

# **The London Borough of Barking & Dagenham**

## **Annual Governance Statement 2019-20**

**Local Audit and Accountability Act 2014 &  
Accounts and Audit Regulation 2015**

## Annual Governance Statement for 2019-20 Introduction

This document is a review of our governance framework and of the effectiveness of our systems of internal control and risk management. It enables the Council to monitor whether these have led to the delivery of appropriate, cost effective services producing best value and the achievement of its objectives. In doing this, it also considers the legal framework and responsibilities of the Council.

Part of this statement therefore explains how the London Borough of Barking and Dagenham (LBBDD) currently meets the requirements of regulation 6(1) (a) and (b) of the Accounts and Audit Regulations 2015 in relation to the review of effectiveness of its systems of internal control and the production of an *Annual Governance Statement* (AGS).

Coupled with these requirements is the need for a wider statement which indicates the degree to which the Council's governance arrangements follow the proper practices in relation to accounts as set out in the revised document *Delivering Good Governance in Local Government: Framework* (CIPFA/Solace, 2016) ('the Framework'). These are:

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

Principle B - Ensuring openness and comprehensive stakeholder engagement.

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principle E - Developing the Authorities' capacity, including the capability of its leadership and the individuals within it.

Principle F - Managing risks and performance through robust internal control and strong public financial management.

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

This AGS enables stakeholders to be assured that decisions are properly made and public money is being properly spent on citizens' behalf. It is based on evidence obtained across the Council about the robustness of the Council's governance arrangements and its systems of internal control. This evidence builds on the assurance gathering process that has been in place since the requirement to produce a Statement on Internal Control began and the comments of the Council's Senior Leadership Team (SLT) in relation to statements provided by their Senior Managers.

# Appendix 1

There are five Sections in this AGS:

- Section 1** Sets out the scope of responsibility and the purpose of the governance framework;
- Section 2** Describes and assesses the effectiveness of the key elements of the systems and processes that comprise the Council's governance arrangements;
- Section 3** Presents an opinion of the level of assurance of the Council's governance arrangements and the effectiveness of the Council's governance arrangements;
- Section 4** Sets out any significant governance issues that need to be addressed and how any issues from the previous year's governance statement have been resolved;
- Section 5** The Conclusion – a commitment to monitoring implementation for the next AGS review.

## Section 1

### ***The scope of responsibility and the purpose of the Council's governance framework.***

#### Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper public-sector standards, that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

#### The Purpose of the Governance Framework

The governance framework comprises the culture and values, coupled with its systems, processes and controls that the authority uses to engage with and lead the community. Its purpose is to enable the Council to monitor the achievement of its strategic objectives and 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 governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk or a failure to achieve policies, aims and objectives (without a significant increase in resources and control functions) and so achieves a reasonable rather than an absolute assurance of effectiveness.

It is based on an ongoing process designed to identify and prioritise the risks to achievement of LBBD's policies, aims and objectives; to evaluate the likelihood of those risks being realised; the impact should they be realised; and then to manage them efficiently, effectively and economically.

The Council has a local Code of Corporate Governance revised in spring 2017 to take account of the revised and new *Delivering Good Governance in Local Government: Framework* (CIPFA/Solace, 2016).

The governance framework has been in place for the year ended 31 March 2020 and up to the date of approval of the audited Statement of Accounts.

## Section 2

***Key elements of the Council's systems and processes and their effectiveness - these are described in more detail below.***

***The Council's Governance mission is to ensure the business of the Council is carried out within the law and to proper standards ensuring that public funds and resources are used to the best effect economically, effectively and efficiently with the goal of continuous improvement.***

### **a) The Council's Vision and Priorities**

The vision and priorities for the London Borough of Barking and Dagenham (LBBD) represents the Council's shared vision for the borough with its priorities setting out its role in place shaping and enabling community leadership within the context of a significantly reducing budget.

The understanding that everyone has a part to play in the future of the borough fuelled the creation of the Borough Manifesto, the Council's aspirational, community-led and community-owned vision for the future of the borough over the next twenty years. The

Manifesto will be delivered by strengthened local partnerships and new relationships to collaborate and take a place-based approach to overcome our biggest challenges. In order to realise that twenty-year vision by 2037, the Council must first build the foundations and make certain progress by 2022. The Corporate Plan sets out how that journey is started. The foundations in the redesign of the Council have now been created and changes now need to be made to culture, thinking and approach to service delivery, commissioning and partnership working.

For 2019/20 the Council set the vision for the borough as being:

### **One borough; One community; no-one left behind**

With the priorities being set-out under 4 themes:

#### **Theme 1: A New Kind of Council**

Priorities:

1. Build a well-run organisation
2. Ensure relentlessly reliable services
3. Develop place-based partnerships

#### **Theme 2: Empowering People**

Priorities:

1. Enable greater independence & protect the most vulnerable
2. Strengthen our services for all
3. Intervene earlier

#### **Theme 3: Inclusive Growth**

Priorities:

1. Develop our aspirational and affordable housing offer
2. Shape great places and strong communities through regeneration

3. Encourage enterprise and enable employment

## **Theme 4: Citizenship and Participation**

Priorities:

1. Harness culture and increase opportunity
2. Encourage civic pride and social responsibility
3. Strengthen partnerships, participation and a place-based approach

More detail on the vision and priorities is set out on the Council's website:

[www.lbbd.gov.uk/vision-and-priorities](http://www.lbbd.gov.uk/vision-and-priorities).

At the launch of the Borough Manifesto in July 2017, it was agreed that the Barking and Dagenham Delivery Partnership would report on progress towards targets and aspirations on an annual basis. The second conference took place in October 2019 when over 100 partners came together to discuss the progress they had collectively made over the past year towards achieving the vision of the Borough Manifesto, and the opportunities in the year ahead.

The Corporate Plan also sets out the Council's performance framework. Progress against delivery of the Corporate Plan is monitored through the performance management framework, which was reported to the Corporate Strategy Group and Cabinet on a quarterly basis during 2019/20 (six monthly from April 2020) and periodically to the Audit and Standards Committee. The Cabinet Member for Performance also has the opportunity to provide constructive challenge to any Cabinet colleague via the Council's performance challenge sessions.

The 2019-20 financial year saw continued organisational change and transformation. The Council has made further progress in moving towards becoming a new kind of council, a commissioning-based organisation based on service blocks that went live in 2017-18. The structure has four delivery options which include: directly managed services, commissioned services, contracted services, and external suppliers which are all supported by a strategic 'core'.

The Corporate Plan is a key document to ensure the Council has a co-ordinated approach to delivering the vision and priorities and makes the best use of the resources available. The plan sets out 62 Key Accountabilities focused on the Council's priorities, alongside 52 Key Performance Indicators (KPIs) that were monitored in 2019/20 as part of a quarterly report to Senior Leadership Team and Cabinet. The Key Accountabilities have been identified in consultation with Cabinet Members and represent projects that are integral to the delivery of the overall priorities and running of the Council. Key Performance Indicators (KPIs) have also been developed to support delivery of our key priorities, as well as monitor performance of frontline services.

The KPI's were last revised in 2018/19 for the four-year Corporate Plan 2018-22 as the Council moves further towards delivering services through an outcomes-based commissioning model. The Corporate Plan is available on the Council's website and a new plan was agreed by the Assembly in May 2020 although that is outside of the period covered by this review.

## b) Our Values

In the delivery of the Council's business, it has developed values which continue to be embedded across the organisation and underpin all Council activity. These values have been developed by staff and represent how the Council aims to conduct its business. The values are called '**DRIVE**' and they expect everyone to:

- **D**eliver our best every day – and do what we have promised
- **R**espond in a prompt, positive way to our community's needs
- **I**nspire others with our attitudes and actions
- **V**alue people for who they are and what they can do
- **E**ngage with others to improve our resilience and flexibility

## c) Performance Management

Performance management is delivered by the corporate performance management framework which has been developed to ensure that we continue to monitor the effectiveness of our actions, whilst demonstrating how the Council's strategies are being translated into plans and outcomes. It also helps to identify if any risks are materialising where performance indicators are not showing the level of progression anticipated. Our performance management arrangements tackle underperformance and the process supports continuous service improvement. The corporate performance management framework is set out in the Corporate Plan; the key document to monitor progress and delivery of the vision and priorities. Progress for the KPIs and Key Accountabilities set out in the Corporate Plan are reported quarterly to Corporate Performance Group and Cabinet.

In addition to this, each service produces a business plan setting out the service level objectives, actions to achieve the objectives, contribution to the vision and priorities, budget and risks. The business plans, service level objectives and KPIs are monitored through each service block. The focus has changed in recent years to developing commissioning mandates which align to the Corporate Plan and Borough Manifesto priorities. The final element of performance management is individual objectives. The actions required to deliver business plan objectives are reflected in team and individual plans forming the basis of annual and interim appraisals. Appraisals are scored to reflect individual performance and the contribution towards the delivery of the Council's priorities. Regular team meetings and one-to-ones support the monitoring of delivery. Corporate quarterly monitoring provides senior managers and Members with an overview of the Council's direction of travel.

To further ensure effective performance delivery and value for money, Internal Audit assessments are carried out as a third line of defence using a combination of in-house and externally sourced professionals.

There are a number of Corporate Groups/Boards, each chaired by the Chief Executive or a member of the Council's Senior Leadership Team, they are:

- Corporate Strategy Group
- Corporate Performance Group
- Corporate Assurance Group
- Leadership Group

# Appendix 1

In addition, the Council has the following boards to deliver on operational, strategic and performance matters:

- Workforce Board
- Procurement Board
- Customer & Information Management Board
- Investment Panel (see below)

The Council operates an overview and scrutiny function, which allows Members to challenge decision makers, scrutinise performance, review important policies and advocate on behalf of the community.

Following changes to the Council's constitution in May 2018, the Council's Overview and Scrutiny functions are fulfilled by the Overview and Scrutiny Committee, except for health-related matters which are the responsibility of the Health Scrutiny Committee. The Overview and Scrutiny Committee supports the work of the Cabinet and the Council as a whole by considering and making recommendations through the scrutiny review process; scrutinising key decisions made by the Cabinet and other decisionmakers; and holding them to account and reviewing matters relating to a wide range of partner organisations.

One of the Cabinet portfolios, Finance, Performance and Core Services, looks at how the Council is meeting its objectives and where there are areas for improvement. Alongside this are the quarterly performance challenge sessions and monthly 'deep dives'. The quarterly challenge sessions allow for performance to be effectively discussed with the consideration of actions to tackle underperformance. All portfolio holders attend the session and present the performance of the Key Performance Indicators (KPIs) and Key Accountabilities for their portfolios to the Cabinet Member for Corporate Performance & Delivery, the Leader and Chief Executive. Through the monthly 'deep dive' sessions, focus is given to specific areas of concern and used to discuss the reasons for underperformance and what actions are being taken to deliver improvements.

## **d) Council Constitution & Rules and Regulations**

The Council's Constitution sets out the roles and responsibilities of officers and Members. It provides details about how decisions are made and who can make them. It also contains the rules for managing the finances and resources effectively. The Council has adopted the strengthened Leader model and, under this model, the Council's executive functions are discharged by the Cabinet as a collective body, by the Leader of the Council or delegated to officers. It provides clear accountability, effective leadership and decision making to drive forward service delivery. The Assembly retains strategic decision-making powers such as the budget framework.

In addition, the Council has a Health and Wellbeing Board established under the Health and Social Care Act 2012. It is an executive committee with a specific primary duty to encourage those who arrange for the provision of health or social care to work in an integrated manner. Membership is a combination of Cabinet Members and prescribed appointees. The board is a forum where key leaders from the Barking and Dagenham health and social care system work to improve the health and wellbeing of



# Appendix 1

local residents and reduce health inequalities. It has an agreed set of priorities – these are outlined in the borough’s Health and Wellbeing Strategy.

The Council has recently created five arm’s-length companies. These are:

- BeFirst - a council-owned regeneration company, to work with the flexibility of the private sector and the ethos of the public sector to accelerate the pace and scale of our regeneration while ensuring it remains inclusive established to deliver the real estate development of Social Housing and Regeneration Schemes in a faster timeline than the Council was able to;
- Reside - a council-owned municipal housing company, providing genuinely affordable homes to local working people, catering for those on a range of different incomes.
- B&D Energy – a council-owned green energy company, has been established to offer sustainable heat and power to new housing developments within the borough and surrounding areas.
- B&D Trading Partnership (BDTP) - a council-owned company that manages the workforce for Facilities Management and Catering and offers maintenance and catering services to business and government bodies with the area; and
- B&D Schools Improvement Partnership (BDSIP) – a company owned by the Council and a number of schools, with the aim of providing services to schools to improve outcomes for pupils.

Each company has signed a shareholders’ agreement. This sets out the responsibilities of the company in areas such as operating parameters and required output. Additionally, company directors have signed a members’ agreement between themselves and the Council that sets out the code of conduct for directors.

The Council has created a Shareholder Panel as an advisory board to support Cabinet decision making around the Council’s role as Shareholder in any Company, wholly or partly owned by the Council. The Panel has the primary aim of managing the Council’s shareholder interests in its commercial entities and to ensure the performance of the Companies against agreed Business Plans are satisfactory. The Shareholder Panel provides assurance that all legal Shareholder requirements are fulfilled and through its governance and reporting framework seeks to protect the delivery of the Council’s strategic objectives.

Membership of the Shareholder Panel includes Members and Chief Officers and receives quarterly input and performance reports from each of the commercial entities. The Shareholder Panel will periodically report Company performance to Cabinet, with a minimum of one report per Company per annum or as otherwise requested by Cabinet.

The Council also has an Investment Panel made up of Council officers that evaluates the case for investments. The Investment Panel advise the Chief Operating Officer with regards to authorising the release of funds for lending to the companies.

Where key decisions are due to be made the Council publishes details in the Forward Plan prior to the decision-making meeting. Those meetings are open to the public unless exclusion is necessary for reasons of confidentiality under the Local Government Act 1972.

# Appendix 1

The Council Constitution continues to be kept under constant review and the Assembly agreed a number of amendments in May 2019 which saw a reprogramming of the Assembly to meet six times a year to avoid the four-month gap following the annual meeting and amendments and clarifications of Committee Terms of Reference.

Alongside the Council's Contract Rules and Officer Scheme of Delegation, the Council has financial regulations which provide details of officers' responsibilities relating to income, expenditure, internal control, risk management and partnerships. To support officers when they made purchases, the Council developed a code of procurement practice. These were all kept under review with a number of independently reviews mechanisms in place to ensure compliance.

The Council had the following statutory officers during 2019/20: Chief Executive (Head of Paid Service), the Chief Operating Officer (Section 151 Officer / Chief Financial Officer) and a Director of Law and Governance (Monitoring Officer), each of whom has the power to refer matters to Assembly if a breach of any regulation has occurred or is anticipated. By law the Council must also appoint a Director of Children's Services and a Director of Adult Services and both roles are served by the Director of People Services. A Director of Public Health is in post and this has been a statutory position since April 2013 with the transfer of the Public Health function to the Council.

The Council's financial arrangements fully conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The Chief Operating Officer was responsible for the proper administration of the Council's financial arrangements during 2019/20 and leads a suitably qualified finance team of officers. The Chief Operating Officer was actively involved in and able to bring influence to bear on all material business decisions to ensure immediate and long-term implications, opportunities and risks, were fully considered and in alignment with the Council's Medium Term Financial Strategy.

## **e) Risk Management**

Risk management is essential for the Council to be effective in realising its priorities and was well embedded within the Council in 2019/20. It continues to promote innovation in support of strategic objectives - opening the door to the possibility of taking risks to achieve positive outcomes. Proper risk assessment enabled informed decisions about the challenges and risks to be taken and the mitigation of any impacts. It also helped the Council to target its resources to achieve the best possible results with value for money in resources used.

The management of risk was embedded throughout the Council's key governance frameworks in such areas as:

- Key decision making;
- Planning processes;
- Programme and Project management;
- Procurement processes;
- Partnership working arrangements;
- Capital Programme management; and
- Change management processes.

# Appendix 1

In September 2019, a new Risk Management Strategy was approved by Cabinet. The strategy states that 'the LBBB Risk Management vision is that the Council will have a robust system of risk management in place to identify, assess and manage the key risks in the Borough that may prevent it achieving the priorities identified in the Corporate Plan. Effective risk management will be a key management tool for LBBB, that is used to understand and optimise the benefits it can generate from calculated risk taking, as well as helping to avoid and manage 'unwanted surprises'.

Under the Financial Regulations (Section 5.4.3) Chief Officers are responsible for: 'maintaining risk registers in accordance with the Risk Management policy and framework, issued by the Council's Risk Manager. Chief Officers will regularly review the risks and advise the Council's Risk Manager appropriately of any material changes as they arise'. The Audit and Standards Committee is responsible for 'receiving reports and making appropriate recommendations concerning...risk management', as defined in the Council's Scheme of Delegation.

When the Council-owned companies were established, business cases were presented to Cabinet for the approval and these contained risk registers that looked at the risk around their establishment and operation. The Council now has a risk register that includes risks relating to the ownership of the companies including any defined reputational risks and this is now reviewed before each quarterly meeting to update it for changes in the risk profile that occur as business plans are updated and quarterly reports are received. This process is also incorporated into the wider risk management process

## **f) Codes of Conduct**

### Corporate and Organisation

The Council developed a major revised *Local Code of Corporate Governance* to take account of the CIPFA/ SOLACE 2016 Framework. The Council has an Employees' Code of Conduct supported by a requirement to make declarations of interest and to declare gifts and hospitality. Interests have to be declared by officers above a certain grade and those in certain decision making and procurement positions. Officers are generally recommended to decline gifts and hospitality to ensure that officers were not inappropriately influenced. These codes and processes were made available to staff at their induction, they are on the intranet and online training was available to ensure every staff member understood their responsibilities.

### Members Codes of Conduct

The Council, within the timescales, duly adopted a local code of conduct which is drafted in accordance with the Nolan Committee's recommendations for standards in public life and revised codes for Planning and Licensing committees have also been introduced to take account of the changes. These have been incorporated into the Constitution and the Register of Members Disclosable Pecuniary Interests successfully established and completed. This has been supported by a Dispensation regime which enables Members to seek Dispensations to take part in meetings where

## Appendix 1

they may have a declarable interest. The Members Code has specific guidance on the issues of gifts and hospitality.

The Localism Act 2011 required that the Council must have in place 'arrangements' under which allegations that a member or co-opted member of the authority or of a Committee or Sub-Committee of the authority who has failed to comply with the Code of Conduct can be investigated and decisions made on such allegations. The arrangements required the Council to appoint at least one Independent Person, that is someone whose views must be sought by the Council before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the authority at any other stage, or by a member against whom an allegation has been made.

The Council furthers the arrangements required under the Localism Act by its Audit & Standards Committee chaired by an elected Member and composed of elected Members. Complaints are managed by the Monitoring Officer who determines according to the Complaints Procedure whether matters should be reported to the Audit & Standards Committee for full investigation. Complaints are then considered by a Hearing Sub-committee established by the Audit & Standards Committee for that purpose.

The Council's Audit & Standards Committee continued to oversee adherence to the Councillors' Code of Conduct, handled any complaints under this and also monitored compliance with employee related Codes of Conduct. The Audit & Standards Committee receives annually a report from the Monitoring Officer setting out the declarations of gifts and hospitality received by both Members and Officers. All policies and protocols relating to Members and officers as well as members of the public who volunteer to undertake Council activities were reviewed on an annual basis.

### **g) Whistleblowing and Members Complaints Process**

The Council has a robust whistle blowing procedure which is actively promoted within the Council. The whistleblowing policy was last reviewed and updated in September 2019. Complaints against Members were handled in confidence and according to the strict timetable and procedure set out in the Code of Conduct and Complaints Procedure. There were three complaints against individual Members, all of which were dismissed at the first stage by the Monitoring Officer by reason of no evidence of a breach. One of these was subsequently withdrawn.

The Audit and Standards Committee maintains an ongoing review of complaints made, patterns and outcomes which are considered as a regular business item during the Committee cycle.

### **h) Training and Development**

#### Member Induction

The Council has an Induction Programme, based around the key priorities identified by Members and senior officers. This includes a pre-election event for prospective

## Appendix 1

candidates to ensure they understood in advance, the role and responsibilities of being a councillor and the training support they can expect.

Extensive Induction handbooks are produced for all Members, and there is a tailored version for Cabinet Members. There is training for Development Control, Licensing and Personnel Boards and members of Select Committees at the beginning of each municipal year with update sessions as required. Bespoke training for members of the Pensions Panel is also arranged.

There are all-Member training programmes for internal events. External learning events and mentoring is supported particularly for holders of key positions such as Cabinet and Chairs of Boards and Select Committees. The Induction programme for the new Members includes an intensive training programme and written information on a range of topics including standards and promoting democracy.

### The Member Development Programme

The Council has a Member Development Programme based around the key priorities identified by Members and senior officers. In addition, the Member Development Group (which includes nine Members) meets quarterly to review member training needs, and officers review requirements with the Organisation and Member Development Officer. The Members Role Profiles list the knowledge and skill requirements for different positions and expected areas of learning and development.

The Member Development Programme is overseen by the Member Development Group. This is comprised of Members from Cabinet and a range of back bench Members from different boards and committees to ensure any new learning needs are quickly noted and addressed including the Council's Monitoring Officer. A full programme of Induction and follow-up training and briefings are arranged for all Members. There are a mix of skills-based and knowledge-based sessions. There is a detailed process for inducting the newly-elected Cabinet Members. This includes the use of Peer Mentors for the Cabinet and the opportunity for all members to develop a bespoke personal development plan.

Cabinet Members, Committee Chairs and Deputies are offered the opportunity to attend the full Local Government Association (LGA) Leadership Academy Programmes which are designed specifically for councillors. Newly-elected councillors are offered the opportunity to attend introductory Leadership Academy residential weekends. There is a designated officer who co-ordinates the development programme and assesses training needs. Training is supplemented through weekly electronic Member Briefings, information from London Councils as well as the Council and LGA's suites of e-learning programmes.

All Select Committee members have training as part of their induction agendas and agreed specific training during the year to remain current and to address identified needs. Induction training was provided for newly appointed Members of all quasi-judicial boards, some of which was assessed.

The Council was accredited with the London Charter Plus for Member Development in April 2017. Charter Plus is a nationally recognised structured quality framework which assesses the processes, impact and effectiveness of member development. Following extensive desktop and interview assessments with councillors and chief officers, the Council were shown to have met Charter Plus criteria: commitment to

# Appendix 1

councillor development and support, strategic approach to councillor development and that learning and development is effective in building councillor capacity.

An on-line Members' handbook (Members App) was introduced in February 2018. This is uploaded onto their iPads and provides easily updateable information on the councillor role, the Council and Borough, media and communications, Member learning, support and ward resources.

## **i) Communication and Engagement**

The Council is committed to changing the way it consults and engage with residents. We want to ensure local communities are more involved in shaping the places in which they live and provide them with the opportunity to engage during all stages of service design and delivery.

In response to that commitment, in Summer 2020 a new consultation and engagement website, One Borough Voice, was launched. The new platform features a number of innovative tools beyond the conventional method of conducting surveys. These tools allow us to engage with residents in an interactive and creative way, encourage them to share their stories, experiences and maintain ongoing conversations about the issues that really matter to them, enabling shaping of services and policies and in some instances leading to local neighbourhood action.

The Council launched a new resident engagement and action initiative, the Citizens' Alliance Network in June 2020. Initially an online platform, this will grow into an online and face to face network operating across the borough, supporting residents to have more of a say in the things that matter to them, and supporting them to take action in their communities.

The Council have developed a great opportunity for local community groups to access grant funding for projects that will benefit their local area through NCIL (Neighbourhood Community Infrastructure Levy). This is an exciting and rare form of community funding which is genuinely participative, placing residents at the heart of the decision-making process with decisions on which of the applications receive funding being made by a panel made up of local residents who are identified via sortition.

## **j) Partnerships**

In addition to the executive functions of the Health and Wellbeing Board, the Council utilises partnership boards, which are aligned to the borough manifesto targets and the priorities set out in the corporate plan. The partnership boards each have their own plans, identifying their aims to deliver these priorities and contribute to delivering the vision for the borough. They are responsible for monitoring performance, ensuring appropriate partnership representation and where relevant meeting legislative requirements. These boards are:

Health and Wellbeing Board – The Health Wellbeing Board brings together key health partners in order to deliver the priorities set out in the Health and Wellbeing strategy. It is chaired by the portfolio holder for Social Care & Health Integration and plays a driving role in ensuring residents lead healthy, independent lives and have choice over the care they receive.

# Appendix 1

The Council has worked with a range of NHS partners, including the Clinical Commissioning Group (CCG) to develop proposals to integrate further health and social care services. Key to this was work through our Integrated Care Partnership which brings together 3 neighbouring local authorities, 3 Clinical commissioning Groups and 2 NHS provider Trusts. As part of the devolution “ask” for London a proposal for an accountable care system has been put forward.

Community Safety Partnership - Together the partners address complex issues and have worked openly to develop and implement solutions to create a safer, stronger and more cohesive borough with reduced levels of crime.

Through the Community Safety Partnership the Council together with the other ‘responsible authorities’ (NHS, Police, Probation, LFCDA, MOPAC) discharged its responsibilities for reducing crime and disorder and making Barking and Dagenham a safer and stronger community.

The Council has operated a joint venture with Agilisys called Elevate East London since 2010. This joint venture covers a variety of core services including ICT, Revenues and Benefits, Customer Services, and Procurement and Accounts Payable. Governance arrangements are in place for the partnering agreement including a Strategic Partnering Board influencing the strategic direction of the partnership and a Client Function responsible for managing the performance of the contract for each of the services being delivered by Elevate to the Council.

The contract was originally let for seven years but was extended in 2015 for a further three years. With the contract ending on 9 December 2020 the decision was made to bring all core services in-house under a phased return of services approach, with the first of three key transition activities occurring in February 2020 and concluding in December 2020. Service delivery remains the responsibility of the joint venture until each transition date, from when Agilisys is no longer jointly responsible. Whilst the exit of the Elevate joint venture is part of a wider transformation programme underway at the Council, services currently performed by the joint venture will be brought in-house ‘as is’, with any transformation activities to occur at a later date.

Since the decision was made, a number of activities have commenced to ensure the smooth transition of the services back to the Council. A Deed of Variation was signed with Agilisys in April 2019 to put into effect an Exit Plan and to agree the terms of the phased transition, including confirming final payment arrangements and one-off payments to be made in relation to the transition. A dedicated Programme Manager was also appointed, and contract transition plans were developed for each key service area. To support the Exit Plan outlined in the Deed of Variation, a resource plan and contract transition plan specific to human resource activities were also developed, as the transition will involve the transfer of approximately 300 staff to the Council. Work has also been performed by the Council to ensure all contracts that will need to be novated or re-procured have been identified.

## **k) The Borough Manifesto and the Barking and Dagenham Delivery Partnership**

### Borough Manifesto

In February 2016, the Council’s Independent Growth Commission published its final report, it included 109 recommendations to ensure improvements of outcomes for

# Appendix 1

residents and to capitalise on the borough's growth opportunities. One such recommendation was to develop 'a borough manifesto setting out a shared vision for the borough and owned by residents, partners and key stakeholders in the borough'.

Consequently, Council officers began work in partnership with all local stakeholders on the development of '*Barking and Dagenham Together: The Borough Manifesto*'; a shared, place-based, 20-year vision for the borough, owned and delivered collectively and collaboratively by the Barking and Dagenham Delivery Partnership (BDDP). The Borough Manifesto sets the roadmap of what collectively the Council and partners need to deliver. Progress against the targets will be monitored by the BDDP.

The Manifesto was agreed by Cabinet in July 2017 and launched in the same month at an event hosted by Coventry University London. The launch was well attended by partners and other stakeholders. Partners fully supported the vision and targets set out in the manifesto and spoke about the need for everyone to play their part. The manifesto forms the top layer of the Council's strategic framework which informs all other strategies.

## Barking and Dagenham Delivery Partnership

In parallel with the development of the Manifesto's vision, the Cabinet approved the establishment of the Barking and Dagenham Delivery Partnership (BDDP) in November 2016. The BDDP is comprised of local partners from across the public, private and third sectors, and will collectively be responsible for providing oversight, direction, and leadership in order to achieve the aspirations for the borough. BDDP meets on a quarterly basis and part of its role is to monitor and analyse progress towards delivering the Manifesto vision. Progress towards achieving the targets will be publicly reported on an annual basis.

Work is also underway to develop the partnership in order to enable it to deliver effectively. *Lankelly Chase Foundation* have funded Collaborate CIC to work with LBBD and in particular explore effective partnership working in Barking and Dagenham. The initial focus is on supporting the development of the delivery partnership with the aim of ensuring partners are working towards shared aims, that those aims are clearly articulated and understood, and that the relationships and infrastructure are ready for new forms of collaboration and place-based working. Developing effective 'place' based collaboration.

## **I) Schools**

The governance of maintained Schools is the responsibility of appointed Governing Bodies. The Governing Body role involves setting, monitoring and evaluating progress toward achievement of strategic aims and objectives, whilst optimising their use of financial and other resources.

The Council's role is to champion children and intervene where necessary or alert the regional schools commissioner for academy schools e.g. where there are concerns about performance or safeguarding.

The November 2014 Ofsted inspection of the local authority confirmed that the Council knows the strengths and weaknesses of governing bodies well.



# Appendix 1

The quality and performance of schools and governance has improved year on year in the borough and, as of March 2019, nearly 90% of schools are judged 'Good' or 'Outstanding' by Ofsted. This is above the national average. Governance and leadership arrangements are a key part of this judgment.

## **m) Counter Fraud**

The Authority has a dedicated Counter Fraud team that follows the latest best practice including implementing the national counter fraud standards. Their work is underpinned by Council policies to promote and enforce fraud prevention and ensuring robust mechanisms are in place to acknowledge the risks of fraud, prevent its occurrence and pursue cases, apply appropriate sanctions & recover any losses through proceeds of crime legislation.

## **n) Audit and Standards Committee**

One function of the Audit and Standards Committee is to oversee and improve the Council's governance and regulation, assurance and risk management, fraud and corruption prevention, performance and compliance, sound financial management to achieve value for money and transparency and open government. The Audit and Standards Committee took over this function from the Public Accounts and Audit Select Committee in June 2018 and functions with broader terms of reference including standards and governance.

The Audit and Standards Committee has an annual work programme and during 2019/20 received reports on internal audit, counter fraud, risk management, external audit and the annual accounts, complaints against Members, information security and information governance.

## **o) Information Governance**

Annually each spring an Information Governance Report is produced for the Audit and Standards Committee by the Chief Operating Officer. Training in information handling is a key priority with professional development of Members and officers an essential requirement, not least as a control mechanism to help prevent data breaches. A revised i-learn 'Data Protection' course has been developed that is mandatory for all staff and managers. The mandatory course must be completed annually and it incorporates changes brought about by the GDPR legislation. Completion rates are monitored and will form part of the staff annual appraisal process and staff are also provided with a link to a number of information governance policies that they must read as this was a recommendation required by the ICO following the audit.

Following an audit of the Council in 2017 by the Office of the Information Commissioner (ICO), work continued in 2019/20 to implement the actions arising from the action plan sent to the Council in September 2017. Information data breaches continue to be reported and investigated internally to ensure that lessons are learnt, the likelihood of breaches is reduced and arising risks are mitigated.

The levels of reported breaches have shown a noticeable increase over the past few years because of greater awareness of the need to report even minor breaches, in part as a result of the annual data protection training which is mandatory for staff.

# Appendix 1

Critical breaches still occur, on average, about twice a year and it is these that are the main focus of the Council's prevention / management activity. One critical case was self-reported to the Office of the Information Commissioner (ICO) in 2016, none in 2017, four in 2018 and five in 2019. In all cases the ICO felt that the council took sufficient steps to mitigate and accordingly no further action was taken.

## **p) Transformation Programme**

In relation to the Transformation programme current governance process operates through regular reporting to Corporate Performance Group (CPG) and Cabinet.

There are many risks and dependencies in relation to achieving the savings from the programme and these are regularly reported through CPG and to the relevant portfolios. In addition, The Transformation Director meets with each Programme Sponsor monthly and each Programme Manager fortnightly to ensure the plan is on track and the financial targets are being achieved. A dashboard is produced containing comments and red, amber, green ratings from the PMO, Finance, the Programme Manager and the relevant Sponsor, ensuring full ownership of the content being reported.

The original budget for the programme was agreed by Cabinet in July 2016. These costs are tracked each month and reported through both CPG monthly and quarterly through Cabinet. The spend remains well within the budget limits set per year. All requests for staffing are put through the workforce governance procedures and procurement rules are followed. Each role is tested against the HMRC IR35 tool and this is then sent to the agency prior to recruitment. A copy is also retained for our records.

## Section 3

***Presents an opinion of the level of effectiveness and assurance of the Council's governance arrangements.***

In the light of evidence reviewed in relation to 2019/20 it is confirmed that the Council's governance arrangements are fit for purpose, that the Council's values, ethical standards, laws and regulations are being complied with, that financial statements and other published performance information are accurate & reliable, and that human, financial, environmental and other resources are managed efficiently and effectively.

The Council has embarked on a programme to transform the Borough and how the Council works. To achieve this, the Council will need to be innovative and efficient in-service delivery, adopting commercial practices where the business case supports this approach. The Council recognises that robust governance and embedded risk management processes will be fundamental to underpin the successful delivery of the programme. In addition, workforce policies are an essential element to bring about the cultural change required over the next four years. Accordingly, comprehensive programme management arrangements are operating, ensuring that risk management and governance structures continue to be fit for purpose, as part of the organisational change that is proposed and has been implemented. The Council was awarded the Silver Investors in People accreditation in 2018 demonstrating our investment in and commitment to our staff.

### **Review of Effectiveness**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. Assurance on the review of effectiveness is informed by a range of evidence, both internal and external, including: the work of the Senior Leadership Team and Senior Managers responsible for the development and maintenance of the governance environment; the Head of Assurance's annual report; comments made by the external auditors; and comments by other review agencies and inspectorates.

For this Governance Statement the Strategic, Operational, Commissioning, Service and Transformational Directors were invited to complete standard statements addressing governance issues in their areas. These were collated, with observations and recommendations and presented to the Corporate Assurance Group, for their comments and feedback. This ensured that the full span of the Council's management team was consulted.

One of the functions of the Audit and Standards Committee to oversee and improve the Council's governance and regulation, assurance and risk management, fraud and corruption prevention, performance and compliance, sound financial management to achieve value for money; and transparency and open government.

Audit and Counter Fraud Reports are presented to Audit and Standards Committee periodically to assist it in undertaking these functions.

## Appendix 1

As part of the Head of Assurance's annual report, an opinion was given on the Council's internal control framework. The Head of Assurance drew upon a wide range of assurance sources to help inform this opinion, including testing of the key controls in the Council's major financial systems and the wider programme of audit and corporate counter fraud work. The Head of Assurance reported the opinion that based on the audit work undertaken their conclusion was that the organisation's control framework is operating generally satisfactory with some improvements required.

It is a statutory requirement that the Council must "undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

The 2019/20 Internal Audit Plan, approved by the Audit and Standards Committee in April 2019, included 29 audits consisting of 27 risk and compliance audits, 1 schools' risk assessment project and one follow-up project for prior year schools. 41 audits were delivered, consisting of 29 risk and compliance audits and 12 audits of schools, with reasons for variations in the plan being reported quarterly to the Audit and Standards Committee.

Internal Audit work was performed in accordance with the Council's Internal Audit Charter and Strategy in accordance with the Public Sector Internal Audit Standards.

No Internal Audit reviews were issued in 19/20 with a 'No Assurance' opinion. There were however 13 audits whereby a "Limited Assurance" audit opinion was given; these are listed below and all high risk findings were reported to the Audit & Standards Committee during the year:

- Liquid Logic System Implementation;
- Debt Recovery & Write-Offs;
- Procurement Cards;
- Voids;
- Accounts Receivable;
- Oracle System;
- Key Performance Indicators - Monitoring & Reporting;
- Emergency Planning & Business Continuity;
- Freedom of Information Requests;
- Passenger Transport;
- Children's Transportation and Commissioning;
- Right to Buy Sales and Leasing; and
- Children's Transportation Commissioning.

All of these audits are subject to robust follow-up of the high-risk findings with corroborating evidence of control improvements required. Updates are reported to the Audit & Standards Committee periodically.

The Council's Monitoring Officer has a responsibility under the Local Government and Housing Act 1989 to maintain and ensure consistent lawful processes and decision making and that arrangements secure effective and efficient working of the Council, its meetings, committees and working groups with the required officer support. They report that they are not aware of any specific governance concerns for the period.

## Complaints

### Ombudsman

During the period there were 16 complaints referred to the Council by the Ombudsman with 11 that were upheld. Comparative figures for 2018/19 and 2017/18 are 20 complaints (16 upheld) and 44 complaints (5 upheld) respectively.

### Complaints by the Public

During 2019 there were 3,566 complaints received with 2,066 of these being upheld. Comparative figures for 2018 are 3,826 complaints with 2,193 upheld.

Complaint numbers for Social Care and Education are reported separately according to statutory requirement. During 2019/20 there were 81 complaints in Children's Services with 60 being upheld, 54 in Adult Social Care with 8 being upheld and 18 in Education with 9 upheld. In 2018/19 there were 103 complaints relating to Children's Services, 34 for Adult Social Care and 15 for Education.

## Section 4

***Sets out any significant governance issues that need to be addressed and how any issues from the previous years' governance statement have been resolved.***

### **Previous Year 2018-19**

The 2018-19 AGS had identified the following themes:

- Staffing;
- Inclusive Growth Strategy;
- Ofsted Inspection of Children's Services;
- Phased Transition of Elevate Services;
- Transformation – Creating a 'New Kind of Council'; and
- Statement of Accounts

Progress against these challenges is detailed below:

#### **Staffing**

This remains a headline governance challenge – see below.

#### **Inclusive Growth Strategy**

The Council has drafted an Inclusive Growth strategy, setting out the council's goals, positions and commitments in relation to this core area of focus for LBBD. The aim is for this to be agreed by Cabinet towards the end of the year. The strategy clarifies where responsibility sits for different functions and objectives relating to inclusive growth and sets out the desired role for partners. In addition, the strategy has established and framed a comprehensive outcomes and performance framework in relation to inclusive growth, encapsulating the wholly owned companies and in-house service blocks that are responsible for delivering on this agenda for LBBD.

#### **Ofsted Inspection of Children's Services**

In February 2019, the Council was subject to a Standard Inspection under the Ofsted Inspection of Local Authority Children's Service (ILACS) framework. Ofsted determined that services for children in Barking and Dagenham require improvement in all judgement areas, as they did at the last inspection in 2014, although the judgement was consistent with the Council's annual self-evaluation to Ofsted and inspectors did at the time report that strong and effective senior leadership had been in place under the (at that time) recently appointed Director of Children's Services. Six specific recommendations were made by Ofsted.

A full Ofsted Improvement Plan was developed after the Inspection, reflecting work being undertaken to meet Ofsted's recommendations and work against this action plan has been progressing at pace. In addition, a much broader improvement plan for Children's Care and Support has been developed, which better reflects the full depth and breadth of the Council's ambitions for improving the range of services impacting on children and young people. This has included the development of the new Target Operating Model for Children's Social Care, a revised quality assurance and audit framework and the development of the partnership neglect strategy.

## **Phased Transition of Elevate Services**

Since the decision was made to transition services back to the Council from Elevate East London LLP (Elevate), a number of activities have commenced to ensure a smooth transition. A Deed of Variation was signed with Agilisys in April 2019 to put into effect an Exit Plan and to agree the terms of the phased transition, including confirming final payment arrangements and one-off payments to be made in relation to the transition. A dedicated Programme Manager was also appointed, and contract transition plans were developed for each key service area. To support the Exit Plan outlined in the Deed of Variation, a resource plan and contract transition plan specific to human resource activities were also developed, as the transition will involve the transfer of approximately 300 staff to the Council. Work has also been performed by the Council to ensure all contracts that will need to be novated or re-procured have been identified.

The Internal Audit team commissioned an independent review of the plans during 2019/20 that was carried out by PwC via a framework agreement with LB Islington. The review was positive and a 'reasonable assurance' opinion was given over the control environment with one medium and one low risk action agreed with management.

Actual transition of staff started in February 2020 with the Contact Centre, Procurement and Accounts Payable. ICT followed in July 2020 and the final team, Revenues & Benefits return in September. The contract finally ends on 9 December 2020.

## **Transformation – Creating a 'New Kind of Council'**

In July 2016 Members gave the green light for plans to redesign the structure of the Council from first principles, to build a 'new kind of Council' capable of constructing the preventative system we aim for and, ultimately, realising the vision of the Borough Manifesto. In the years that have passed, this structural transformation has been implemented through our Ambition 2020 programme. We now have the structural framework needed to undertake our approach and are in a new phase of transformation that emphasises the importance of building a preventative system through a focus on what we do, who we work with and how. See below about the challenge of creating a 'well run organisation'.

## **Statement of Accounts**

This remains a headline governance challenge – see below.

## Headline Governance Challenges from 2019/20

### **Impact of Covid-19**

The Council is adhering and responding at pace to government guidance in response to the pandemic. Priorities have necessarily been changed to focus on the need to distribute emergency funding to vulnerable residents and to support essential services. Business as usual has changed to accommodate this but key processes and functions have been maintained. An ongoing assessment of the impact of the coronavirus pandemic on council services and council systems will be needed to ensure good governance.

Current analysis suggests that the resources announced so far from central government do not cover the full costs of the pandemic. The council needs to ensure that the additional spending and loss of income (particularly from council tax and business rates) are fully recovered from central government. The council is maintaining a log of all spending commitments and income losses relating to the pandemic to enable full accountability. The Council recognises that the Covid-19 crisis has had a significant financial impact and will have a long-term effect on the level of resources available to the Council. As part of its Medium Term Financial Strategy (MTFS) the Council will continue to assess its medium term financial position and update its assumptions about the resources available to, and the investment needs of, the Council in light of the consequences of the Covid-19 crisis. The Council is also facing financial pressure from a combination of additional cost, lost income and the delay to the delivery of savings agreed as part of the Council's MTFS.

There are early indications that there will be financial stress on major service contracts such as leisure, a fall in commercial property income and a delay to capital programme works that will need to be assessed in the medium and longer term.

The Coronavirus Act (2020) allows authorities to conduct meetings and take decisions in ways other than face to face so that decisions can still be made to maintain good governance, principles of openness and accountability. The council has adapted its approach by assessing which decisions can be delayed and re-scheduled and which decisions need to be made at pace to deal with the pandemic. Virtual meetings have now been instigated to ensure transparency and good governance prevails and allows access to the public and press.

Contract monitoring of some third-party providers has proven challenging in the current climate. This is partly due to a restriction on site-visits, and partly due to providers being asked to (or simply having to) drastically change their delivery model from that specified in the contract as a result of Covid-19 – further challenging our ability to effectively monitor certain contracts.

Demands on IT systems and staff will be considerable as most office-based staff will continue to work remotely and emergency deployment will remain in place.

### **Brexit**

The Council continues to have a key role to play on behalf of the residents and businesses of the borough in terms of Brexit, which is likely to have wide ranging impacts on public services, communities and business.



# Appendix 1

Throughout the process of preparing for the UK's exit from the European Union, the legal and political dynamic of the situation has been such that at any one time a range of scenarios have been possible. LBBD continues therefore to take a proactive approach, the key elements of which remain:

- Supporting Members, and the organisation more generally, in its policy and communications.
- Providing reassurance and effective advice to support to our communities, especially the most vulnerable.
- Ensuring that council's services are prepared as much as possible for the anticipated impacts of the different scenarios for the leaving the EU.

Although the UK has now left the European Union, there remains a lot of uncertainty with regards to what the situation will be at the end of the transition period. With this in mind, preparations will be focusing less on emergency planning for the weeks following a potential no deal EU Exit, and more on the long-term future impacts on Council services, communities and the local economy, and prompting local stakeholders to make suitable preparations. We are therefore reviewing the make-up of the officer working groups to ensure that it covers the range of areas that need to be addressed.

Senior officers will continue to monitor the situation to ensure the Council is making the necessary preparations. The present arrangements are that the Director of Policy and Participation is taking the corporate lead.

The Council has embedded the impacts of Brexit into its risk management and continuity planning processes, with responsibility shared across its senior leadership team. Brexit has been placed on the corporate risk register, and associated risks are kept under regular review by the Corporate Assurance Group. The Council is also engaging with central government, primarily through London Councils, to co-ordinate a pan-London approach.

The Council has business continuity plans for each of its services. The business continuity plans have been updated and revised with an explicit Brexit focus as developments are known, including the specific risks of any 'no deal'. We continue to ensure that this process feeds into the strategic view of impacts and mitigations. The Emergency Planning team continue to monitor Brexit developments in their emergency response planning role.

## **Core Transformation Programme**

The success of all activity associated with the three corporate priorities of 'Participation and Engagement', 'Prevention, Independence and Resilience' and 'Inclusive Growth' is dependent upon the capacity and capability of the Council's core and support functions to enable and collaborate with each service delivery block across the Council's system. It is for that reason that there is a fourth, cross-cutting section to the Single Performance Framework, concerned with the operation of the Council's support functions and the way in which our business is operated. This is called the 'Well Run Organisation'.

Key to the next two years is ensuring there are 'best in class' support functions which enable service delivery blocks to play their part as specified through the commissioning system. This means getting the basics right in terms of governance,

# Appendix 1

HR, finance, procurement, and customer service. But it also means a step change in our approach to commissioning, policy, insight, technology, and how we facilitate participation from residents in Council business. And we must do this while adapting to a rapidly changing situation as the Coronavirus pandemic and its fall-out continues to unfold.

Over the next two years, the Core Transformation Programme will 'root and branch' re-design the Core functions around the principles of the Council's approach to public service; a new culture and ethos. This final piece of the puzzle of the Council's structural transformation will develop its support functions to be relentlessly reliable, lean and efficient, modern and agile.

In time, as the Core Transformation is implemented, the 'blueprints' for each function of the Core will be developed to include comprehensive performance frameworks that evidence the standards of excellence to be achieved by our functions in supporting the wider approach of the Council. This development will require the iteration of this section of the Single Performance Framework. Until then, this section of the Framework serves as an interim way of analysing and shaping the improvement activity that is in-train or on the visible horizon.

## **Staffing**

As in previous years there again appears to be pressure in terms of recruitment and retention of specialised staff particularly social workers and legal practitioners. This challenge is not exclusive to the Borough and illustrates the point that unless the overall employment proposition is competitive and attractive the churn inevitably leads to valuable technical skills and organisational knowledge being lost to the organisation.

Periods of radical change can be unsettling, and leadership is more essential than ever. The Council currently has silver accreditation from Investors in People' and was recognised by the LGC as 'Council of the Year' in 2018 in relation to the ambitious change programme particularly its design and implementation. Such recognition ensures the council's reputation is evidenced across the sector and will also attract employees. The issue of having sufficient competent well performing staff is key to sound governance. Once experienced staff have left, they may prove to be difficult to replace in times of upheaval and financial uncertainty.

## **Statement of Accounts**

The preparation of timely, high quality accounts is a key component of a system of good governance. The Council's external auditors, BDO, reported in their Audit Completion Report that there had been significant challenges to the completion of their work relating to 2018/19, particularly with regard to the completeness and quality of the draft financial statements and supporting working papers. This resulted in additional audit testing being necessary and significant changes to the draft financial statements. BDO highlighted significant deficiencies in internal control relevant to the preparation of the statement of accounts and a high volume of errors was identified through multiple iterations of group consolidation working papers. A number of the misstatements were in relation to the previously audited prior year (2017/18) some of which resulted in a prior period adjustment.

2018/19 was the first year of consolidation of the group accounts and the fact that each subsidiary follows a different accounting framework has created an

## Appendix 1

understandably significant challenge for the Council to consolidate all into the Group Accounts.

Significant improvements have been made to internal control in 2019/20 such that the accounts are now reviewed for compliance with the code of practice and all working papers are reconciled to the draft financial statements. Working papers are also reviewed for quality as part of the robust quality assurance process introduced by the Chief Accountant and changes to the working papers have been made making it easier for BDO to select samples from and perform their audit work.

Individual ledgers have been created within Oracle for the Council's components to address the dual ledgers set up issue. This has put the Council in a better position going forward to address most of the concerns raised over the consolidated accounts. The Council is also working hard with its components to ensure the draft accounts are received in a timely manner. This will ensure sufficient time is set aside for consolidation and reviews effective from 2020/21 onwards. The learning taken from the results of the 2018/19 Group Accounts audit has put the Council on a better footing for the 2019/20 work.

## Section 5

### *The Conclusion – a commitment to monitoring implementation for the next review by the Leader of the Council and the Chief Executive*

This statement is intended to provide reasonable assurance. It is based on the evidence available. It is stressed that no system of control can provide absolute assurance, and in a period of transformation and transition to a new delivery model, items may be misstated or be of varying accuracy. As a result, the processes operate to carry out reviews and the forums of Audit and Standards Committee and the Assurance Group receive and monitor performance of the Council's Governance Framework. Looking forward the Council's new Scrutiny arrangements will focus on key risks which will dovetail with the AGS.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and the ongoing work to ensure continuous improvement of the systems is in place.

We look forward to working more closely with our partners and all organisations in the community, public, private and voluntary sectors to strengthen our local communities and increase prosperity. This year sees a period of transition to the Council's traded companies.

Where issues have been identified in preparation of this report we will ensure that they are effectively addressed and we will monitor their improvement as part of the next annual review.

Signed:

Signed:

**Councillor Darren Rodwell**  
**Council Leader**

**Claire Symonds**  
**Acting Chief Executive**

**November 2020**

**November 2020**