ANNUAL GOVERNANCE STATEMENT 2016/17

This statement from the Leader and the Chief Executive provides assurance to all stakeholders that within Merton Council 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 all citizens of the borough.

1.   Scope of responsibility

1.1.   Merton 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. Merton 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, Merton 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.   Merton 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* (2016)

1.4.   This statement explains how Merton Council has complied with the code and also meets the requirements of regulation 6(1b) of the Accounts and Audit Regulations 2015 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 the activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2   The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of London Borough of Merton policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

2.3   The governance framework has been in place at the London Borough of Merton

for the year ended 31 March 2017 and up to the date of approval of the annual report and statement of accounts.

3   The governance framework

3.1   The London Borough of Merton 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 senior managers within the authority who have responsibility for the development and maintenance of the governance environment, standards and general purposes committee, the Head of Internal Audit annual report, and also by comments made by the external auditors and other review agencies and inspectorates and others as appropriate.

3.2   The council's code of governance has been reviewed to reflect Cipfa Delivering Good Governance guidelines 2016. 3.3As part of this review a Corporate Governance steering group has been established and terms of reference agreed. Monthly meetings have been held and an evidence pack compiled to consider a combination of economy, efficiency and effectiveness factors. The results of this review are detailed in the seven principles below and areas of improvement in section 13.

Principle 1   Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Codes of Conduct

4.1   The Council has an Employee Code of Conduct that applies to all council employees without exception, as well as to non-employees who are engaged (e.g. agency workers) or contracted by the council. The summary code of conduct is available on the intranet, is given to all new members of staff and discussed as part of the induction process. This code includes a requirement for staff to declare any conflicts of interest.

4.2   The Members' Code of Conduct is included in the council's Constitution and includes the principles of public life and information on declaring and registering interests. Each year (after Annual Council) Members are asked to declare their interests and mechanisms are in place to update these regularly when there are changes.

4.3   The Standards Committee receives annual reports on gifts and hospitality declared by staff and Members.

4.4   The whistleblowing policy was last reviewed in 2016 and is available on the intranet and internet. Leaflets are distributed within the civic centre and to schools and other organisations.

Standards Committee and General Purposes Committee

4.5   The Standards and General Purposes Committee has overall responsibility for corporate governance. The Committee is also concerned with the promotion and maintenance of high standards of conduct within the council; the

enforcement of the Member Code of Conduct; and advising the council on ethical governance matters. The Committee monitors the registers maintained in relation to gifts and hospitality received by councillors and offered to and accepted by staff. The Committee comprises twelve members, and the Council's two Independent Persons regularly attend as observers.

4.6   This committee also fulfils the role of an Audit Committee in accordance with CIPFA recommended best practice, and this committee has overall responsibility for ensuring controls are adequate and working effectively

4.7   This Committee is responsible for a range of non-executive functions, including electoral matters and personnel issues. It also has responsibility for considering and making recommendations to Full Council on any changes to the council's Constitution. Its functions include ensuring compliance with relevant laws and regulations, internal policies and procedures, and overseeing council accounts and audit activity.

4.8   Meetings are held in public. Agendas and minutes are published on the Council's website in line with statutory requirements.

4.9   A review was carried out on the effectiveness of the General Purposes Committee against Cipfa's guidance, Audit Committees: Practical Guidance for Local Authorities. This found that the Committee was meeting regularly and covered the range of governance issues, except risk management. Risk is however reported to Cabinet and Overview and Scrutiny on a regular basis as well as to Council on an annual basis as part of the business plan, therefore reliance could be placed on this.

Principle 2: Ensuring openness and comprehensive stakeholder engagement

Transparency agenda

5.1   The council publishes the information specified by the government's Open Data requirements on the council's Open Data webpage. Work to publish the council's organisation chart was completed in April 2016. The current data published on the council's website includes:

- Spending over £500
- Senior employees' salaries
- Job descriptions of staff earning over £50k
- Pay multiple
- Pay policy statement
- Payments to councillors – allowances and expenses
- Councillors attendance at meetings
- Democratic data including the Constitution, minutes, decisions and
- election results
- The Business Plan, policies, performance, audit and inspections
- Finance data and counter fraud statistics
- Merton's contract register

- Funding to the voluntary and community sector
- Structure charts
- Parking income and expenditure
- Details of on-street and off-street parking spaces
- List of property assets
- Trade union activity

5.2   The Protection of Freedoms Act 2012 requires the council to publish certain datasets that are requested.

5.3   Merton Council publishes an information requests disclosure log which gives brief details of the requests received each week under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

5.4   Under the Freedom of Information (FOI) Act, a public authority must respond to FOI requests within 20 working days. The council is measured against a corporate target of 90% of FOI requests dealt with in time. Performance in responding to FOI requests within the 20-day deadline for 2016/17 is 85%. Performance is reported to the Corporate Management team monthly and is also published on the council's website via the performance monitoring dashboard.

Partnerships

5.5   The Merton Partnership – the local strategic partnership – is the overarching strategic partnership and is responsible for the delivery of the Merton Community Plan (the Sustainable Community Strategy). The Merton Partnership Governance Handbook and the Performance Management Framework set out the respective governance and performance management arrangements for the Merton Partnership, including the thematic partnerships sitting under the Partnership and Executive Board (namely the Health and Wellbeing Board, the Children's Trust, the Sustainable Communities and Transport Board, and the Safer and Stronger Strategy Group [which also serves as the Crime & Disorder Reduction Partnership]). The Merton Partnership website is www.mertonpartnership.org.uk

5.6   The principles guiding the relationship and conduct between the council and voluntary, community and faith sector is set out in the Merton Compact (last refreshed in 2011). The Merton Compact is monitored by the Compact Board, comprising representatives from Merton Council (political and officer), representatives from the voluntary, community and faith sector, and representatives from other public sector bodies, as well as the local Chamber of Commerce.

5.7   The Merton Community Plan was refreshed in 2013.This involved consulting over 1,000 residents, partner organisations and a wide range of representatives from the voluntary, community and faith sector. The Merton Community Plan sets out the achievements of the Partnership over recent years and priorities for the next five years.

5.8   The council maintains a Partnerships Register which captures details of

partnership bodies the council is involved in that are outside the standing bodies of the council, but which inform policy development or implementation. The Partnerships Register is reviewed annually to ensure it is up to date, and is published on the council's intranet and website. An internal Audit review of the governance arrangements for partnership received a satisfactory assurance. Recommendations made are in progress for implementation

Complaints

5.9 The Complaints policy is reviewed periodically to ensure it remains relevant and supports improvement in the way the council deals with complaints. New staff are introduced to effective complaints handling through their departmental inductions; and training and advice is provided to those teams which regularly deal with complaints.

5.10 Work is on-going with service departments to identify policy complaints so departments can deal with them appropriately. Departments receive feedback to help them identify areas for improvement and departmental actions are monitored to assess whether changes that are made make a difference. The number of complaints received by the council has increased in the past year with 20% more complaints received between 2014/15 and 2015/16. Performance over the same period shows 7% of complaints were escalated to Stage 2, compared with 5.5% in 2014/15.

5.11 The council's performance in responding to complaints is reported to the Corporate

5.12 Management team on a monthly basis and is published on the council's website via the performance monitoring dashboard. An annual report on complaints is presented to the Standards Committee of the council and is published on the council's website.

Principle 3: Defining outcomes in terms of sustainable economic, social, and environmental benefits

6.1 The Merton Community Plan has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019. This is supported by the Council's Business Plan and Departmental Service Plans. These are reviewed and updated annually. The council has an ambition to be 'London's Best Council' by 2020.

6.2 The Council's Business Plan 2017-21 sets out the following vision:

By 2020 Merton Council will be transformed by the fruition of a number of change projects which will maximise the use of information technology and streamline processes and service provision. Providing value for money services to our residents is at the heart of our business and we must be able to demonstrate that all of our services represent best value for money. We will do this by continuing to finding innovative solutions to maximise future efficiency.

The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2017/21 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

- Merton should continue to provide a certain level of essential services for residents. The order of priority of 'must' services should be:
i) Continue to provide everything that is statutory.
ii) Maintain services – within limits – to the vulnerable and elderly.

- After meeting these obligations Merton should do all that it can to help residents who aspire. This means we should address the following as priorities in this order:
i) Maintain clean streets and keep council tax low.
ii) Keep Merton as a good place for young people to go to school and grow up.
iii) Be the best it can for the local environment.
iv) All the rest should be open for discussion.

The financial pressures facing Merton mean we should no longer aim to be a 'place-maker' but be a 'place-shaper'. The council should be an enabler, working with partners to provide services.

Our top priority will continue to be to provide safe services of the best possible quality within financial constraints and the July 2011 principles. We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.

The Authority is utilising best practice in project management/ transformation to assess the future direction of services and the required staff, process and IT development to deliver this change. Internal decision making structures have been established to maximise Authority wide assessment and development.

Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

Delegations

7.1   The council's constitution sets out the roles and responsibilities of the executive, non-executive, scrutiny and officer functions.

7.2   The functions of Council are set out in Article 4 of the constitution. These include responsibility for adopting and changing the constitution, policy framework and budget

7.3   Cabinet (Article 7) has responsibility for carrying out all of the Council's functions which are not the responsibility of any other part of the local authority.

7.4   Part 3B of the constitution sets out responsibility for non-executive council functions, including those carried out by Standards and General Purposes

Committee, Appointments Committee, Planning Applications Committee, Licensing Committee, Appeals Committee and the Borough Plan Advisory Committee.

7.5 Overview and Scrutiny (Article 6 and Part 3B) discharges the functions conferred by the Local Government Act 2000, Local Government Act 2003, Health and Social Care Act 2001, Police and Justice Act 2006 and the Local Government and Public Involvement in Health Act 2007. Its operation is set out in more detail in section 8 of the report.

7.6 Except for matters reserved to members or other decision makers, all other matters relating to the Council's executive and non-executive functions are delegated to the Chief Executive.

7.7 The constitution includes a scheme of delegation that sets out the powers delegated to officers, and provides for Financial Regulations, Contract Standing Orders and a range of operational and departmental procedures which govern the council's discharge of its functions. These have all been reviewed and updated during 2016/17.

7.8 Statutory officers are documented within the constitution. The Chief Executive (Head of Paid Service) works with members and Directors to deliver the council's themes.

7.9 The Monitoring Officer is responsible for ensuring agreed procedures are followed and that all applicable statutes and regulations are complied with.

Financial strategy and financial management

7.10 The council has approved a four-year Medium Term Financial Strategy (MTFS) for years 2017/18 to 2020/21 which is aligned and integrated with its business plan priorities, and incorporates the revenue and capital expenditure implications of budget proposals. The MTFS is reviewed, and rolled forward annually in order to ensure that the council's scarce resources are focused on achieving the council's vision, strategic objectives, and statutory functions as set out in the Business Plan.

7.11 Merton's financial performance is reported on a monthly basis to the Corporate Management Team, and action plans are prepared if any likely major variations are identified. Regular reports are made to the overview and scrutiny commission and panels, and to the council's cabinet. These are used to inform the MTFS process. Quarterly reports are submitted to the Financial Task Group a sub-group of the Overview and Scrutiny Committee to review the Authority's financial position. Ongoing implications of current year spending pressures are incorporated into the MTFS and future years' budgets as appropriate

Policy and decision making

7.12 Policy and decision making is conducted within a leader and cabinet structure. The cabinet leads on the preparation of the council's policies and budget, and makes recommendations to the full council on the major policy plans and the budget and council tax. Where there is a relevant policy, the cabinet takes

decisions within the adopted framework of plans and the procedural rules to implement them.

7.13 The constitution provides that the responsibility for the adoption and alteration of policy documents within the council's strategy framework lies with the full council. New policies and proposed changes are considered in the first instance by the Standards and General Purposes Committee, and are also subject to scrutiny.

7.14 A forward plan of proposed key decisions is published and updated each time a new key decision is added to the list. This sets out details and the proposed timing of key decisions (as defined by law and Article 13 of the constitution) to be made by the council. It includes processes in relation to reports containing exempt information in order to comply with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 which came into force on 10 September 2012

7.15 Council, on 19 November 2014, considered and agreed procedures for recording and publishing non-key delegated executive decisions to comply with the statutory requirement under the Openness of Local Government Bodies Regulations 2014. Council agreed a definition for these decisions and also agreed that, as well as being published, all such decisions made should be subject to call-in to allow greater openness and transparency. Council officers are regularly briefed on decision making requirements and have access to guidance notes and forms that have been published on the intranet. The decisions themselves are published on the website.

Performance management

7.16 The council has robust performance management arrangements in place and as part of the service planning process, performance indicators are challenged by the Business Planning team, Departmental Management Teams (DMT), Corporate Management Team, reviewed by members and Overview and Scrutiny.

7.17 Performance data on the service plan indicators are published on both the intranet and internet on a monthly basis. Progress on performance is regularly reviewed by DMTs and members

7.18 Review and challenge of PIs are established as part of service planning e.g. if PI this year is different from last years. Review and challenge with monthly, quarterly and annual returns e.g. monitor if changes markedly from prior measure. London Authority Performance Solutions provides current comparison data across London for approximately 30 Indicators – compare and challenge if our data changes markedly and report to Corporate Management Team - this is not published as agreed by constituent authorities

7.19 Performance reports on partnership working are produced for the Merton Partnership Executive Board.

Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it

8.1 Elected Members are responsible for the governance of the council. The council's governance arrangements are enshrined in the constitution. Within this framework, the council is able to provide clear leadership to the community; take decisions efficiently and effectively; improve service delivery; and hold decision makers to account.

8.2 The constitution is updated regularly. Amendments are recommended to Council by the Standards and General Purposes Committee, following reference by the Chief Executive as the statutory Head of Paid Service and the Assistant Director of Corporate Governance as the Monitoring Officer.

8.3 The authority'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).

Development needs members/officers

8.4 Members –A members' development plan is in place and this is adapted to meet arising needs. Induction training is provided for all new members. In November the Standards Committee agreed that the following modules would be mandatory for all members: safeguarding (adults and children), equalities, information security; Planning (for Planning Committee members) and Licensing (for Licensing Committee members). Due to unfortunate events that have taken place in the year an emphasis on ensuring that advice and development is provided in relation to keeping members and their constituents safe

7.14 In addition to topics covered above; in house sessions were arranged to explain specific items i.e. Housing Benefits, Public Health. Generic training will be provided to include public speaking, understanding equalities, using social media, IT skills, speed reading, chairing meetings, influencing skills, personal organisation, personal safety – this is not an exhaustive list. Personal Development Plans are in place for members and these will be reviewed on an annual basis to ensure learning needs are meet and other areas for development identified.

7.15 Officers – All council employees (except those on probation) will have an annual appraisal. Training needs are identified through staff appraisals and training can now be booked on the council's iTrent System. The Council has Induction workshops throughout the year for new starters and for employees who change their roles. There is a managers' induction session for managers new to the Council or new to role. Training is available to all staff to ensure they have the skills and knowledge to undertake their roles. The leadership behaviours have been included in the appraisals for the Collective Departmental Management Teams for 2016/17 with the view to rolling it out all staff in April 2017. As part of the Council's ambition to be London's Best Council in 2020 a development programme was launched for the Collective DMTs and the Leadership Team.

Principle 6: Managing risks and performance through robust internal control and strong public financial management.

Overview and Scrutiny Commission and Panels

8.1   The Overview and Scrutiny Commission and Panels are responsible for holding the executive to account, influencing the decision making process, and shaping the development of new policy. Scrutiny oversees the development of the council's business plan and budget and takes an active role on financial and performance monitoring of council services. Three scrutiny panels cover all portfolios, and all areas of council activity. The Commission comprises fourteen members, four of whom are statutory co-opted members. The chair of the Commission is the leader of the Merton Park Ward Independent Resident Group.

8.2   The External Scrutiny Protocol sets out scrutiny powers, duties and responsibilities of the council and its partners. The protocol seeks to ensure all partners, statutory and non-statutory, adhere to the same principles for effective scrutiny, provide information, consider recommendations and respond to the relevant overview and scrutiny panel within an agreed time frame. The protocol forms part of the council's constitution.

8.3   The key principles of scrutiny in Merton, set out in the scrutiny handbook, are that it should be member-led, consensual, evidence-based and relatively informal. The handbook also contains advice for councillors and officers on their respective roles, guidance and practical steps on how to achieve successful scrutiny. It is based on experience of scrutiny in Merton, best practice research and examples from other local authorities.

8.4   Under the Council's constitution an annual report is presented to Council, outlining the work of the overview and scrutiny function over the course of the municipal year. This is used as an opportunity not only to showcase the work carried out but also to demonstrate some of the outcomes achieved and the ways in which local residents have been involved in scrutiny.

Each year a survey of all members is undertaken to seek their views on the effectiveness of the scrutiny function and suggestions for improvement. The results are reported to the Overview and Scrutiny Commission together with an action plan containing measures for innovation and improvements over the coming year.

Risk management

8.5   Risk management is a central part of the organisation's system of internal control. The focus of the risk management strategy is to ensure the identification and treatment of risk as part of everyday management.

8.6   The Corporate Risk Management Group (CRMG) meets quarterly to review and challenge the risk registers and share best practice. Key Strategic Risks are reported quarterly as part of the financial monitoring report to cabinet and overview and scrutiny and annually included as part of the business plan to

Council

8.7   The corporate risk strategy was reviewed as part of the annual refresh of the Business Plan 2017-21, which is submitted to Council in March. . The strategy makes reference to the authority's risk tolerance levels, to recognise that some risks can be tolerated and others must be mitigated against. Work has been undertaken with a "Risk Management" specialist through our insurance arrangement to review departmental and corporate risk registers, separating "risks" and "issues" and standardising classification. An internal Audit review carried out in November 2014, provided a satisfactory assurance.

8.8   Risk analysis is also included in the service review process, where managers are required to risk rate their proposed budget savings and service level projects for the coming years.

8.9   The council has an anti-fraud and corruption strategy. Integral to these arrangements is the Whistleblowing Policy which is communicated to staff via the intranet, leaflets and posters to outbuildings. All Whistleblowing cases and action are reported annually to the General Purposes committee.

8.10   The council also participates in the National Fraud Initiative (NFI) a computerised data matching exercise, led by the Cabinet Office to detect fraud perpetrated on public bodies.

8.11   A wide range of communications channels are used by the council to target different audiences. The Council magazine, My Merton, is delivered to every household in the borough four times a year. The Council also uses online and social media channels to target different audiences. Some services have developed bespoke communication channels to reach particular target audiences.

8.12   A wide range of engagement forums are used, some led by the council, others by the community, to communicate the council's vision and to consult local people, for example the Interfaith Forum, LGBT Forum, BAME Forum, Involve, Community Forums, Youth Parliament, and Young Advisors

8.13   The council follows the principles for engagement agreed by the Merton Partnership in 2010 and refreshed in 2014 as part of the Get Involved - Community Engagement Strategy. These principles let residents know what they can expect from council consultations and they are invited to report on occasions when consultations fall short of these expectations.

8.14   All our consultations and many of our partner's consultations are listed in our online database. Residents and stakeholders can sign up for alert emails to be updated when new consultations are in place on the system so they can find out how to get involved.

Principle 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Internal Audit

9.1   Internal Audit is an assurance function that provides an independent and objective opinion on the control environment. It operates to defined standards as set out in the Public Sector Internal Audit Standards. An external assessment was carried out in March 2014, which concluded that Merton's Internal Audit function complied with the standard.

9.2   An annual report is produced by the Head of Audit which provides an opinion on the adequacy and effectiveness of the internal control environment.

9.3   A review has been undertaken on the 5 elements of the CIPFA statement on the role of the Head of Audit in public sector organisations. These elements are all met.

Data Security

9.4   The council holds a significant amount of personal data across its many business areas and has put in place actions to manage the risk of possible loss of this data. These include annual mandatory training for all council and partner staff with access to council systems, publication of guidance and an Information Security policy. Staff are required to report any security incident promptly to the Information Governance Team so an investigation and appropriate remedial or mitigating action can be taken. Each reported incident is followed up by the Information Governance Team to identify lessons to be learned and to make changes to reduce the risk of data loss in future. A report on incidents is made each quarter to a meeting of the Information Governance Board. The Head of Information Governance will decide whether to self-report an incident to the Information Commissioner's Office. Of the incidents reported during 2016/17, none have resulted in any sanctions or monetary penalties being levied against the council, reflecting the effectiveness of the policies and procedures that are in place.

9.5   The council's introduction of greater flexible and mobile working has brought new challenges for the secure handling of personal data. Staff using mobile technology must have a current pass in their online security training and are provided with a guidance booklet on good practice in handling personal information on a mobile device. The team revises the content of weekly good practice tips in the staff bulletin items to give guidance about the latest risks and issues.

10.   Other areas of corporate governance and assurances

10.1   A review of the effectiveness of the governance arrangements for the council have been carried out also using the following areas:

- Performance management
- Internal Audit

- External Audit

- Risk management

- Other Inspection Reports

10.2 This evidence has been considered by the Steering Group as the review of effectiveness of the Corporate Governance Framework and Internal Control. Internal Audit Annual Report (see Appendix A).

10.3 Comments from external audit on the 2015/16 accounts were:-

'We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.'

10.4 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate Governance working group to the Standards and General Purposes committee that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

11. Follow up of 2016/17 Improvement Plan

11.1 The working group reviewed progress on the actions from the AGS review of 2015/16, which resulted in an improvement plan for 2016/17. There were seven recommended improvement actions, of which 1 have been completed, 3 actions to carry forward to the 2017/18 improvement plan. These are detailed below:-

Action	Action Taken
To review the terms of reference of the new Standards and General Purposes Committee.	**Complete** These were reviewed by the committee and revised terms of reference were approved by Council on 23 November 2016.
New financial system to review internal controls in light of new financial system.	**Carry forward** Process Maps have been compiled for Purchase to Pay, Accounts Receivable, Account Reconciliation, Debt Recovery and Bank Reconciliation. Separation of duties has been built into access permissions to the system. Authorisation structures have been loaded into the system for purchase to pay and debt write off. Further work to be done.
To ensure that the strategy for volunteers is in place	**Complete** Joint voluntary sector and volunteer strategy was approved by Cabinet in January 2017.
Potentially Violent Persons	**Carry forward** The policy has been updated in line with Data Protection Act and ICO guidance. Process needs to be put in place with new core systems.

To review and update financial procedures	Carry forward The financial Procedures are in the process of being updated and will dovetail into the new financial system. The new financial procedures will be presented at the next standard/GP committee and then onto Council
Declaration of Interests On-Line form New on-line form for staff to complete their annual returns. This will include declaration of staff relationships	**Complete** The paper version of the form has been revised to include staff relationships. The on line form will be developed to reflect the revised declarations.
Disclosure & Barring Service (DBS) To carry out a full review of all staff to be DBS checked to ensure they are done and to implement audit recommendations	**In progress** The DBS team are working with the HR managers to contact their managers within their respective areas to provide the information necessary. Also working with LB Kingston, who now provides this service to ascertain the completion date.

12. Assurances by Directors and Heads of Services

12.1 All heads of services have completed self-assessment questionnaires on corporate governance and internal control. These are reviewed and signed off by the appropriate director.

12.2 No major weaknesses in Corporate Governance and Internal Control were identified from the self-assessments however the following key areas of development/improvement were identified:

Children, School and Families

- Review of controls on the use of APS cards
- Implement new core logic /social care system

Environmental and Regeneration

- The agreement of collaboration will be reviewed periodically, especially with the anticipated expansion of the Shared Regulatory Services Partnership to include Wandsworth. The Joint Committee will continue to meet 3 or 4 times a year
- Update of scheme of management

Community and Housing

- Implement new core logic /social care system

Corporate Services

- Improve and develop new E5 financial system
- Improve and develop other new IT systems - Core logic

12.3 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Standards/General Purposes committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below'.

13. Significant governance issues (Improvement Programme 2017/18)

13.1 The improvement actions below have been identified as a result of the review carried out. Progress will be followed up during 2016/17 and reported to Standards /General Purposes committee.

Action	Lead	Details
To review and update **financial procedures**	Head of Business Planning	The financial Procedures have been updated and will dovetail into the new financial system. The new financial procedures will be presented at the next standard/GP committee and then onto Council
Potentially Violent persons Policy to be agreed at DMT and CMT and process to be put in place with new core systems	Head of Information Governance	The policy has been updated in line with Data Protection Act and ICO guidance. Process needs to be put in place but dependent on rollout of new core systems.
New financial system – to review internal controls in light of new financial system.	Head of Business Planning	This work is in progress. Further work to be done.
Disclosure & Barring Service (DBS) To carry out a full review of all staff to be DBS checked to ensure they are done and to implement audit recommendations	Head of Organisational Development &HR Strategy	The DBS team are working with the HR managers to contact their managers within their respective areas to provide the information necessary. Also working with LB Kingston, who now provides this service to ascertain the completion date.
GDPR	CMT	The council will be working towards compliance of the new requirements of the GDPR, to be in place by May 2018.
New Candidate Development programme	HR Lead	To be in place to inform potential candidates and support newly elected member May 2018. (local elections)
IR35	HR Lead/Legal	Review of compliance to IR35 rules, to ensure that all processes

		are in place.
Sickness	Head of Organisational Development &HR Strategy	Reviewing new sickness policy impact on sickness levels
Volunteer strategy	Head of Policy, Strategy & Partnerships	To review strategy to ensure that governance issues are covered e.g. information security training and DBS checks.

13.1   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: _____ **Leading Member**

Signed: _____ **Chief Executive**