

Greater London Authority (GLA)
Annual Governance Statement, 2018-19
FINAL, July 2019

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1. The GLA's governance responsibilities and framework

- 1.1. The GLA is responsible for conducting its business in accordance with the law and proper standards; safeguarding and properly accounting for public money; and using resources economically, efficiently and effectively. It must publish an Annual Governance Statement (AGS) – this document – that reflects on how, in the previous financial year, it has discharged these responsibilities.
- 1.2. The GLA's governance framework comprises the systems and processes, culture and values by which the organisation is directed and controlled; as well as the activities through which it accounts to, engages with and leads the community. It ensures the GLA directs its resources towards its priorities and in accordance with its policies; that there is sound and inclusive decision making; and that there is clear accountability – so as to achieve sustainable outcomes for London and Londoners. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level.
- 1.3. The elements that comprise the GLA's governance arrangements reflect the unique nature of the GLA, with a number of agents involved in the delivery of the GLA's objectives. So while this Statement is the GLA's alone – many of the bodies with which the GLA works have their own governance statements – the GLA's work cannot be viewed in isolation. The agents include:
 - the executive Mayor and the Mayor's appointed advisors
 - the London Assembly
 - the GLA's subsidiary companies
 - the officers of the GLA
 - the GLA's functional bodies and their boards (where applicable)
 - London's local authorities
 - national government
 - partners and stakeholders
- 1.4. There is a clear separation of powers within the GLA between the Mayor, who has an executive role and makes decisions on behalf of the GLA, and the London Assembly, which has a scrutiny role and reviews Mayoral policy and decisions. The Assembly also investigates issues of importance to Londoners, publishing its findings and recommendations and making proposals to the Mayor. The Assembly has a number of committees, with the GLA Oversight Committee, the Confirmation Hearings Committee, the Audit Panel, the Budget and Performance Committee and the Budget Monitoring Sub-Committee having explicit governance roles.
- 1.5. An important aspect of the governance framework within which the GLA operates is the relationship between London government and national government; more specifically the relationship between the GLA and its sponsor department in Whitehall, the Ministry of

Housing, Communities & Local Government (MHCLG). MHCLG set out how it views the systems governing that relationship by issuing in October 2012 and with the GLA's endorsement an 'Accountability System Statement for the Greater London Authority'.

- 1.6. Responsibility for ensuring the GLA maintains a sound system of governance, incorporating the system of control, rests ultimately with the Mayor. The Mayor is supported by the GLA's Statutory Officers – the Chief Officer (whose remit includes the statutory Head of Paid Service (HOPS) role), the Executive Director of Resources (Chief Finance Officer) and the Monitoring Officer. Each has distinct responsibilities in law. The Assistant Director of Finance & Governance and their team, in addition, have day-to-day responsibilities for designing, implementing and monitoring the GLA's governance arrangements. The GLA takes the view, however, that good governance is everyone's responsibility; from the Mayor down to the Corporate and Senior Management Teams and indeed all staff.

This year's Annual Governance Statement

- 1.7. The GLA's governance framework is consistent with the principles of the 2016 CIPFA/SOLACE document 'Delivering Good Governance in Local Government'. This AGS has been prepared with reference to that document. This year it has been prepared in a new format, structured around the principles in the 'International Framework: Good Governance in the Public Sector' (CIPFA/IFAC, 2014). The following sections demonstrate how the GLA is meeting the seven principles of the international framework of good governance in the public sector. Progress against the identified actions for 2019-20 will be reported in the AGS for that year.
- 1.8. This AGS draws on a wide range of input so as to capture different perspectives, including:
- the Statutory Officers and a range of other senior officers
 - Internal Audit
 - External Audit
 - the London Assembly Secretariat
- 1.9. This final version of the AGS was preceded by a draft that was published at the end of May. It includes a small number of changes from that draft, reflecting feedback received and to ensure the statement is up to date and speaks comprehensively to the international framework's seven principles.
- 1.10. Although the focus is on 2018-19, this AGS also reflects on developments between the end of that financial year and the end of July 2019, where pertinent.

2. Description of arrangements and review of effectiveness

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

Our arrangements

The seven Nolan principles for standards in public life frame the GLA's governance procedures. Those procedures include a Protocol for Mayoral Appointments, Financial Regulations, an Expenses and Benefits Framework, a Contracts and Funding Code, Anti-Fraud and Anti-Money Laundering Frameworks and a Whistleblowing Policy (including multiple and confidential reporting routes).

The Nolan principles are reinforced through a governance e-learning module that is mandatory for all new staff.

The Code of Ethics and Standards for Staff promotes high standards of conduct in public service. It features prominently in staff induction.

The Monitoring Officer works with Members and officers to promote high standards of conduct and advises on the proper use of the Authority's resources; oversees the registration of interests and of gifts and hospitality; and advises on other governance matters. They are responsible for reporting legal contraventions to the Mayor and Assembly. Alleged breaches of the Code of Conduct for Elected Members are reviewed by the Monitoring Officer also. Their decisions are published and an annual report is made to the London Assembly.

Our decision-making framework requires and promotes compliance with relevant laws and internal policies and procedures, including ensuring decisions are taken objectively and any potential interests declared. It is clear about the decisions that must by law and policy choice be taken by the Mayor, including any novel, contentious or repercussive proposal, and

Actions and key developments 2018-19

The Monitoring Officer investigated two alleged breaches of the Code of Conduct in 2018-19 and a further breach that was reported in May 2019. The outcomes of these investigations are published online.

The Chief Officer was asked by the members of the GLA Oversight Committee to review the GLA's approach to the registration of interests and of gifts and hospitality.

Three separate Planning Codes of Conduct (for Members; staff exercising delegated Mayoral powers; and all staff) were reviewed with the aim of unifying them into an updated code.

The Mayoral Appointments Protocol was updated in July 2018. It now reflects recent changes to governance of the London Fire Brigade and includes a checklist to support robust appointment processes.

The Statutory Officer Protocol was amended in November 2018. An Assessment Panel was introduced, based on learning from the one allegation of a breach of the protocol in the year (which was not

Actions for 2019-20

Implementing the findings of the Chief Officer's review of the GLA's approach to the registration of interests and of gifts and hospitality.

Consulting further on a new unified Planning Code of Conduct.

A review by the Chief Officer of the role of the GLA's Monitoring Officer. The Chief Officer will comprehensively engage the Mayor and the Assembly in the review.

Reviewing and refreshing the governance e-learning module and tracking completion rates.

Delivering on the Responsible Procurement Implementation Plan and monitoring and shifting positively key related metrics.

Embedding an up to date set of values for the organisation as part of the Transformation Programme.

Taking action on any issues identified through measuring staff

provides managers with the authority necessary to conduct routine business.

The Mayor may delegate powers to or direct GLA functional bodies. The use of the power of direction is kept under ongoing review and a list of all directions is appended to this Statement.

The GLA's legal function is provided through a shared service agreement by Transport for London (TfL) Legal. TfL Legal identifies changes in law and assesses the legal implications of GLA activity.

Officers involved in procurement exercises must make a conflict of interest declaration.

The GLA Group Responsible Procurement Policy, which sets down the GLA's commitment to continuous improvement through procurement, has a strong social and ethical focus. The GLA publishes an annual Modern Slavery Statement.

The GLA has a documented complaints procedure and related response standards. Timeliness of responses is monitored.

Links to further information

- Conduct and ethics, including the role of the Monitoring Officer
- Monitoring Officer decisions
- Monitoring Officer's annual report (item 10)
- Decision-making
- Complaints
- Modern Slavery Statement
- Responsible procurement

upheld), to determine whether there are grounds to refer allegations to the Review Panel.

A factual revision of the **Use of Resources** guidance was issued by the Monitoring Officer in April 2019, ahead of the EU Elections.

We updated our **Whistleblowing Policy** in September 2018 to reflect new job responsibilities and new confidential reporting arrangements.

One case of whistleblowing was reported in 2018-19. Following on investigation, it was concluded there was no malpractice.

The Governance Steering Group now undertakes a **more systematic and frequent review of the GLA's governance policies**.

Guidance on developing internal policies and protocols was published.

Good progress has been made in making policies more consistent and ensuring each has a clear owner and timescales for review.

A new **Complaints Policy** was adopted, following a review and benchmarking against other organisations. A significant change was to reduce the number of investigatory stages from three to two.

experience of fairness and integrity in the 2019 staff survey

Roll out the 'Inclusive GLA' **unconscious bias** programme to all staff to support the development of an inclusive culture.

Review **grievance procedure** to move towards a 'resolution' approach which will support employees, managers and Unison to work collaboratively to constructively resolve disputes and conflict.

All members of the Mayoral Team and Senior Management attended **unconscious bias learning sessions**.

2.2. Ensuring openness and comprehensive stakeholder engagement

Our arrangements

We have well-developed mechanisms to encourage individuals and groups from all sections of the community to engage with and participate in the GLA's work, including: People's Question Time; the State of London Debate; and our online community, 'Talk London'.

We consult widely on the Mayor's strategies and budget. We publicise such opportunities through various channels and hold consultation meetings with stakeholders. Consultation exercises are designed to ensure maximum reach, targeting individuals and communities whose voices are otherwise seldom heard.

We communicate through traditional and digital channels, ensuring a broad reach. We have well-developed arrangements and standards for responding to Mayoral correspondence.

The Assembly consults and engages with Londoners to help decide what issues it should investigate.

We routinely poll a representative sample of Londoners to provide insights into public opinion and behaviours to support effective policy making.

The GLA's most important partnerships are within the GLA Group. There are a series of arrangements in place for GLA Group bodies,

Actions and key developments 2018-19 Actions for 2019-20

A record 1,097 **Freedom of Information** requests were received in 2018-19. We responded to 93 per cent within deadline.

Talk London passed the Local Government Digital Service Standard, demonstrating it is sustaining long-term relationships with Londoners to discuss the work of City Hall. It now has about 47,000 members.

We chose a supplier for a **new correspondence system** - 'Dash' - to modernise our management of public correspondence and further improve service standards.

In addition to answering queries from the public by telephone, letter and email, we now respond via **social media channels**.

We created a **dedicated space on london.gov.uk for civil society groups**, including insights into the number of projects the GLA is working on with civil

Launching and embedding **Dash**.
Reducing the minimum age of **Talk London** membership to 16 to support the participation of young Londoners in City Hall's policy development - and implementing complementary safeguarding changes.

Supporting the Smarter London Together roadmap by exploring how the **London Datastore** can be a better repository of open data.

mainly defined by legislation and differing slightly according to each organisation, governing the GLA's relationship with TfL, the Mayor's Office for Policing and Crime (MOPAC), the London Fire Commissioner (LFC); and the Mayoral Development Corporation (MDCs – the London Legacy Development Corporation (LLDC) and Old Oak and Park Royal Development Corporation (OPDC)).

A Group Corporate Governance Framework Agreement sets out the core governance requirements each body must adhere to and requires each to codify its governance arrangements and report on its decisions. It represents a firm commitment by all parties to be open, transparent and accountable and to hold to Mayoral and London Assembly expectations for the Group to interact in a way that enhances accountability and services for Londoners.

The other partnerships in place (i.e. with boroughs, voluntary organisations, business and others) vary tremendously in remit, size and resourcing. Oversight of these partnerships is at team level. The GLA maintains corporate partnership guidance and a register to promote effective oversight of significant partnerships, and reviews the efficacy of these partnerships, updates partnership information, and records new partnerships on an annual basis.

Links to further information

- Information about opportunities to get involved with or have a say about City Hall's work
- Talk London
- Partnerships, including with GLA's functional bodies

society, funding opportunities, available resources, and links to training, volunteering and data. We now publish our grants data through the 360 Giving Initiative so it is in a standardised and open form.

We expanded a pilot to deliver a **Citizen Led Engagement** programme- a peer research project designed to enhance engagement with communities whose voice and influence over public policy has previously been under represented. In the first year, the project trained 84 peer researchers, who together carried out 833 individual interviews.

We developed a new **London Civil Society Leadership programme** - an initiative to support the development and skills of civil society leaders while also strengthening connections between civil society and the GLA.

2.3. Defining outcomes in terms of economic, social and environmental benefits

Our arrangements

The Mayor identifies and communicates his vision and intended outcomes for Londoners and service users through thematic statutory and non-statutory strategies. As a precursor to those strategies, he published his overarching vision 'A City for All Londoners' in 2016.

Each strategy is supported by a thorough evidence base, which, where there are evidence gaps, draws on research by or commissioned with the GLA's City Intelligence Unit. Integrated Impact Assessments make clear and support understanding of how equalities, health, sustainability, climate change and community safety will be affected by the policies in question. The strategies must demonstrate how they will ameliorate any likely negative impacts on different Londoners and/or different geographical areas.

A Strategy Coordination Working Group (SCWG) brings together strategy leads from across the GLA and provides oversight of and helps coordinate strategy design and implementation, facilitating collaboration to ensure the strategies are aligned and mutually reinforcing.

Links to further information

- A City for All Londoners
- Mayoral strategies
- The work of the City Intelligence Unit

Actions and key developments 2018-19

Significant progress was made in defining the outcomes the Mayor will deliver for London through **consultation on and publication of the following strategies:**

- Environment Strategy, May 2018
- Equality, Diversity and Inclusion Strategy, May 2018 (non-statutory)
- Skills Strategy, June 2018 (non-statutory)
- Housing Strategy, August 2018
- Health Inequalities Strategy, August 2018
- Economic Development Strategy, November 2018
- Culture Strategy, December 2018
- Sports Strategy, December 2018
- Food Strategy, December 2018 (non-statutory)

(Noting the Transport and Social Integration Strategies (the latter non-statutory) were published in March 2018.) Together these provide a clear framework for action to deliver the economic, social and environmental benefits the Mayor has identified as most important.

Following consultation on the draft new **London Plan** in 2017-18, in August 2018

Actions for 2019-20

EiP inspectors are expected to submit their report to the Mayor in summer 2019, and subject to approval from the Secretary of State and consideration by the London Assembly, the **London Plan** will be published in early 2020.

The SCWG, having agreed a new set of terms of reference in 2018-19, is developing a common template to report on strategies' **one-year on achievements**.

the Mayor published Minor Suggested Changes. GLA Planning Officers developed Matter Statements in response to about 100 issues raised by the Planning Inspector, which were then considered in a series of meetings.

The plan was also subject to a full Examination in Public (EiP) by independent planning inspectors from January to May 2019.

2.4. Determining the interventions necessary to optimise the achievement of the intended outcomes

The GLA Group-wide budget setting and capital planning processes, which are subject to scrutiny by the Assembly as well as consultations with stakeholders, ensure there are sound medium and longer-term financial plans within which Mayoral priorities and objectives are adequately funded – while recognising inevitable areas of risk and uncertainty. They direct resources to Mayoral objectives, including to support London’s further success, entrepreneurial spirit, thriving economy, extraordinary diversity and creativity, tolerance and openness to the world. The budget is clear about what allocated resources will deliver and the funding source of those resources, including from the council tax precept.

Implementation plans set out how the Mayor’s strategies will deliver identified outcomes, including indicators that will allow the outcomes to be reported on.

We developed and published **implementation plans for the Mayor’s strategies**. We also, among others, articulated **measures of social integration and equality and diversity and inclusion**, linked to the Mayor’s strategies in these areas, and now publish related data on the London Datastore.

We further developed our **performance management** approach, which sets out the high-level benefits we are seeking to support across six portfolios linked to Mayoral strategies. Across the portfolios, we introduced additional measures of

Establishing, as part of the Chief Officer’s restructure of the Corporate Management Team, a new **Strategy, Intelligence and Analysis Unit**.

Embedding a new **Unit Planning** approach to support the translation of high-level outcomes and aims – including cross-cutting themes such as health, equality and diversity, and good growth – into medium-term objectives; and ensuring also the measures that will track progress are clearly articulated.

All significant decisions are subject to a rigorous process with the facts and advice supporting each decision set out in detail through decision forms. The forms ensure legal and financial advice are included; and also that delivery mechanisms, equalities implications, risks, and links to the Mayor's vision, strategies and priorities are all explicitly set out.

The Corporate Investment Board (CIB) – an informal advisory board chaired by the Chief of Staff and attended by the Mayor's Appointees and Executive Directors – helps ensure there is appropriate review before decisions are taken and executed.

Links to further information

- The Mayor's budget and the budget setting process
- Decision-making at the GLA
- Equalities, diversity and inclusion measures
- Social integration measures

performance; and one of those portfolios (Environment) was new for 2018-19.

We published new internal guidance on taking account of **equalities, diversity and inclusion** in decision-making.

The GLA refreshed its approach to presenting its **budget for 2019/20**, improving the linkages between spending and delivery. For each directorate, financial information was laid out alongside information about each of their responsibilities, delivery priorities for 2019/20 and new activities and posts.

The GLA recognised the need for better evidence to support Mayoral priorities in the fields of social integration, equality, diversity and inclusion, economic fairness and food security across the city and ensure that policy and programmes have maximum impact. We therefore conducted the **Survey of Londoners in 2018/19**, an online and paper self-completion survey of adults aged 16 and over in London.

Reviewing **decision-making templates and guidance** to ensure the facts and advice supporting decisions is set out to a high standard.

Establishing a new GLA subsidiary company to implement the Mayor's commitment to establish an **Energy supply company** to offer fairer energy prices to all Londoners, and ensure sound governance and accountability arrangements for it.

2.5. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Our arrangements

The Chief Officer, a new role for the GLA, is the organisation's most senior official and leads the Corporate Management Team. As well as providing corporate leadership, the Chief Officer holds statutory staffing responsibilities (as HOPS). The Chief Officer provides regular updates on staffing and workforce matters to the Assembly's GLA Oversight Committee and consults them, and the Chief of Staff on behalf of the Mayor, on proposed staffing changes.

The GLA has robust processes for appraising and developing its staff (with completion of annual performance reviews monitored corporately), backed by a competency framework and learning and development programme, including a strategy for management and leadership development.

Ensuring a diverse workforce that is representative of London is a priority for the Mayor. We publish gender and ethnicity pay gap analyses and action plans. Executive Directors oversee delivery of directorate-level action plans to support the continued development of an inclusive GLA culture.

Mayoral Decision-Making in the GLA (our scheme of delegation) is clear about and sets strict boundaries for the value and type of decisions to be taken at different levels: by the Mayor, an Executive Director, Assistant Director, or a manager – as well as the authorisation given to all staff to develop and implement decisions.

The GLA's scrutiny function is performed by the 25 Members of the London Assembly. The Assembly has its own component budget, distinct in law from the Mayoral component, and is supported by the Assembly Secretariat, including high quality

Actions and key developments 2018-19 Actions for 2019-20

Mary Harpley became **Chief Officer** and HOPS in September 2018.

The **Head of Paid Service Scheme of Delegation and Protocol** were updated and merged into a single document, which was approved in July 2018.

New staffing establishment review and control processes were embedded.

A number of **HR policies** were updated to ensure they were gender-neutral and family friendly. A Trans and Gender Identity Policy and a Premature Birth and Neo-Natal Policy were introduced.

GLA OPS, the GLA's grant and project management system, continued to be rolled out. Housing & Land, Regeneration and Culture are now using the system.

A **GLA Group Collaboration Board** was established in December 2018 to promote and oversee collaboration across the GLA Group – saving money and enhancing capacity. The initial foci are: information technology, estates and facilities management, procurement, finance and professional services, and housing.

Responsibility for the **Adult Education Budget (AEB)** was delegated to the

Continuing to make swift progress in delivering the Chief Officer's **Transformation Programme**, with a **£1.5 million budget in 2019-20**. There are three workstreams:

- talent attraction, management, diversity and inclusion
- new ways of working, covering IT, Human Resources and Facilities Management
- shared services, assessing the scope for greater shared services across the GLA Group

Ongoing **review of HR policies** including the remote working and grievance policies.

This will include a re-think of the way GLA staff are asked to work, and how they are supported to do so by **IT kit and infrastructure**, including a 'stock take' of the GLA's current IT strategy and the priorities within it.

Following the completion of a consultation exercise, implementing proposals to **restructure the Corporate Management Team** to move from the current interim

research and external relations support. Assembly Members receive a budget to fund support staff.

Mayoral nominees for eight offices are subject to non-binding confirmation hearings conducted by the London Assembly. The Assembly has the power to veto three further appointments.

The Chief Officer is also the Greater London Returning Officer, with responsibilities in law to deliver efficient and fair elections and encourage the participation not just of voters but of candidates also.

Links to further information

- The Mayoral Team
- The Corporate Management Team
- Gender pay gap report and action plan
- Ethnicity pay gap report and action plan
- Information about decision-making thresholds
- Chief Officer's transformation programme
- The London Assembly: structure, meetings and reports

Mayor from central government, with a memorandum of understanding signed in September 2018. Governance

arrangements put in place include an AEB Mayoral Board that first met in September 2018. Agenda papers (subject to exempt information) and summary minutes are published. We also put in place robust procurement and grant processes and tailored GLA OPS for use as the AEB's grant management system.

A working group was established to improve GLA processes and coordination related to **grant giving**, including helping to ensure diverse organisations apply for GLA grants.

A new **London Situational Awareness Service**, which will identify, process and analyse situational information to assist in London's response to major incidents, began to operate (initially as an interim solution) from March 2019.

We made good progress in our planning for the **2020 Mayoral and Assembly Member elections**. We let the e-count contract to an external provider and re-established the programme management approach first adopted in 2016. Workstream leads have been appointed. Procurement of a company to deliver the statutory elections booklet is underway.

position to a set of permanent posts and align Executive Director roles to Mayoral priorities and enhance accountability.

Continuing to **implement the gender and ethnicity action plans**, including running a second cohort of Our Time, which supports women to develop and progress in the workplace, assembling a pool of GLA BAME staff trained to participate in interviews, and widening the use of specialist recruitment search firms to attract more diverse candidates.

Agree and publish an **Adult Education Budget (AEB) Assurance Framework** that sets out the processes and procedures put in place to manage the AEB effectively, supporting the GLA's commitment to openness and transparency.

Rolling out **GLA OPS** more widely, including finalising implementation of functions for the Skills and Employment Unit, using agile methodology.

Putting the **London Situational Awareness Service** on a 24 hour,

Our arrangements

Actions and key developments 2018-19

Actions for 2019-20

We completed an organisation-wide upgrade to 'Office 365' to enable staff to continue to use fully **compatible, up-to-date software** that supports collaboration and flexible working.

365 days a year footing from August 2019.

Finalising preparations for the **2020 Mayoral and Assembly Member elections**.

2.6. Managing risks and performance through robust internal control and strong public financial management

Our arrangements

The GLA's Risk Management Framework is regularly reviewed and has received a 'substantial' (the highest) Internal Audit rating. Risks registers are maintained at project, programme and directorate level as appropriate and feed up into a corporate risk register that is refreshed every six months. The register is reported to the Corporate Management Team, the Chief of Staff and the Audit Panel. Risk is also reported on through performance reports.

Each Executive Director provides an annual assurance statement that risk management is operating effectively – and in line with the corporate approach – within their area.

The GLA funds, and is the funder of last resort, for both MDCs (LLDC and OPDC). Regular liaison meetings – chaired by the Mayor's Chief of Staff and involving the Mayor's team and senior officials – help maintain a shared understanding of risks and challenges. A Governance Direction with LLDC explains and sets the parameters for the interaction of decision-making between the Corporation and the Mayoralty. The Deputy Mayor for Regeneration, Planning and Skills is a member of both Boards.

Actions and key developments 2018-19

The **risks with the highest severity** identified on the corporate risk register (at March 2019) related to:

- London 2012 Legacy, and in particular the risks associated with the funding of activity delivered by LLDC
- delivering the Mayor's air quality programme
- delivering the Mayor's affordable homes programme
- ensuring health and safety at City Hall
- the impact on the GLA and London of Brexit uncertainty and Brexit itself, and especially on affordable homes delivery
- changes to the GLA's funding regime and funding constraints

The GLA's **quarterly financial and performance reports continued to be**

Actions for 2019-20

Keeping Mayoral Decision-Making in the GLA and the GLA's **Financial Regulations** under review.

An Internal Audit review of the **Risk Management Framework**.

Refreshing the **Fraud Risk Wheel** and identifying actions to reduce fraud risks.

Continuing to evolve **financial and performance reporting**, integrating the two more closely.

Updating the **Expenses and Benefits Framework** to amend authorisations and permit staff to take interest free loans to cover UK citizenship costs.

We have robust arrangements for managing projects and programmes, including through recognised methodologies, which are deployed to ensure any major transformation is undertaken effectively.

Quarterly financial and performance reporting is well-embedded, tracking spend against budget (actual and forecast), performance indicators and other deliverables, and the implementation of major projects. Reports are considered by the Corporate Management Team, a new Performance and Delivery Review Group, Corporate Investment Board and ultimately by the Assembly.

The Executive Director of Resources' role complies with the five principles set out in CIPFA's Statement on the Role of the Chief Financial Officer.

We place a high priority on anti-fraud work, working with Internal Audit to identify areas that have the highest potential for fraud. We regularly review and seek expert input into our Anti-Fraud Framework, which is complemented by Whistleblowing and Anti-Money Laundering policies.

An officer level Governance Steering Group, chaired by the Executive Director of Resources and meeting quarterly, gives strategic oversight and direction to the GLA's governance activity.

The roles and responsibilities of the Audit Committee are discharged, as a function of statute, by the Mayor. He is supported in this regard by the Assembly's Audit Panel. The Audit Panel has well-established terms of reference, informed by CIPFA guidance. It provides challenge; raises the profile of internal control, risk and financial reporting; provides a forum for the discussion of issues raised by internal and external auditors; and bolsters transparency. The Panel also monitors the development of risk management, whistleblowing, and anti-fraud and corruption practices.

improved, with better quality commentary, reporting to much shorter timescales after quarter-end and the introduction of additional measures of performance and targets. A new Corporate Health Performance Indicator report sets targets for and tracks the GLA's performance in delivering efficient and effective services, being green, being people focussed and being responsive to the public.

The Mayor approved, in May 2018, the acquisition, through GLA Holdings Limited, of **London Treasury Limited (LTL)** to provide services relating to the Group Investment Syndicate and treasury management services to be provided by the GLA to London boroughs. LTL is a wholly owned GLA Arm's Length company and operates under Financial Services Management Act 2000 authorisation.

The refreshed **Mayoral Decision-Making in the GLA** document was updated (approved May 2019) and now includes clearer provisions pertaining to the governance interaction with the GLA's subsidiary companies and incorporates new subsidiaries SME Wholesale Finance London Limited (SMEWFL), its subsidiary (GLIF), and LTL. It also clarifies the decision-making arrangements in respect of the Homes for Londoners Land Fund, the Adult Education Budget, and the

Embedding a **Financial Risk Oversight Board**, meeting quarterly, to maintain a consolidated view of GLA financial exposure, enabling the Executive Director of Resources as its chair to identify any concentrations of risk, opportunities for efficiency, best practice, and, if necessary, formulate plans for appropriate action.

Completing an Internal Audit review of **health and safety arrangements** on GLA-owned land, to test existing procedures following a recent Health and Safety Executive prosecution relating to an incident in 2014.

Completing an Internal Audit follow-up review of the improved **cyber security arrangements at SMEWFL**.

Agreeing a **governance direction between the GLA and OPDC**, reflecting that the receipt of Housing Infrastructure Funding will result in a step change in the latter's operations and a commensurate increase in risk to the GLA, as OPDC's funder.

The 25 Members of the London Assembly provide the GLA's scrutiny function. It publishes an annual report detailing its activity during the year.

Links to further information

- Risk Management and Anti-Fraud frameworks and other GLA procedures supporting robust internal control
- The GLA's Audit Panel, including six-monthly corporate risk register reports, audit reports and progress updates against the Annual Audit Plan
- The Assembly's Budget Monitoring Sub-Committee, which receives the GLA's quarterly finance and performance pack

interaction between Mayoral decision-making and that of the London Fire Commissioner.

The system for granting Mayor or Deputy Mayor **consent for relevant London Fire Commissioner decisions** has been successfully embedded into GLA decision-making. Decisions are published.

Internal Audit completed a review of the **GLA's governance and oversight of OPDC**, which provided substantial assurance. The review recommended a Governance Direction (similar to LLDC) be put in place for OPDC.

A revised **Anti-Fraud Framework** was issued in December 2018 incorporating a section on the new corporate offence of failure to prevent tax evasion and updating the action plan. A blog was also posted on the intranet, updating staff and reminding them of their responsibilities.

One of two members of the public pleaded guilty (and was sentenced) before going to trial for **fraud in connected with the GLA's Super Connected Cities programme**.

Following a **cyber fraud incident at SMEWFL**, Action Fraud was notified and Internal Audit conducted a review of the company's cyber security. SMEWFL

accepted the Internal Audit report and is acting on its recommendations.

There were **no other reported incidents of successful fraud** in the year.

A new best-practice **Cyber Security Policy** is being implemented. The Information Security Protocol was also updated.

The revised **Financial Regulations** (approved May 2019) set clearer rules for budget transfers and carry-forwards and are more explicit about the financial management responsibilities of staff.

The **Expenses and Benefits Framework** was updated in October 2018 to reflect the GLA's decision to contract with Capita for a travel and accommodation booking system.

The **Contracts and Funding Code** was updated in December 2018 to provide clearer guidance to staff.

A review of the Assembly's **Scrutiny function** assessed its resourcing, structure and ways of working and potential changes to ensure it remained fit for purpose. Recommendations are being taken forward.

2.7. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Our arrangements

The GLA's commitment to openness and transparency goes beyond the mandatory Local Government Transparency Code. We publish extensive information, including:

- interests, gifts and hospitality and expenses for the Mayor, Assembly Members, Mayoral Advisors and senior GLA officers
- details of senior officer responsibilities, salary data and a GLA organogram
- all payments over £250
- Mayoral, Director and Assistant Director decision forms, setting out clearly the rationale for the GLA's significant decisions and the resource supporting them
- Freedom of Information Act (FOI) responses
- over 800 datasets on London Datastore, helping people to understand the city and develop solutions to London's challenges
- the results of our monthly poll of 1,000 Londoners (again published on the London Datastore)

The Mayor publishes an Annual Report each year, providing an overview of achievements, ahead of the State of London Debate.

The Directorate of Audit, Risk and Assurance (DARA), as part of the Mayor's Office for Policing and Crime (MOPAC) provides the internal audit service for the GLA under a shared service agreement. Its Charter is reported annually to Audit Panel and defines Internal Audit's purpose, authority, responsibility and scope of activity, and position within the GLA.

Actions and key developments 2018-19 Actions for 2019-20

In July 2018, the GLA voluntarily adopted the UK Statistics Authority's **Code of Practice for Statistics**, building on the GLA's track record for producing and publishing high-quality statistics.

To enhance transparency, **Chief Officer forms**, which approve changes to the staffing establishment, are now published on london.gov.uk.

The Head of Internal Audit reported in the 2018/19 Annual Report that 'the GLA has an **adequate internal control environment**. The Governance and risk management arrangements in place are effective to support delivery of the GLA's strategic objectives'.

The Annual Audit Plan was delivered. Of the **15 risk assurance audits** undertaken and reported on in 2018-19, seven (46 per cent) received a 'substantial' assurance rating; eight (54 per cent) received an 'adequate' rating. By comparison, in 2017-18, there were 13 audits: six resulting in substantial assurance and seven adequate assurance. 45 of the 46 recommendations made in respect of the 2018-19 audits were accepted by management.

Improving the **transparency of information, we publish about senior GLA staff** by bringing information about each staff member into one place on our website.

Delivering the **Annual Audit Plan**.

Implementing the recommendations arising from Internal Audit of GDPR implementation (ahead of an Internal Audit follow-up review) and taking other steps to **strengthen information governance**.

Continuing to develop and implement **governance arrangements for AEB**, reviewing as we move into the delivery phase from August 2019. This will include an Internal Audit in quarter three.

Internal Audit develops an annual, risk-based plan having engaged with those charged with governance. It aims to provide assurance on both the effectiveness of the management of risks to the achievement of agreed objectives and on compliance with GLA policies and procedures and externally arising regulations and the law. Progress against the plan is reported to each Audit Panel meeting.

Management responses to Internal Audit recommendations form, for each audit, an action plan that is reported to Audit Panel. Progress is then checked by Internal Audit through a follow-up review.

The external auditor produces an annual Audit Results Report, providing its judgement on whether the GLA's financial statements gave a true and fair view of its financial position and whether the GLA had in place proper arrangements to secure value for money in its use of resources. Robust processes exist to address any issues arising.

Links to further information

- Transparency portal making readily accessible a host of governance and other information
- FOI disclosure log
- The Mayor's Annual Report
- Internal Audit Charter
- GLA Statement of Compliance with the UK Statistics Authority's Code of Practice for Statistics
- Chief Officer Forms (staffing decisions)

There were 11 follow up reviews in 2018-19: of these ten (92 per cent) received a 'substantial' rating and one (8 per cent) an 'adequate' rating. All recommendations were accepted and 25 of 34 (73 per cent) had been implemented.

An **external quality assessment of DARA** provided it with a rating of 'Full Compliance' with relevant Professional Standards, which is rarely given.

Internal Audit supported the **development of system development for effectively managing the devolved AEB**, including advice on the audit approach and processes for handling allegations of suspected fraud or financial irregularity.

The GLA implemented procedures to comply with the **General Data Protection Regulation (GDPR)**. Regular communications were issued to staff, and an implementation plan developed and reported as a standing item at Governance Steering Group. There were 12 data breaches during the financial year; none was serious enough to require notification to the Information Commissioner's Office.

Internal Audit gave an adequate assurance rating to the GLA's arrangements for implementing GDPR.

3. London Assembly scrutiny of governance issues

- 3.1. The London Assembly has a key role to play in holding the Mayor to account and scrutinising GLA governance, services and functions.
- 3.2. The Assembly provides regular challenge of the GLA's governance arrangements in a number of ways:
 - Mayor's Question Time, where the Mayor is required to attend ten meetings of the Assembly per year to answer Assembly Members' questions;
 - responses to statutory consultations, principally relating to Mayoral strategies and the Mayor's budget, and formal consideration of the Mayor's draft budget and draft strategies;
 - holding confirmation hearings for key appointments;
 - the work of scrutiny committees; and
 - other work on internal corporate governance.
- 3.3. Mayoral nominees for eight offices are subject to non-binding confirmation hearings conducted by the London Assembly. The purpose of the confirmation hearing, which is held in public, is to establish whether a candidate has the ability to do the job and is fit for office. The Assembly does not have the power to veto an appointment and its recommendations are not binding on the Mayor. The eight offices to which non-binding confirmation hearings apply are:
 - Chair and Deputy Chair of Transport for London;
 - Chair of the London Cultural Strategy Group;
 - Chair and Deputy Chair of the London Pensions Fund Authority;
 - Chair of the London Waste and Recycling Board; and
 - Chair of a Mayoral Development Corporation (of which there are currently two).
- 3.4. In the case of three further appointments - the London Fire Commissioner, the Deputy Mayor for Fire and Resilience and the Deputy Mayor for Policing and Crime - the relevant Assembly committee has the power to exercise a veto, which is binding. In the case of the Deputy Mayor for Fire and Resilience and the Deputy Mayor for Policing and Crime, the veto may only be exercised where the candidates are not Assembly Members.
- 3.5. The next section details governance and related issues raised by the Assembly in 2018-19.

2019-20 budget for the GLA Group

- 3.6. In accordance with the requirements of the GLA Act 1999 (as amended), there is a two-stage budget-setting process. At the draft budget stage (January), the Assembly is able to amend the statutory figures that make up the consolidated budget requirement in the GLA Act by a simple majority. The Mayor is under a duty to respond to any amendments passed when he presents his final budget. At the final draft budget stage (February), the Assembly is able to amend the statutory figures that make up the consolidated budget requirement by a two-thirds majority of Assembly Members present and voting. At this stage, amendments agreed by the requisite majority are binding.

- 3.7. At its meeting in January 2019, following consideration of the draft budget, the Assembly considered three amendments, none of which were passed. These are appended to the published minutes of the meeting.
- 3.8. At its meeting in February 2019, following consideration of the final draft budget, the Assembly did not agree any amendments to the budget by the requisite majority. The Assembly was therefore deemed to have approved, without amendment, the Final Draft Consolidated Budget for 2019-20. The Assembly also agreed a budget related motion, which is set out in the published minutes of the meeting.
- 3.9. The Budget and Performance Committee has the responsibility of examining the Mayor's draft budget before it is voted on by the full Assembly. It is supported by the Budget Monitoring Sub-Committee. In January 2019, the Committee concluded its scrutiny of the Mayor's budget proposals, publishing its response to the Mayor's draft consultation budget 2019-20. This made a final round of recommendations for the Mayor.
- 3.10. The Committee published the 'Response to the Mayor's draft consultation budget 2019-20' document, which called on the Mayor to:
- increase the transparency around Crossrail by publishing the agenda papers and minutes for the Crossrail Board and Crossrail Sponsors Board;
 - consider how Crossrail 2 will be funded;
 - instruct the Met to assess how many officers it needs to deliver its current policing model; and
 - commission value for money assessments of GLA funded housing schemes.

The report also included a call for clarity about the impact of a potential renewed fares freeze beyond the current Mayoralty, highlighted the lack of clarity over the impact of reductions in central government funding, and emphasised the importance of having suitable measurements to be able to judge the Mayor's performance.

Strategies and plans

- 3.11. The Mayor is statutorily required to consult the Assembly on certain strategies. Assembly committees usually respond to such consultations on the Assembly's behalf and the consultation responses are published on london.gov.uk.
- 3.12. In addition, the Mayor must lay before the London Assembly the final versions of those strategies prior to their publication. Under the provisions of Section 42 of the GLA Act 1999 (as amended), the Assembly has the power to consider and potentially reject draft strategies within 21 days of their submission, including the date the draft strategy is laid before the Assembly.
- 3.13. The Health Committee scrutinised the Mayor's Health Inequalities Strategy (HIS) and invited him to introduce an implementation plan for the strategy. The HIS was confirmed by the Assembly, with many of our recommendations incorporated.
- 3.14. The final draft of the Mayor's new Housing Strategy came before the Assembly in June. A number of Assembly recommendations and concerns were addressed in this version, including support for standardisation of precision manufactured homes & a specific target

to identify a pipeline of community-led schemes by 2021 with capacity to deliver at least 1,000 homes.

- 3.15. There were two Plenary meetings, at which the Assembly considered the Mayor's draft Environment and Housing Strategies.
- 3.16. The Mayor's Environment Strategy was improved, between the previous year's draft and the final version in 2018, according to Environment Committee recommendations. Targets were added on weather and climate resilience, and the proposals on reducing waste and increasing recycling were strengthened. Also, a policy was added to the London Plan promoting space in new flats for separating recycling.
- 3.17. The Environment Committee, working with the Health and Economy Committees, secured improvements to the Mayor's Food Strategy, including a target to halve childhood obesity and measures to support this target, better actions on food insecurity, and a stronger emphasis on the environmental benefits of food growing spaces.
- 3.18. In June 2018, the Economy Committee submitted a response to the Mayor's draft Culture Strategy, drawing on a body of work undertaken by the Committee during 2017/18. The response welcomed the Mayor's emphasis on inclusion, access and good growth but called for a strong delivery framework, clearly stating what will be delivered and when, and how success will be measured.
- 3.19. The Assembly also considered the Economic Development Strategy in November 2018.

Confirmation hearings

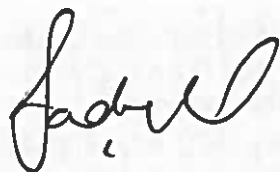
- 3.20. During 2018-19 the London Assembly held one confirmation hearing. In July 2018, the Confirmation Hearings Committee held a confirmation hearing for the Mayor's proposed appointment of Heidi Alexander as Deputy Chair of Transport for London. The Committee agreed that the Mayor should proceed with his proposed appointment.

Governance in the Mayoral Development Corporations

- 3.21. The two Mayoral Development Corporations – Old Oak Common and Park Royal Development Corporation (OPDC) and the London Legacy Development Corporation (LLDC) – are kept under review by the Assembly via its plenary meetings and two Assembly committees: the Regeneration Committee and the Budget Monitoring Sub-Committee. The Budget Monitoring Sub-Committee receives a quarterly monitoring report from LLDC on spending and capital performance.
- 3.22. There were two Plenary meetings at which Members held a question and answer session with Philip Kolvin QC, former Chair of the Night Time Commission as well as Amy Lamé, Night Czar and Kate Nicholls, Chair of the Night Time Commission regarding London's night time economy; and Liz Peace CBE, Chair of OPDC, and Michael Mulhern, interim Chief Executive Officer, regarding OPDC's work.
- 3.23. The Budget Monitoring Sub-Committee continued its scrutiny of the London Stadium and spoke to Baroness Karren Brady CBE, Vice Chairman of West Ham Football Club. Her appearance at the Committee attracted significant media coverage. We also uncovered just how much the London Stadium and West Ham had spent fighting each other in court (£4m).

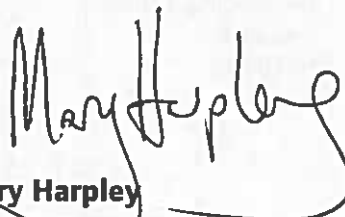
4. Conclusion and disclosure

- 4.1. The GLA had sound arrangements in place for corporate governance during 2018-19. No significant developments or events relating to the governance system have occurred between the end of the 2018-19 financial year and the signing off of the Authority's financial statements in July 2019. The governance system remains fit for purpose.
- 4.2. The GLA is committed to keeping its governance arrangements under review, proactively identifying where and how they can be approved. Their efficacy will be monitored throughout 2019-20 and the next such statement will reflect on how the challenges highlighted in this year's statement have been addressed.



Sadiq Khan
Mayor of London

Date: 27th July 2019



Mary Harpley
Chief Officer (and Head of Paid Service)

Date: 29th July 2019

Appendix: Mayoral directions issued to the GLA's functional bodies in 2018-19

The Mayor is careful to issue directions only when it is appropriate to do so. Directions are published on the GLA website as part of the routine publication of all Mayoral decision forms and also reported to the Assembly. In 2018-19 five directions were issued as below ('MD' refers to Mayoral Decision reference number). This compares with ten directions issued in 2017-18. Three further Directions have been made so far in 2019-20, which are included for completeness.

MD	Body	Title	Date	Decision
2335	TfL	TfL Affordable Housing Programme 2018-19	07/08/18	The Mayor directs TfL in relation to the disposal or development of its land in 2018-19 in the form at Appendix A to the decision form.
2348	TfL	Legally challenging a third runway at Heathrow	30/10/18	The Mayor: 1. Directs TfL under s 155(1)(c) of the Greater London Authority Act 1999 ('GLA Act') in the terms of the attached Direction (Appendix 1); 2. Authorises TfL under s 38(1) of the GLA Act to exercise the Mayor's powers under sections 30 and 34 of the GLA Act to undertake the activities required by the attached Direction in accordance with the terms of the attached delegation; and 3. Notes that if the legal challenge is unsuccessful in whole or part, the Mayor may be liable for a proportion of the Secretary of State's costs if an adverse costs order is made by the Court.
2377	TfL	January 2019 Fare Changes	27/11/18	The Mayor: 1. Approves the proposed revisions to fares to be implemented from 2 January 2019 as set out below; and 2. Signs the attached Direction to TfL issued pursuant to the power in section 155 (1)(c) of the Greater London Authority Act 1999 to implement these fares on 2 January 2019.
2387	TfL	London Food Strategy	26/11/18	The Mayor is requested, having regard to and taking account of the London Food Strategy Consultation Report and the IIA and IIA Post Adoption Statement: 1. To approve the final recommended version of the London Food Strategy; 2. To approve a Mayoral Direction to Transport for London (TfL) in relation to restrictions on advertising of less healthy food on TfL's estate; and 3. To note the Implementation Plan that will be published separately from, but at the same time as, the London Food Strategy.
2417	TfL	London Scrappage Scheme	15/02/19	That the Mayor: 1. Authorises TfL under s 38 of the GLA Act 1999 to exercise the Authority's functions relating to economic development and wealth creation, environmental improvement and social development

				<p>under section 30(1), and its subsidiary powers under section 34(1) of that Act, for the purpose of establishing and administering a London Vehicle Scrappage Scheme described in this Form in accordance with the Delegation & Direction Document at Appendix 1.</p> <p>2. Directs TfL under s 155(1) of the GLA Act to prepare, finance and implement the Scheme as described in this Form in accordance with the Delegation & Direction Document.</p> <p>3. Approves the GLA making a revenue grant to TfL of £23 million under section 121(1) of the GLA Act 1999 and authorises officers to agree arrangements under which the grant is to be applied towards expenditure incurred for the purposes of, or in connection with, the discharge of TfL's functions.</p>
2460	TfL	Fares for two small scale 12 month research and development demand responsive bus trials in outer London	29/4/19	<p>The Mayor:</p> <p>1. Approves the proposed parameters for the fares to be implemented on these 12-month trial services.</p> <p>2. Signs the attached Direction to TfL issued pursuant to the power in section 155 (1) (c) of the Greater London Authority Act 1999 to implement these fares.</p>
2484	TfL	Legal challenge to removal of exemption for Private Hire Vehicles from paying the Congestion Charge	9/7/19	<p>The Mayor:</p> <p>directs TfL under s 155(1)(c) of the Greater London Authority Act 1999 ('GLA Act') to pay the legal costs and all other costs and fees up to a maximum of £500,000 which will be incurred as a consequence of his participation as the Defendant in the challenge by way of judicial review against the decision to remove the exemption for Private Hire Vehicles from the Congestion Charge including appeals to a higher court.</p>
2489	TFL	Ultra Low Emission Zone (ULEZ) Support Scheme	9/7/19	<p>That the Mayor:</p> <p>1. Authorises TfL under s 38 of the GLA Act 1999 to exercise the Authority's functions relating to economic development and wealth creation, environmental improvement and social development under section 30(1), and its subsidiary powers under section 34(1) of that Act, for the purpose of establishing and administering a ULEZ Support Scheme described in this Form in accordance with the Delegation & Direction Document at Appendix 1.</p> <p>2. Directs TfL under s 155(1) of the GLA Act to prepare, finance and implement the Scheme as described in this Form in accordance with the Delegation & Direction Document.</p>

