policies and Guidance, along with other procedural documents. These 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 on-going training to ensure there is sufficient expertise at every meeting to challenge officers. During 2015/16 six members sat on the Audit Committee representing the Conservative, Residents', East Havering Residents', UKIP and Independent Residents' Groups of the Borough. The membership mirrors the political make-up of the Council. The Audit Committee met five times in 2015/16 and has an annual work plan made up of regular and specific agenda items. In March 2016 members attended a Head of Audit risk management training session where the 2014/15 review of effectiveness toolkit and actions were circulated and considered.

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 oneSource Fraud Structure was launched on 1st 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.

The work of the service and achievement of the corporate fraud strategy is monitored by the Audit Committee. Proactive promotion of the strategy takes place throughout the year as part of the fraud strategy action plan. Integral to these arrangements is a suite of policies and strategies including; Confidential Reporting (also known as Whistleblowing) Policy, Bribery and Corruption, Money Laundering and a revised Anti-Fraud and Corruption Strategy which was agreed at the September 2015 Audit Committee. Each policy and strategy is communicated to staff via induction, the intranet and awareness raising 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). The NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and is conducted every two years. The 2014 NFI matches are available in 2015 and comprise 11,329 High Risk matches.

The council has signed a memorandum of understanding with London Councils to join the London Counter Fraud Hub, which is currently subject to a procurement process. The hub will enable all 33 councils in London to share their data in order to prevent and detect fraud in such as areas of business as council tax, business rates, and housing tenancies. It will operate on a payment by results commercial model, requiring no-up-front investment by the council. It is anticipated that the Hub pilot will go live in the autumn, moving to full operation early in 2017.

In addition, the council has re-launched its housing fraud work, targeted at illegal sub-letting of council houses, RTB fraud and fraud associated with its homelessness operation.

Complaints

A new Corporate Complaints Policy and procedure was introduced with effect from 1st April 2015, following consultation with services across the Council. The Policy sets out a clear definition of a complaint, and now encompasses robust auditing and performance monitoring procedures. 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. The 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 2015/16, the Ombudsman found 11 cases of maladministration against the Council. Six cases were "maladministration & injustice" and five were "maladministration, no injustice".

Training and Development

The Council has a commitment that every member of staff has an ongoing Performance Development Review (PDR) 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. This has been carried out offline during 2015/16 due to some issues with the PDR section on Oracle.

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 Development 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 over 90,000 subscribers, as well as communication through a host of other channels, from social media to poster sites and the local press.

Consultation 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. 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. This was followed by a survey in 2015 on the budget proposals for 2016/17 and followed by a separate survey on the Government's plan to allow all councils to introduce a two per cent Council Tax charge to support services for vulnerable adults. There have also been a number of stand-alone surveys including a comprehensive housing survey in 2015 for Council tenants.

Transformation

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 change to the way services are delivered or reduction in grant funding. All activity and savings are the responsibility of the Director or Assistant Director of the relevant service area. A new system to ensure transparency and a consistent approach to reporting activity is being developed by the Transformation Programme Manager to ensure; 1) visibility to the Senior Leadership Team (SLT), Members and the public, 2) interdependencies between service areas are identified and managed; and 3) slippage is identified at an early stage. Full oversight and strategic decision making will be held the Senior Leadership Team who will 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.

Star Chamber sessions are also to be held with Members to look at the Council's priorities. A series of new initiatives are also being evaluated to assess the benefits of new ways of working to support the financial position and promote a stable workforce.

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. This arrangement is comprised of 22 services, 1350 staff and an agreed business case to save £40m over five years. This has resulted in significant changes to the governance framework. A Joint Committee was 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. The London Borough of Bexley signed a memorandum of understanding and are anticipated to join in early 2016/17.

Mercury Land Holding

Mercury Land Holding has been established as a wholly owned subsidiary of LBH. The directors are Andrew Blake-Herbert – Deputy Chief Executive Communities and Resources, Garry Green – Head of Property Services, Tony Huff – Assistant Director of Business Services and Tom Dobrashian – Head of Economic Development.

The purpose of setting up the company is to generate an income stream to the Council, by acquiring property for development and rental. No equity or loan has been provided by the Council to support the company during 2015/16.

Review of governance effectiveness

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.

Governance Group

The London Borough of Havering has an established governance group which is charged with reviewing the governance arrangements, overseeing the production of the Annual Governance Statement, monitoring progress against significant issues raised as part of

this and reviewing arrangements for Risk Management including being the custodian for the Corporate Risk Register.

Corporate Management Team and Corporate Leadership Team

For 2015/16 the Corporate Management Team consisted of a part-time Chief Executive, a Deputy Chief Executive Communities and Resources and a Deputy Chief Executive Children, Adults and Housing. 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 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 adequacy and effectiveness of internal audit, the risk management environment, fraud and corruption arrangements and the provision of the external audit service. They receive regular reports in line with this remit and agree the annual audit plan, draft Annual Governance Statement and revisions to related policies. 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. Approval of the annual Statement of Accounts also falls under the remit of the Audit Committee.

Adjudication and Review Committee

The Adjudication and Review Committee is made up of ten Councillors and is politically balanced. The committee provides members for panels to consider complaints against councillors and also to make up 'Member review' panels (which is the default panel for considering complaints made by members of the public at Stage Three of the Corporate Complaints procedure through a paper exercise). Should a Member Review Panel consider that a complaint warranted a formal hearing it would adjourn and reconvene to hear the matter with the parties present. The Adjudication and Review Committee is also responsible for overseeing and confirming the appointment of 'Independent Persons' for the Independent School Appeal panels which are convened to review permanent pupil exclusions.

Overview and Scrutiny

The Overview and Scrutiny function reviews decisions made by the Executive and other bodies, e.g. National Health organisations, Police. 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 Deputy Chief Executive 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.

The Internal Audit service is part of the oneSource shared arrangement and for 2015/16 had an Interim Head of Internal Audit across both boroughs. The review of the audit and assurance function was identified as a significant issue in the 2014/15 Annual Governance Statement. The planned restructure has been delayed until 2016/17 to enable the London Borough of Bexley to be included in the review.

Risk Management

The revised Risk Management Policy and Strategy was agreed by the March 2016 Audit Committee. This saw the adoption of a roles and responsibility approach inclusive of the Mayor / Leader, various boards and forums down to an individual level.

The strategic risks to the achievement of the Authority's objectives are captured within a Corporate Risk Register which is overseen by the Governance Group and reported to Audit Committee twice during 2015/16. The Corporate Risk Register was last reviewed by CLT and approved by CMT, before being presented to the Audit Committee in March 2016.

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 Ernst and Young (E&Y) is reported to the Audit

Committee. The Council's accounts are audited annually by the external auditor and an unqualified opinion was given for 2014/15 following similar opinions in previous years. The results of all external reviews have also been considered in the process of compiling this statement.

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.

As part of the improvement programme for Housing Services, the Chartered Institute of Housing (CIH) carried out a re-inspection of the service in February 2016. This followed the poor outcome of the inspection undertaken in 2014. The outcome of the latest inspection showed that the service had made significant improvements in most of the areas of concern identified previously. Action plans are in place to address all remaining areas of concern and reported monthly to Housing Board.

Significant governance issues 2014/15

The issues identified in the 2014/15 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.

1. Scheme of Delegation – This primarily related to the oneSource joint Scheme of Delegation. Work to review the Scheme of Delegation has been undertaken to ensure oneSource delegations have been accurately captured and are comprehensive. The Joint Committee agreed a consolidated Scheme of Delegation to oneSource officers on 22nd January 2016 which is now available on the intranet. This has highlighted some issues with the LB Havering Scheme of Delegation and this is raised as a significant issue going forward for 2015/16.
2. Declaration of Interests – This was highlighted as a significant issue for 2014/15 as there were instances identified of failings by officers to comply with expectations regarding declarations. A number of actions have taken place during 2015/16 to deal with this including; a project to implement an online form, update and re-launch of the Code of Conduct and an improvement to the process made to include a third tier management sign off. The Declarations of Interest policy has been updated and issued. The form for the online process is completed and is live with communication issued to staff via global news on 1st April 2016.
3. Assurance – As a result of reduced capacity the organisation's approach to ensuring compliance with policy and procedure had to shift. Compliance issues identified gaps in this assurance framework that needed to be addressed. The Governance Group was refreshed with a new approach established and the audit structure vision was amended to be based around assurance. The only additional action for this issue was to implement the new assurance structure within oneSource. This restructure has been delayed until 2016/17 to enable LB Bexley to be included in the review.

Significant governance issues 2015/16

The issues identified around the Declaration of Interests and Assurance have been determined to have been sufficiently addressed to allow removal from the AGS for 2015/16. The work around the Scheme of Delegation is continuing with a focus now on LB Havering so this will remain as a significant issue.

Significant issues 2015/16

Significant Issue and action already taken	Planned action	CMT Lead
<p>1. Scheme of Delegation</p> <p>Issues with the scheme of delegation were identified following the amendments to include oneSource.</p> <ul style="list-style-type: none"> ➤ Work to review the scheme of delegation has been completed to ensure oneSource delegations have been accurately captured and are comprehensive. ➤ Joint Committee agreed a consolidated Scheme of Delegation to oneSource officers on 22nd January 2016. This is now available on the intranet. 	<ul style="list-style-type: none"> ➤ Planned review of the scheme of delegation and it's place within the Constitution; ➤ Audit work around effectiveness and efficiency of delegations. 	<p>Managing Director, oneSource</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

Chief Executive