

## **1. Introduction**

Members and staff working for Harrow Council strive to achieve the Council's vision, priorities, values and outcomes as outlined in the Harrow Ambition Plan.

Arrangements are in place to ensure that the intended positive outcomes for residents are achieved. To ensure good governance these arrangements are agreed and documented and together form the authority's governance structure.

## **2. Responsibility**

Elected members are collectively responsible for the governance of the council. The full council's responsibilities include:

- agreeing the council's constitution, comprising the key governance documents including the executive arrangements and making major changes to reflect best practice
- agreeing the policy framework including key strategies and agreeing the budget
- appointing the chief officers
- appointing committees responsible for overview and scrutiny functions, audit and regulatory matters and also for appointing members to them.

Under the *Local Government Act 2000* Harrow Council has adopted a leader and cabinet model and has established an overview and scrutiny function for members outside the cabinet through which they can question and challenge policy and the performance of the executive and promote public debate.

The authority's governance structure is comprised of a number of key documents that aim to ensure that resources are directed in accordance with agreed policy and according to priorities as set out in the Harrow Ambition Plan, that there is sound and inclusive decision making and that there is clear accountability for the use of resources in order to achieve desired outcomes for Harrow service users and local communities. *Governance structure document to be imbedded.*

## **3. Effectiveness of Key Elements of the Governance Framework**

Each year the Council undertakes a review of its governance arrangements to ensure the delivery of good governance in accordance with the requirements of the Accounts and Audit Regulations 2015 and in accordance with *Delivering Good Governance in Local Government: Framework 2016* published by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (Solace).

This is achieved via a self-assessment process co-ordinated and independently reviewed by the Council's Internal Audit Service. Once complete the assessment of the effectiveness of the following key elements will be included in the final statement

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along with the role of those responsible for the development and maintenance of the governance environment.

#### 3.1 Behaviour of members and staff

Codes of conduct that define standards of behaviour for members and staff have been developed and are included in the Council's Constitution. Mechanisms are also in place to deal with member and staff transgressions from these codes. Policies are also in place for dealing with whistleblowing and conflicts of interest. *Annual review of governance to confirm the effectiveness of communication during 2016/17.*

#### 3.2 Compliance with laws and regulations

Responsibility to comply with relevant laws and regulations and internal policies and procedures rests with the Council's managers some of whom have specific statutory obligations e.g. the Head of Paid Service, Director of Children's Services, Director of Adult Social Services, the Chief Finance Officer (Section 151 Officer), the Monitoring Officer and the Director of Public Health which are outlined in Article 12 of the Council's constitution. The Statutory Monitoring Officer functions to report on likely contravention of any enactment or rule of law and the Chief Finance Officer is responsible for identifying any proposal, decision or course of action that will involve incurring unlawful expenditure.

#### 3.3 Acting in the public interest

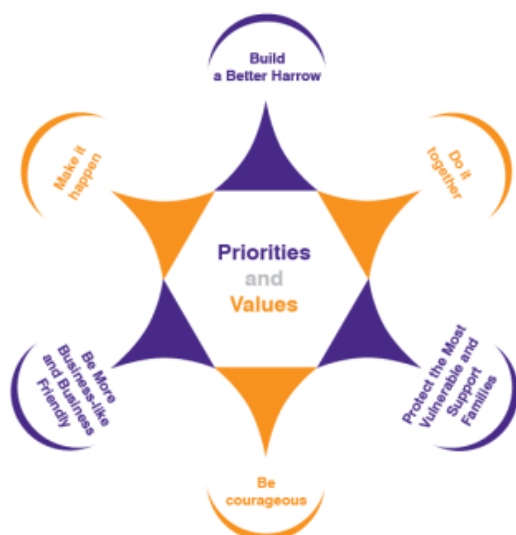
*Annual review of governance to confirm that the Council can demonstrate a commitment to openness and acting in the public interest.*

#### 3.4 Communication and consultation

An annual Communications Plan is in place and a consultation toolkit is in use.

*Annual review of governance to confirm effectiveness.*

#### 3.5 The Council's vision



The Council's vision, and intended outcomes for residents have been developed and are contained within the Harrow Ambition Plan 2020 which was refreshed during 2016/17.

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*Annual review of governance to confirm how this has been communicated.*

This diagram, included in the plan, illustrates the 'golden thread' between the Council's vision and the Council's plans.



*Annual review of governance to confirm vision is being used for planning.*

### **3.6 Putting the vision into practice**

The original Ambition Plan contains courses of action to be taken by the Council to implement the vision and the refreshed plan 2017 provides an update on the progress of these actions.

### **3.7 Decision-making**

The Council's decision-making framework, including delegation arrangements, is outlined in the Constitution. Report templates are in use to ensure appropriate information is provided to decision makers including options considered, why a change is needed, implications of recommendations as well as risk management, legal, finance, and equalities implications. Decision reports are cleared by, or on behalf of, the Council's Monitoring Officer (legal) and the Chief Financial Officer before they are presented to the decision makers (Council, Cabinet, Committees).

### **3.8 Measuring performance**

The Council's Cabinet receives quarterly reports on strategic performance, revenue and capital expenditure and treasury management. Each Directorate also has an Improvement Board in place to which performance reports are made on a quarterly basis. Issues arising from the Improvement Boards are reported to the Corporate Strategic Board at quarterly performance mornings and to Cabinet.

During 2016/17 the Council benefited from a Peer Review, a panel of councillors and senior council officers from other local authorities who assessed the Council's strengths and plans for improvement, that found that the *'London Borough of Harrow is a good council that has been energised by the new values recently agreed for the*

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*authority*. An Ofsted inspection of our Children's Services was also undertaken that concluded '*Children in Harrow receive services that are well matched to their needs, reduce risk and improve their outcomes*'.

*Annual review of governance to confirm the effectiveness of the reports/process in ensuring that services and projects are delivered in accordance with defined outcomes, that they represent the best use of resources and vfm.*

#### **3.9 Roles and responsibilities**

The roles and responsibilities of members and the most senior managers and statutory officers have been defined and documented in the constitution. The roles and responsibilities of other managers and staff are defined and documented in Role Profiles attached to each post.

*Annual review of governance to confirm that clear protocols for effective communication in respect of the authority and partnership arrangements were in place for 2016/17.*

#### **3.10 Financial management**

The Council's financial management arrangements during 2016/17 conformed with *the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)*.

#### **3.11 Monitoring officer function**

The Statutory Monitoring Officer functions to report on likely contravention of any enactment or rule of law. The duties of the Monitoring Officer are outlined in Article 12 of the Council's constitution and are undertaken by the Council's Director of Legal and Governance Services. Effective arrangements were in place during 2016/17 to discharge these duties.

#### **3.12 Head of paid service function**

The requirements of the Head of Paid Service function are also outlined in Article 12 of the Council's constitution and effective arrangements were in place for the discharge of these duties by the Chief Executive during 2016/17.

#### **3.13 Development needs**

New members receive a Members Induction pack and a Member Development Programme is in place as well as a Corporate Development Programme for officers.

*Annual review of governance to confirm that training provided to cover strategic roles.*

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#### **3.14 Managing risks**

The framework for identifying and managing risks was updated during 2016/17 and consists of a series of risk registers that feed into an overarching Corporate Register that is reviewed and updated quarterly and presented to the Corporate Strategy Board and the Governance, Audit, Risk Management & Standards Committee for review and challenge. The owner of each risk is clearly shown in the risk register.

#### **3.15 Counter fraud and anti-corruption arrangements**

The Council's Corporate Anti-Fraud Team undertook a self-assessment against the *Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)* during 2015/16 that identified three main work streams to improve the Council's arrangements: the development of a fraud risk register; increasing awareness of fraud and corruption and to review and refresh the Council's Corporate Anti-Fraud and Corruption Strategy. During 2016/17 the strategy has been refreshed and agreed and work was begun on increasing awareness and the development of a fraud risk register.

#### **3.16 Scrutiny**

The scrutiny function comprises an Overview and Scrutiny Committee, a Performance and Finance Sub-Committee, a Health Sub-Committee and lead members for key areas. A clear structure has been developed to enable constructive challenge of the Council's performance to take place; however a Peer Review of the Council undertaken in 2016/17 concluded that 'there is opportunity to review the role of overview and scrutiny to enable the council to benefit from constructive challenge and policy development from non-executive councillors'. As a result the Centre for Public Scrutiny has been commissioned to undertake a review of the Council's scrutiny arrangements.

*Annual review of governance to provide an update on the review being undertaken.*

#### **3.17 Internal Audit**

Assurance arrangements during 2016/17 conformed with the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2010)*.

#### **3.18 Audit Committee**

The duties of the audit committee are undertaken by the Governance, Audit, Risk Management & Standards Committee and are in-line with the core functions of an audit committee as identified in *Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)*.

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#### **3.19 External Audit**

During 2016/17 the authority provided timely support, information and responses to the Council's external auditors, KPMG, and properly considered their audit findings and recommendations as demonstrated in the committee papers and reports presented to the Governance, Audit, Risk Management & Standards Committee.

#### **3.20 Joint working**

*A specific exercise is underway as part of the annual review of governance to confirm that good governance is incorporated in the Council's shared service arrangements.*

#### **4. Level of Assurance**

*Once the annual review of governance is complete an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework will be included in the final AGS and this will include the Head of Internal Audit's Opinion on the system of internal control.*

#### **5. Significant governance issues**

No significant governance issues have been identified at this stage.

#### **6. Previous governance issues**

No significant governance issues were identified in last year's annual governance statement.

#### **7. Conclusion**

*A commitment to monitoring implementation as part of the next annual review to be included if appropriate.*

#### **8. Declaration**

*Final AGS to be signed by the lead member and chief executive on behalf of the authority.*