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**Greater London Authority
Annual Governance Statement 2014-15**

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1. Scope of responsibility

- 1.1. The Greater London Authority (GLA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards; and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The GLA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this overall responsibility, the GLA is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for managing risk.
- 1.3. The GLA has a corporate governance framework consistent with the principles of the 2007 CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* (and its 2012 addendum) and two sets of other CIPFA guidance:
 - *Application Note to Delivering Good Governance in Local Government: a Framework*; and
 - *Statement on the Role of the Chief Finance Officer in Local Government*.
- 1.4. This Statement explains how the GLA delivers good governance and meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 in relation to the consideration and approval of a statement on internal control. It also describes the most significant work undertaken in the year to review and strengthen governance at the GLA and notes issues arising.
- 1.5. The commitments given in this Statement will be monitored during the course of 2015-16 (where appropriate) and will be revisited in the GLA's Annual Governance Statement for 2015-16.

2. The purpose of the governance framework

- 2.1. The governance framework comprises the systems and processes, culture and values by which the GLA is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the GLA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, and in accordance with legislative requirements.
- 2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.3. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the GLA's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.4. The governance framework has been in place at the GLA for the year ended 31 March 2015 and up to the date of approval of the annual report and statement of accounts.

3. The governance framework

3.1. The key elements of the systems and processes 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 – the bodies with which the GLA works have their own governance statements – the GLA's work cannot be viewed in isolation. That is particularly the case in respect of the operations of the GLA Group, encompassing the GLA and its functional bodies. The agents include:

- the executive Mayor and the Mayor's appointed advisors;
- the London Assembly;
- the functional bodies through their boards;
- the officers of the GLA and the functional bodies; and
- London's local authorities and other external stakeholder organisations.

3.2. 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 is also able to investigate other issues of importance to Londoners, publish its findings and recommendations, and make 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.

3.3. 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 Department for Communities and Local Government (DCLG). DCLG has set out how it views the systems governing that relationship by issuing, in October 2012 through its Accounting Officer, an 'Accountability System Statement for the Greater London Authority'. The Statement was issued with the GLA's endorsement and is available via:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/128876/2238554.pdf

Identifying and communicating the GLA's vision of its purpose and intended outcomes for citizens and service users

3.4. The Mayor identifies and communicates his vision and intended outcomes for Londoners and service users through a number of published statutory and non-statutory strategies, programmes and project plans. These are informed by and reflect regular and meaningful consultation, and the GLA uses a number of types of communication to present them, including: its website and social media channels; press briefings and press releases; and meetings with stakeholders and agents.

- 3.5. The Mayor's programme forms the basis of an Authority-wide corporate plan, known as the Business Plan. The Business Plan translates the Mayor's ambitions into priorities and actions for the GLA and its constituent units and makes clear who is accountable for what. It is publicised to staff and published for external stakeholders on london.gov.uk. The work of the Assembly and its Secretariat forms part of the plan.

Reviewing the GLA's vision and its implications for the GLA's governance arrangements

- 3.6. Mayoral strategies are subject to regular review with reference to both the Mayor's vision and the GLA's operating environment. As circumstances demand, strategies and/or their associated action plans are updated.
- 3.7. There is an annual GLA Group-wide budget setting process. This process, which is subject to continuous scrutiny by the Assembly, as well as consultations with stakeholders, has the important purpose of seeking to ensure there are sound medium and longer-term financial plans within which Mayoral priorities and objectives are adequately funded, while recognising areas of risk and uncertainty will inevitably exist.
- 3.8. The budget reflects the Mayor's vision and ambitions, set out variously in his Vision 2020, the London Infrastructure Plan 2050 and the Long Term Economic Plan for London, among others. The budget and the Mayor's vision and ambitions in turn inform the GLA's Business Plan, which is refreshed annually.
- 3.9. The GLA's governance arrangements are flexed as the vision and the plans that flow from it change so that they are robust but also support delivery. That includes making changes to the GLA's decision, performance and risk frameworks.

Measuring the quality of services for users, to ensure they are delivered in accordance with the GLA's objectives and to ensure that they represent the best use of resources and value for money

- 3.10. The GLA has well-embedded corporate performance management systems which support and are supported by arrangements at programme and unit levels.
- 3.11. Quarterly financial management information is reported to and reviewed with directors and cost centre managers. Progress against corporate initiatives, key performance indicators and against budgets is formally reported quarterly. Project reporting is on a monthly basis to the Mayor's Investment and Performance Board (IPB). This is complemented by both regular and exception based reporting to the Mayor and his advisors by senior officials.
- 3.12. The GLA publishes an annual report and assurances are provided by internal and external auditors on key controls and indicators.

- 3.13. Performance is also managed and monitored at a GLA Group level, again through formal quarterly reports detailing financial and service performance, for each functional body, and through reporting to the Mayor and his team.
- 3.14. In addition to the regular and periodic performance monitoring activities, the Assembly's scrutiny function encourages constructive challenge and impetus for enhancing performance.

Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the GLA and partnership arrangements

- 3.15. The Mayor's principal role as the executive of the strategic Authority for London is to promote economic development and wealth creation, social development, and the improvement of the environment. The Mayor has strong executive powers to provide strategic leadership and a range of duties and responsibilities designed to ensure that the programme on which he was elected can be delivered.
- 3.16. The exercise of Mayoral functions by officers within the GLA is documented in and governed by the Scheme of Delegation. It reserves the required and otherwise appropriate responsibilities to the Mayor and provides managers with the authority necessary to conduct routine business. The Scheme is reviewed and updated periodically and presented at least annually to the Assembly for its information. There is also a documented Scheme of Delegation in respect of the Head of Paid Service's statutory staffing responsibilities for the GLA.
- 3.17. The Assembly's committees have published terms of reference and there is a documented Scheme of Delegation for the exercise of Assembly functions within the GLA.
- 3.18. A Corporate Governance Framework Agreement for the GLA Group covers the Group's powers and duties and sets out both the respective roles and responsibilities of each body within the Group and the core governance requirements they are to adhere to.

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and staff

- 3.19. The GLA (the Mayor and Assembly acting jointly) has established a Standards regime, under the provisions of the Localism Act 2011, which has been in operation in its current form since 1 July 2012. Within the regime, all complaint-related functions are delegated to the GLA's Monitoring Officer whose role it is also to oversee the GLA's Code of Conduct for elected Members. In addition to handling complaints, the

Monitoring Officer is responsible for the extant framework governing the registration and disclosure of interests and of gifts and hospitality and for providing related advice.

- 3.20. A revised version of the Authority's Gifts and Hospitality Policy was issued in May 2014 following a comprehensive review and having consulted with the Mayor, London Assembly and GLA Group functional bodies.
- 3.21. In accordance with his commitment to promote transparency and accountability within the Mayoralty and across the GLA Group, the Mayor has published details of all of his advisors on the GLA website together with their declarations of interest and of gifts and hospitality. The Head of Paid Service has done likewise for GLA directors and has also published a GLA organogram together with details of senior managers' pay and responsibilities.
- 3.22. The GLA's Protocol for Mayoral Appointments sets down the process by which Mayoral appointments are made and details the conduct requirements for such appointees
- 3.23. At the end of 2014-15 and in the run up the General Election, the Monitoring Officer re-circulated the guidance document on the proper use of the Authority's resources to the Mayor's Office, Assembly party groups and all senior managers, and provided briefings on the rules relating to the pre-election period to a number of teams across the organisation.
- 3.24. The GLA also has a Code of Ethics and Standards for its staff. The Code seeks to promote the highest standards of conduct in public service and ensure that its standards and statutory obligations are fully met. The Code features prominently in formal induction processes and is published on london.gov.uk.

Reviewing the effectiveness of the GLA's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

- 3.25. A revised Mayoral Scheme of Delegation was published in June 2014. The key changes were as follows.
 - The financial decision-making thresholds were revised so that the following were required:
 - Delegated Authority Record (DAR) for spending up to £10,000 (previously £5,000);
 - Assistant Director decision form (ADD) for up to £50,000 (unchanged);
 - Director decision form (DD) for up to £150,000 (previously £125,000); and
 - Mayoral decision form (MD) for over £150,000 (previously £125,000).
 - The Head of Government & EU Relations and the International Relations Manager were specified as senior managers following the change in their reporting line.

- As requested by Internal Audit, an explicit reference was made to arrangements which apply when senior officers are on leave.
- Consequential changes were made to ensure consistency with the other key governance documents.

The June 2014 version of the Scheme remained in force for the remainder of 2014-15. Concurrently, a review was undertaken which informed further refinements to the scheme for 2015-16.

- 3.26. As a related development, and to ensure that the GLA follows best practice, from 1 June 2014 equalities implications have been captured in GLA decision forms.
- 3.27. The GLA's Financial Regulations are an important companion to the Scheme. The Regulations are kept under review and were updated and approved for the year covered by this Statement. Changes included clarifying roles and responsibilities following the finance team restructure and making the Regulations consistent with the Mayoral Scheme of Delegation and other key governance documents.
- 3.28. The London Assembly's Scheme of Delegation is reviewed annually and reaffirmed at its annual meeting.
- 3.29. The GLA's most important partnerships are those that exist within the GLA Group. Bodies within the Group have their own decision making arrangements and the Group's Corporate Governance Framework Agreement requires that each organisation codifies these arrangements and reports its decisions.
- 3.30. Where issues of interest to the Mayoral team arise, and which may result in or bear upon a decision, these are flagged by the body in question and discussed. Such discussions may lead to a formal Mayoral delegation or direction. The use of the power of direction is kept under ongoing review and a list of all directions is appended to this Statement.
- 3.31. GLA companies are another avenue through which decisions may be taken. The process is defined by the Mayoral Scheme of Delegation, integrated with the GLA's decision making arrangements, and reviewed periodically alongside the regular review of that document.
- 3.32. For other partnerships the GLA's guiding principle is to ensure that decisions concerning its resources, including resources for which it is accountable, remain subject to the Authority's own decision making processes. The GLA maintains a register of its key partnerships and categorises each according to its decision making role – as defined by the GLA's partnership guidance. Periodically the efficacy of these partnerships is reviewed.
- 3.33. The London Enterprise Panel is one of the GLA's most important partnerships. Although it does not formally take decisions, it does have significant influence over decisions that are ultimately taken by the GLA. The governance of the LEP was reviewed in the year

covered by this Statement. That included an assessment of the LEP's in principle decision making processes. The review led to:

- a refresh of membership, including the Chair of London Councils becoming a deputy chair;
- exploration of working relationships at a sub-regional level in the capital; and
- strengthened arrangements to ensure the LEP is able to add maximum value, such as streamlining of agendas. One manifestation was a LEP letter to the Chancellor, post-election, setting out priorities.

3.34. The GLA's Use of Statistics Code of Practice and Data Quality Framework (DQF) exist to ensure the GLA produces, makes use of and publishes data which meet widely recognised and exacting standards. The DQF was reviewed and updated at the start of 2014-15.

Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

3.35. The GLA's approach to risk management is set out in its Risk Management Framework (RMF). It describes how the GLA realises the benefits of risk management by:

- communicating the value derived from, and the importance the GLA places on, effective risk management;
- setting out ten principles to underpin the GLA's approach to risk management;
- highlighting the practices and mechanisms that are at the core of the GLA's risk management framework;
- being clear about what the GLA expects of its staff – their roles and responsibilities – in managing risk; and
- providing practical guidance, grounded in best practice, for staff to follow.

3.36. The Framework was most recently reviewed and refreshed for March 2015. The review was informed by a prior assessment of the GLA's risk management practices against a risk maturity model. The refreshed RMF includes a new requirement that Executive Directors provide an annual 'risk management assurance statement'.

3.37. The RMF identifies four specific levels, or perspectives, as a focus for GLA risk management: corporate risks; programme risks; project risks and risks associated with decision-making. Mechanisms are embedded to monitor risk at all these levels. In the year, the Corporate Risk Register – concerned primarily with corporate and programme risks – was updated twice and considered by the Corporate Management Team, the Investment and Performance Board and Audit Panel. Project risk was captured and reported as part of regular reports to the Investment and Performance Board; and assessed at the project initiation stage. Risks associated with decisions were outlined on the related decision form. These corporate mechanisms were supplemented by processes at the departmental level.

Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

- 3.38. The GLA continues to place a high priority on its anti-fraud work and officers have worked with Internal Audit to identify areas which have the highest potential for fraud. In the year, Internal Audit undertook reviews of the use of corporate credits cards and of grants issued by the GLA. The outcome of these reviews have been reported to the Audit Panel Members.
- 3.39. Flowing from the review of the grant award process, the GLA acknowledged that there was a need to create systems which monitored grant awards across all of its programmes and projects. To address Internal Audit's recommendations, work is underway to establish a database of organisations in receipt of grants from the GLA, including a data matching exercise. The database will ensure that any issues with a recipient, or prospective recipient, are recorded, providing an audit trail and ensuring issues identified by one part of the business inform decisions made by other parts. The database will be operational and in use by 1 April 2016.
- 3.40. Internal Audit also identified some specific issues relating to the Super Connected Cities Programme. Those issues are being thoroughly investigated and a confidential audit report will be shared in due course with the Mayor and Audit Panel Members.
- 3.41. As well as the two reviews cited above, a report on the receipt of gifts and hospitality will be completed in 2015-16.
- 3.42. The GLA will continue to take a proactive approach to identifying and reviewing areas where the risk of fraud is relatively high.
- 3.43. Internal audit supported the biennial National Fraud Initiative in 2014-15 which is an exercise run by the Audit Commission that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

Ensuring effective management of change and transformation

- 3.44. The GLA's Management of Change procedure provides the framework for dealing with reorganisations and restructures arising from:
- management reviews;
 - the introduction of new or revised working practices;
 - changes to political administration; and
 - changes in the Authority's business or policy priorities.

The procedure aims to ensure such change is fair, transparent and carried out systematically.

- 3.45. Following a period of major change in and initiated by events in 2012 – devolution of functions to the GLA, the London 2012 Games and the GLA elections – revised staffing structures have bedded down. Where changes to the establishment have taken place, they have been subject to appropriate consultation including with staff, UNISON and the GLA Oversight Committee.
- 3.46. The GLA has robust arrangements for managing projects, programmes and risk, and these are deployed to ensure any major transformation is undertaken effectively. A case in point is the establishment in April 2015 of the Old Oak and Park Royal Development Corporation (OPDC).

Ensuring the GLA's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

- 3.47. CIPFA's Statement on the Role of the Chief Financial Officer lists five principles, set out below together with how the GLA meets each.
- *Principle 1: The Chief Financial Officer in a public service organisation is a key member of the Leadership Team, helping it to deliver and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest*
 - The Executive Director of Resources is the GLA's Chief Financial Officer and is a member of both the Corporate Management Team (CMT) which meets weekly and the Investment & Performance Board which meets monthly. He also chairs the officer level Governance Steering Group. All Mayoral and Director Decision Forms must be signed by the Executive Director of Resources – an additional check to ensure probity in the GLA's expenditure of public funds.
 - *Principle 2: The Chief Financial Officer in a public service organisation must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's overall financial strategy*
 - As noted above, all MD and DD Forms must be signed by the Executive Director of Resources, ensuring that all material decisions have the input of the GLA's Chief Financial Officer. The decision pro formas include sections on both risks and financial implications. The organisation's financial strategy is overseen by the Executive Director of Resources with the support of the Head of Financial Services and his team. The strategy and its implementation are scrutinised by the Assembly and its Budget & Performance Committee and Budget Monitoring Sub-Committee.

- *Principle 3: The Chief Financial Officer in a public service organisation must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively*
 - The Executive Director of Resources is accountable to both the Mayor and the Assembly for the good financial management of the organisation's finances. Value for money is a key principle underlying the GLA's approach and its Chief Financial Officer has led on delivering efficiency programmes, including the shared services initiatives, in the period since May 2008. The Assembly meets in public and regularly questions the Executive Director of Resources and other senior officials on their stewardship of funds.
- *Principle 4: The Chief Financial Officer in a public service organisation must lead and direct a finance function that is resourced to be fit for purpose*
 - The Executive Director of Resources line manages both the Head of Financial Services (GLA focus) and the Assistant Director of Group Finance (GLA Group focus) under whom the GLA's finance staff sit. Finance staff focus on key priorities such as treasury management, budget monitoring, financial advice and presentation of financial information. The team includes suitably qualified and experienced individuals covering a wide range of technical, GLA and GLA Group financial issues.
- *Principle 5: The Chief Financial Officer in a public service organisation must be professionally qualified and suitably experienced*
 - The role description for the post of Executive Director of Resources requires the post-holder to be a qualified accountant with suitable experience. The current post-holder is a member of CIPFA and has over thirty years' experience of working in public sector finance. There is also significant experience of financial administration in the public sector within the finance team.

Ensuring the GLA's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010)

3.48. CIPFA's Statement on the Role of the Head of Internal Audit lists five principles, set out below together with how the GLA meets each.

- *Principle 1: The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments.*
 - The GLA's Internal Audit Service is provided by the Mayor's Office for Policing and Crime (MOPAC) and the Head of MOPAC's Internal Audit Function is also Head of Internal Audit for the GLA.

- The Head of Internal Audit advises senior management and the Audit Panel on the principles of good governance and provides an annual assessment of the adequacy and effectiveness of GLA governance and risk management arrangements, based on an approved programme of work. Regular meetings are held between the GLA's senior managers and senior representatives of Internal Audit to discuss emerging risks and proposed developments.
- The annual work programme can be amended, in discussion with the Audit Panel, to reflect additional work identified in order to address significant emerging issues.
- *Principle 2: The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.*
 - The Head of Internal Audit provides an objective annual opinion on the adequacy and effectiveness of governance, risk management and internal control to senior management and the Audit Panel. This draws on evidence from an annual work programme, which is reported in the public domain.
 - Internal Audit reviews and the annual audit opinion inform the GLA's Annual Governance Statement and improvement plans.
- *Principle 3: The Head of Internal Audit must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.*
 - The Head of Internal Audit is a senior manager who engages regularly with and attends meetings involving the Corporate Management Team, other senior managers and the Audit Committee. The Head of Internal Audit provides reports to the Head of Paid Service and Chief Finance Officer.
- *Principle 4: The Head of Internal Audit must lead and direct an internal audit service that is resourced to be fit for purpose.*
 - The Head of Internal Audit conducts an annual assessment of resources required to deliver an appropriately scoped and diverse risk based audit plan. Any concerns or issues would be raised with senior management and as required the Audit Committee.
- *Principle 5: The Head of Internal Audit must be professionally qualified and suitably experienced.*
 - The Head of Internal Audit is a member of the Chartered Institute of Internal Auditors and has thirty years' internal audit experience.

Ensuring effective arrangements are in place for the discharge of the monitoring officer function

- 3.49. The GLA's Monitoring Officer works with the Authority's elected politicians and chief officers to promote high standards of ethical conduct.
- 3.50. The Monitoring Officer has specific and formal duties underpinning this role:
- To deal with any alleged breach by the Mayor or Member of the London Assembly of the formal Code of Conduct for GLA Members, and to make decisions as to whether or not any such allegations are valid.
 - To operate the Authority's wider Standards regime, including the registration and declaration of interests, gifts and hospitality received.
 - To report (to the Mayor and London Assembly) on contraventions or likely contraventions by any part of the Authority of any enactment or rule of law.
 - To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation into GLA-related matters.
 - Working with the Authority's other statutory officers and the Head of Governance, to provide advice to the Authority on corporate governance matters, including matters relating to the proper use of the Authority's resources.
- 3.51. The Monitoring Officer seeks to be fully transparent in the conduct of his work by: publishing all decisions made on complaints received against Members, providing a public update on all MOPAC-related complaints to each meeting of the Assembly's Police and Crime Committee and by presenting an annual report to the Assembly. The Monitoring Officer's report for 2014-15 report can be found at item 8 of the agenda for the 17 March 2015 meeting of the Assembly's Audit Panel:
- www.london.gov.uk/moderngov/documents/s44900/13%20-%20Annual%20Report%20of%20the%20Monitoring%20Officer%20Regarding%20Complaints%20Against%20Elected%20Members.pdf

Ensuring effective arrangements are in place for the discharge of the head of paid service function

- 3.52. The Head of Paid Service (HOPS) is the GLA's most senior official and leads the Corporate Management Team. He has the power, after consulting the Mayor and the Assembly, to appoint such staff as he considers necessary for the proper discharge of the functions of the Authority, having regard to the resources available and the priorities of the Authority.
- 3.53. The HOPS cannot sensibly exercise all of those functions falling to the role personally and so has made delegations to other officers in the GLA. These are set out in the HOPS Scheme of Delegations – Staffing. The Scheme is supported by a protocol

describing the procedures that should be followed by the HOPS or officers with delegated powers when using the staffing powers vested in the HOPS.

- 3.54. The Assembly has delegated its role as a consultee in this regard to the GLA Oversight Committee. In 2014-15 the HOPS continued to provide regular updates to the Committee on staffing matters and on the Authority's workforce; and to consult with it on proposed changes to the GLA establishment.
- 3.55. The roles of HOPS and Greater London Returning Officer (GLRO) are vested in the same individual. Appropriate arrangements are in place to ensure the GLRO role is discharged effectively, including: a dedicated budget; a dedicated and formal decision making process (through GLRO decision forms); and a structured programme approach to effectively delivery the 2016 elections

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

- 3.56. 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.
- 3.57. The Audit Panel has well-established terms of reference, informed by CIPFA guidance. The Audit Panel: provides challenge; raises the profile of internal control, risk management 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 effective development of risk management, whistleblowing, and anti-fraud and corruption policies.
- 3.58. In March 2015 the Audit Panel agreed an improved process for making in-year changes to internal and external annual audit plans. The Panel's Chair and Deputy Chair are now informed in writing of any changes at the first opportunity.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

- 3.59. The GLA's decision-making framework requires compliance with relevant laws, internal policies and procedures, and the GLA's Executive Director of Resources and Head of Governance & Performance are responsible for ensuring that appropriate professional advice on finance and legal matters is available and properly recorded.
- 3.60. All payments over £250 are published on the GLA's website along with all Mayoral, Director and Assistant Director decision forms. These arrangements are at the heart of the GLA's transparency arrangements.

- 3.61. Internal Audit's risk based programme of audit work 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.
- 3.62. Following the devolution of housing and regeneration functions to the GLA in April 2012, it became apparent that there was an unintended deficiency in the GLA Act which barred the GLA from incurring expenditure on the transport related elements of those housing and regeneration programmes and projects. The Government acknowledged that this deficiency should have been addressed during the passage of the Localism Act 2011 through Parliament and rectified the oversight – with fully retrospective force – through the Infrastructure Act 2015. The matter has therefore been satisfactorily resolved. But it points to the need for the GLA to continue to monitor legislation affecting London as closely as possible.

Arrangements for whistle-blowing and for receiving and investigating complaints from the public

- 3.63. The GLA is committed to the highest standard of openness and accountability. In line with that commitment, the GLA encourages employees and others with serious concerns about any aspect of the GLA work to come forward and voice those concerns. It does this through a clear statement of its policy on london.gov.uk which can be accessed by all staff and the public and which sets out definitions and key points of contact. Internal Audit analyses areas likely to be susceptible to fraud and provides support to managers in investigating allegations of fraud, theft or impropriety. The GLA also maintains a facility for people to report matters confidentially to an independent third party.
- 3.64. The GLA has clear guidance on its complaints procedure, which also sets standards for responding to any complaints. Complaints are recorded by the Public Liaison Unit and that process includes recording which officer is responsible for handling the complaint and the timeliness of individual responses. Complaints' statistics are reported to the Assembly's GLA Oversight Committee on a six-monthly basis.

Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training

- 3.65. The GLA has robust and thorough processes for appraising and developing its staff, backed by a well-embedded competency framework and a training and development programme. The programme supports the achievement of the organisation's aims and objectives and a high performance culture at the GLA. In October 2014 the GLA launched a new management and leadership development strategy and has over the year improved significantly the resources and training available to managers and senior staff.

- 3.66. Good corporate governance principles are incorporated into induction training for all staff and elected members. On-line corporate governance training has been made mandatory for all staff and take-up is monitored. The content is refreshed regularly to reflect developments in practice.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

- 3.67. In addition to the considerable consultation required by law on his statutory strategies and budget proposals, and consultation undertaken during the development of other programmes and plans, the Mayor has a range of arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the GLA.
- 3.68. The arrangements include People's Question Time, which are meetings that give Londoners an opportunity to ask the Mayor and the Assembly about their plans, priorities and policies for London, and the State of London Debate, which is the Mayor's annual conference and largest mechanism for debate and direct engagement with policy makers, opinion formers and Londoners.
- 3.69. The GLA has also developed Talk London, an online research community of presently 10,000 Londoners, to promote and facilitate debate about improving London. In addition, and through the London Datastore, the London Dashboard provides regular updates on key indicators of London life. Improved versions of the Datastore and Dashboard were launched in October 2014.
- 3.70. Other channels of consultation include: the periodic London Survey, most recently conducted in November 2014; a regular 'Talking Points' survey; telephone surveys; and consultation on specific plans and policies.
- 3.71. The External Affairs directorate works to ensure that all communication to Londoners is audience-focused, meaning that it is relevant to the audience and is written in plain language. A major review of the GLA's website has been ongoing during 2014-15, and following a period in beta, a new site is expected to go live towards the end of 2015.
- 3.72. The GLA also has well-developed arrangements and standards for dealing with and monitoring Mayoral correspondence and Freedom of Information requests.
- 3.73. The Assembly carries out consultations and engagement with Londoners in order to inform its investigations. This includes a programme of site visits and informal meetings, written consultations, online surveys and consultation and formal committee meetings. The Assembly also hosts a programme of receptions and events at City Hall.

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the GLA's overall governance arrangements

- 3.74. As already alluded to, the GLA has three principal groups of partners or stakeholders:
- the company it has established – GLA Land and Property (GLAP) – to manage its land and property transactions;
 - its permanent functional bodies and the Mayoral Development Corporations (MDCs) it has created in accordance with the provisions of the Localism Act; and
 - London boroughs and other key public sector and business stakeholders across London and beyond.
- 3.75. GLAP is a company wholly owned by the GLA. The company's activities have been fully integrated into the Mayor's Scheme of Delegation for the GLA and regular board meetings are held to ensure compliance with company law. The GLA is not aware of any governance issues arising in relation to GLAP.
- 3.76. There are a series of arrangements in place, mainly defined by legislation and differing slightly according to each organisation, governing the GLA's relationship with Transport for London (TfL), MOPAC, the London Fire and Emergency Planning Authority (LFEPA) and the MDCs. There are currently two MDCs: the London Legacy Development Corporation (LLDC) and the OPDC.
- 3.77. The GLA has strengthened its oversight governance arrangements of LLDC by establishing:
- regular Finance and Policy Liaison meetings at an officer level chaired by the GLA's Head of Paid Service; and
 - monthly Finance meetings between key senior staff of the GLA and the LLDC.
- In addition, with Government and key Olympicopolis partners, the GLA and the LLDC have developed a shared approach and shared funding to provide oversight, assurance and risk management of the Olympicopolis project. Central to this is the Olympicopolis Programme Board (OPB).
- 3.78. The OPDC was established on 1 April 2015 and preparatory work included laying the foundation for effective governance and oversight, and constituting and appointing members to the body's Board.
- 3.79. In the case of LFEPA, the Mayor has asked the Department for Communities and Local Government (DCLG) to reform its governance to reflect the Mayor's accountability for resourcing. DCLG has undertaken a consultation exercise on the Mayor's proposed reforms.

- 3.80. As referred to previously, the Corporate Governance Framework for the GLA Group covers its powers and duties, sets out respective roles and responsibilities and how they should relate to each other. The framework is based on the seven established 'Nolan principles' that underpin effective and ethical corporate governance in public service.
- 3.81. The other partnerships in place (ie. with boroughs, voluntary organisations, business and others) vary tremendously in role, size and resourcing. Oversight of these partnerships is at team level. The GLA maintains partnership guidance to promote effective oversight of partnerships. It also maintains a register of the Authority's most significant partnerships.

4. London Assembly scrutiny of governance issues

- 4.1. The London Assembly has a key role to play in holding the Mayor to account and scrutinising GLA governance, services and functions.
- 4.2. The Assembly provides regular challenge of the GLA's governance arrangements in a number of key 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;
 - confirmation hearings for key appointments (see below);
 - the work of scrutiny committees; and
 - other work on internal corporate governance.
- 4.3. Mayoral nominees for nine 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. In the case of a tenth office, the Deputy Mayor for Policing and Crime, the Assembly confirmation hearing is binding for candidates who are not Assembly Members.
- 4.4. The nine offices to which non-binding confirmation hearings apply are:
 - Chair and Deputy Chair of Transport for London;
 - Chair of the London Fire and Emergency Planning Authority;
 - 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).
- 4.5. Appendix C provides details of governance and related issues raised by the Assembly in 2014-15.

5. Extant risks and future governance challenges

Extant risks

5.1. At the time of the most recent update to the corporate risk register (March 2015), there were 18 corporate risks. The most serious risks were:

- Air quality: EU policy such that London is at risk of penalties arising from EU infraction processes.
- London 2012 Legacy: The GLA is exposed to financial risk due to overspends on, or reduced income from, existing LLDC projects, requirement to underwrite risks and provide cash-flow support for the cultural and higher education quarter (Olympicopolis).
- Health & Safety - City Hall and Squares: Breach in processes/procedures (or procedures not rigorous enough) leading to a health and safety or security incident (including an act of terrorism).
- Funding constraints: Government grant and other external funding – including the New Homes Bonus topslice allocated to the London Enterprise Panel – falls, placing significant constraints on the GLA's budget that cannot be managed without impacting on services and Mayoral priorities.
- GLA budget setting: The unique process for setting the GLA Group / GLA budgets – involving the Mayor, Assembly and functional bodies – creates complexity that means statutory requirements are not fulfilled, either by the Mayor or by the Assembly, and budgetary priorities are not adequately reflected.

Governance challenges

5.2. Governance challenges centre on:

- Continued resource pressures arising from the constrained funding environment, and in particular:
 - the GLA has yet to receive a full financial settlement from Government for the period 2016-17 and beyond;
 - the GLA's exposure to the risks arising from the financial standing of its functional bodies, particularly the LLDC and the OPDC given the GLA is their principal funder and funder of last resort.
- Related to the above, working with Government to provide oversight, assurance and risk management for the Olympicopolis project led by LLDC; and to ensure the success of the OPDC.
- Responding to a new Government's agenda, which will have significant funding and policy implications.
- Identifying and managing the risks arising from the GLA's financial transactions portfolio; and in particular ensuring the GLA is able to both maximise outcomes and meet its commitment to repay Government loan funding for Housing Zones and the London Housing Bank.

- Preparing so as to manage effectively the likely significant transformation and change following the GLA elections in 2016.
- Monitoring a suite of 100 GLA programmes which cut across a wide variety of subject areas and account for £100m of revenue spend and £0.8bn of capital spend in 2015-16:
 - the GLA's Investment and Performance Board (IPB) takes an active role in ensuring value for money is achieved, proper governance arrangements are in place and areas of underperformance are challenged;
 - key performance indicators and Mayoral commitments are also tracked to identify, and take action, on any areas of underperformance.
- Maintaining a large amount of data on the GLA website and ensuring that it remains timely, accurate and easily accessible, particularly during the period a newly designed website is developed and goes live in late 2015.
- Addressing issues raised by Internal Audit in their review of the GLA's grants process, referred to at paragraph 3.39 above.

Commercial partnerships

- 5.3. The Assembly has raised the issue of the Mayor entering into commercial partnerships with specific reference to certain recent examples:
- The Zhongrong Group and Crystal Palace Park;
 - The sale of the former fire station at Southwark;
 - TfL's handling of the Garden Bridge design procurement process; and
 - Future OPDC projects and their interaction with the planning process.
- 5.4. The issues arising from these examples can be categorised as:
- Ability to demonstrate value for money has been achieved, particularly in circumstances where the GLA has engaged with a single commercial entity;
 - Clarity in terms of roles and responsibilities, including the importance of avoiding any perceived or actual conflicts of interest on planning issues; and
 - The management of risk for high profile and sensitive projects, assessing the reputational and legal risks to which the GLA is being exposed.
- 5.5. While each initiative will have its own specific characteristics and therefore a generic approach will not always be possible, it is clear that there are common themes and principles emerging. Some of these can be addressed during the forthcoming review of the Group Corporate Governance Framework. Others are covered through existing corporate governance policy documents – for example, the GLA's Contracts and Funding Code – and will be reviewed as part of their regular refresh. The overriding principle is that, at a minimum, the Mayor should be fully briefed on the risks arising before making any commitments on behalf of the GLA.

6. Disclosure

- 6.1. No significant developments or events relating to the governance system have occurred between the end of the 2014-15 financial year and the signing off of the Authority's financial statements in September 2015.

Boris Johnson
Mayor of London

Date: September 2015

Jeff Jacobs
Head of Paid Service

Date: September 2015

Appendix A: Internal audit assurance ratings in 2014-15

Overview

No 'limited assurance' ratings were received in the year, compared with two in the previous year.

Of the 17 risk and assurance reviews conducted, eight received a 'substantial assurance' rating and nine an 'adequate assurance' rating. Of the 18 follow up reviews, 14 were rated substantial and four adequate.

Internal Audit's Annual Opinion for 2014-15 states:

The GLA has an effective internal control environment with an improved risk management framework supporting the achievement of its overall strategic objectives.

Risk and Assurance Reviews

Audit Title	Rating
Delivery of Mayor's Outer London Fund & Mayor's Regeneration Fund	Substantial
Youth European Social Fund (ESF) Projects	Substantial
Housing - Compliance Audit Programme	Substantial
Sports Legacy Programme	Substantial
Mobile Portable Devices	Substantial
Budgeting Control Framework	Substantial
Treasury Management	Substantial
Royal Albert Dock Procurement Review	Substantial
Income from the GLA Estate	Adequate
Performance Management Analytical Review	Adequate
Procurement	Adequate
London's European Office	Adequate
Sundry Income/Debtors (incl. Fees & Charges)	Adequate
Creditors - Ordering, Receiving & Payments	Adequate
Rough Sleepers Project	Adequate
Growing Places Fund	Adequate
Payroll - Review of Main Areas	Adequate

Follow Up Reviews

Audit Title	Rating
Decision Making Framework - Mayoral & Directorate	Substantial
General Ledger	Substantial
Energy and Environmental Policy Development and Implementation	Substantial
London Plan Implementation	Substantial
Sickness Monitoring & Control (aka Attendance Management)	Substantial
Mayor's Mentoring Programme	Substantial
Performance Management Framework	Substantial
Regeneration Funding & Control	Substantial
ICT Procurement	Substantial
Housing Grants Monitoring & Control	Substantial
Recruitment Control Framework	Substantial
Financial Control Framework	Substantial
Delivery of Mayor's Outer London Fund & Mayor's Regeneration Fund	Substantial
Performance Management Analytical Review	Substantial
Estates Strategy & Management of Assets	Adequate
Decent Homes Programme	Adequate
Mayor's Economic Development Strategy	Adequate
Procurement	Adequate

Appendix B: Mayoral directions issued to the GLA's functional bodies in 2014-15

Good GLA governance involves full transparency over any directions issued to the GLA's functional bodies. The GLA 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.

In 2014-15 seven directions were issued to TfL; one direction was issued covering both TfL and LLDC; and five were issued to the LFEPA.

MD No.	Body	Title	Date	Decision
1334	TfL	Aviation	9/4/14	<p>1. Extend until 30 September 2015 the Direction given to Transport for London (TfL) on 13 May 2011 (MD806, as amended by MD1037 and MD1080) under section 155(1)(c) of the Greater London Authority Act 1999 ('the GLA Act'). This Amended Direction (attached as Annex 1) will be reviewed on or around 30 September 2015.</p> <p>2. Authorise TfL under section 38(1) of the GLA Act to exercise the Mayor's powers under sections 30 and 34 of the GLA Act to do all things necessary and expedient to undertake the works required by the Amended Direction in accordance with the terms of the annexed delegation.</p> <p>3. Authorise Daniel Moylan as a member of the TfL Board to oversee the work that TfL will undertake pursuant to the Amended Direction.</p>
1359	LFEPA	8 Albert Embankment	16/6/14	<p>That the Mayor directs LFEPA in the manner set out at Appendix 3 to this decision form, namely:</p> <ul style="list-style-type: none"> • Not to proceed to, or take any preparatory steps in relation to, the disposal of 8 Albert Embankment except for and pending completion of the actions set out below; • To write to all members of the London Development Panel, no later than 31 July 2014, inviting them to provide informal advice and input on issues relating to the development and its viability, by way of soft market testing; and • Within eight weeks of the receipt of the information from the soft market test, to report back to the Mayor of London on the conclusions reached as a result of that test and to await the Mayor of London's response before taking any action in relation to the disposal of 8 Albert Embankment.
1368	TfL	Travel provisions for Team London volunteers	18/6/14	<ul style="list-style-type: none"> • To direct TfL under sections 155 and 174 of the Greater London Authority Act 1999 to provide 550 Oyster cards to enable the Team London volunteers and managers to travel on the TfL Network and National Rail (where the Train Operating Companies accept Oyster) to their training day and volunteering at assigned venues during the period of 1 July to 31 August, and • To delegate to TfL the necessary powers to deliver the proposals specified in the Direction under sections 30, 34 and 38 of that Act; and • To approve the GLA providing a revenue grant of up to £7,730 to TfL pursuant to section 121 of the GLA Act to reimburse TfL for the cost of National Rail journeys taken using the Team London Oyster cards.

MD No.	Body	Title	Date	Decision
1355	TfL	Garden Bridge Development Proposals	27/6/14	<p>1. Delegates to TfL the exercise of the Mayor's powers under sections 30 and 34 of the Greater London Authority Act 1999 ("the GLA Act") in accordance with the Delegation contained in Appendix A to this Decision.</p> <p>2. Directs TfL to use its powers and the powers delegated to it under (1) above to:</p> <p>(i) provide funding of up to £30 million to the Garden Bridge Trust ("GBT"), for the purposes of securing the delivery and construction of the Garden Bridge, on such terms and conditions and in such form or manner as considered appropriate by TfL;</p> <p>(ii) do anything that it necessary or expedient for the purposes of (i) above; and</p> <p>(iii) do anything that is conducive or ancillary to the above activities.</p> <p>in accordance with the Direction contained in Appendix A, and to make budgetary provision in that regard.</p>
1369	LFEPA	Disposal of 9 former fire stations	11/7/14	<p>The Mayor directs LFEPA in the manner set out at Appendix B to this decision form; namely in relation to the sale by LFEPA of nine of its former fire stations at Belsize, Bow, Clerkenwell, Downham, Kingsland, Silvertown, Southwark, Westminster and Woolwich:</p> <p>1. To report to the Mayor of London with all available information on the bids submitted to LFEPA within twelve weeks of their receipt; and</p> <p>2. To await the Mayor of London's response before entering into any agreements to dispose of the nine former fire stations.</p>
1380	LLDC & TfL	Invictus Games	18/7/14	<p>In recognition of the significance of London playing host to the 2014 Invictus Games and as a city contribution towards the staging of the event, the Mayor:</p> <ul style="list-style-type: none"> • Directs the LLDC to waive fees, totalling £585,808, relating to the staging of the 2014 Invictus Games on Queen Elizabeth Olympic Park as at Appendix B to this form; and • Directs TfL to provide 1,000 'pay as you go' Oyster cards at a cost to TfL of approximately £66,000, for use by carers, families and friends of the athletes who will be participating in the 2014 Invictus Games as at Appendix D to this form.
1318	TfL	Contactless Payments and Oyster Cap	8/8/14	<p>The Mayor approves:</p> <ol style="list-style-type: none"> 1. The introduction of daily caps for bus fares paid by contactless payment cards (CPCs), at the same values as the equivalent Bus & Tram Oyster daily caps, and 2. The introduction of weekly (Monday to Sunday) caps for bus fares paid using CPCs, at the same values as the equivalent 7 Day Bus & Tram Pass, on a date determined by TfL; and approves 3. The extension of acceptance of CPCs to the Underground, Docklands Light Railway, London Overground, trams and National Rail services where Oyster is accepted, at the rates published in MD1299 for Adult PAYG using Oyster, 4. The introduction of multimodal daily caps for fares paid using CPCs at the same value as the equivalent Oyster daily caps, and weekly (Monday to Sunday) caps for fares paid using CPCs at the same values as the equivalent 7 Day Travelcard, and 5. The introduction of a new maximum fare which may be applied in the event of a failed tram revenue inspection, as set out below, from the 16 September 2014 or a later date determined by TfL; and 6. Signs the attached Direction to TfL under section 155 (1)(c) of the Greater London Authority Act 1999 to implement the proposal.

MD No.	Body	Title	Date	Decision
1385	LFEPa	Partial performance	22/7/14	<p>The Mayor directs LFEPa in the manner set out at Appendix B to this decision form; namely:</p> <ul style="list-style-type: none"> • To instruct the London Fire Commissioner to take a report to the 2 October 2014 LFEPa meeting investigating the benefits and risks to LFEPa associated with withholding payment from firefighters for part or the whole period of duty on which they are on strike; • To provide the Mayor of London with copies of the ballot result and the notification of the industrial action for the Fire Brigade Union's current action on its pension dispute with Government; and • To provide the Mayor of London with a copy of the employment contract LFEPa has in place with its firefighters.
1418	TfL	January 2015 Fare Changes	10/11/14	<p>(i) Approves the proposed revisions to TfL fares to be implemented from 2 January 2015 as set out below; and</p> <p>(ii) 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 2015.</p>
1439	TfL	MOPAC TfL Delegation ANPR	27/1/15	<p>The Mayor delegates to Transport for London the exercise of the power in section 30 of the Act for the Mayor, acting on behalf of the GLA, to do anything which the Mayor considers will further the promotion of social development in London, in order for TfL to provide the Metropolitan Police Service with general access to a feed of the data collected by and through TfL's ANPR cameras.</p> <p>This is on the basis that doing so will further the promotion of social development in Greater London by assisting with the detection and prevention of crime.</p> <p>The Mayor directs TfL to provide such access as set out in Appendix E.</p>
1464	LFEPa	Bow and Silvertown fire station	10/3/15	<ul style="list-style-type: none"> • Directs LFEPa in relation to the disposal former fire station sites at Bow and Silvertown in the form attached at Appendix B to this decision form; and • Provides a letter of comfort to LFEPa as to its financial position in the form attached at Appendix C to this decision form.
1486	LFEPa	Disposal of fire station at Southwark Hadston	26/3/15	<p>That the Mayor directs the London Fire and Emergency Planning Authority (LFEPa) in relation to the disposal of Southwark former fire station site in the form attached at Appendix B to this decision form.</p> <p>That the Mayor provides a letter of comfort to LFEPa as to its financial position in the form attached at Appendix C to this decision form.</p>
1478	TfL	Croxley Rail Link	26/3/15	<ol style="list-style-type: none"> 1. Directs TfL to take over responsibility for delivering the entire project including civil engineering works, systems and the procurement of additional rolling stock. 2. Directs TfL to provide £46.5m of funding towards the costs for delivering Croxley Rail Link based on a total cost of the project of £284.5m on the basis that the Government increases TfL's overall borrowing requirement by £30m and that £16m will be funded from the TfL capital budget (the remaining costs of £238m are to be funded from Hertfordshire County Council and the Department for Transport). 3. Directs TfL to be responsible for any cost overruns above the current project estimate of £284.5m.

Appendix C: Governance and related issues raised by the Assembly

2015/16 Budget for the GLA Group

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 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, 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.

At its meeting in January 2015, following consideration of the draft Budget, the Assembly agreed one amendment and four Budget Related Motions. These are set out in the published minutes of the meeting.

At its meeting in February 2015, following consideration of the final draft Budget, the Assembly did not agree any amendments to the Budget by the requisite majority, and in accordance with Paragraph 8(5) of Schedule 6 to the GLA Act 1999 (as amended), the Assembly was deemed to have approved, without amendment, the Final Draft Consolidated Budget for 2015/16. The Assembly did agree two Budget Related Motions and those are set out in the published minutes of the meeting.

Strategies and plans

The Mayor is statutorily required to consult the Assembly on certain key strategies. Assembly committees usually respond to such consultations on the Assembly's behalf and the consultation responses are published on london.gov.uk.

In addition, the Mayor must lay before the London Assembly the final versions of those key 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.

On 6 February 2015, the Assembly considered the Further Alterations to the London Plan (FALP) and agreed a motion to reject the alterations; however, the motion only attracted a simple majority of votes cast in its favour and not the two-thirds majority required in law formally to reject the draft Strategy. The motion and the additional formal proposals to the Mayor, under section 60(1) of the GLA Act 1999 (as amended) in relation to the contents of the FALP represented the Assembly's comments on the strategy.

Confirmation Hearings

During 2014-15 the London Assembly held one confirmation hearing, in February 2015. This related to the proposed appointment of Gareth Bacon AM to the office of Chairman of LFEPA. The Confirmation Hearings Committee recommended that the Mayor should proceed with the appointment.

The transcript of the question and answer session held with Gareth Bacon AM and the letter of recommendation to the Mayor in relation to the appointment are published on london.gov.uk.

Mayoral Development Corporations

Section 197 of the Localism Act 2011 gives the Mayor powers to designate any area of land in Greater London as a Mayoral Development Area for the purposes of setting up an MDC. In relation to the proposal to designate a Mayoral Development Area covering Old Oak and Park Royal, the Mayor laid his proposals before the Assembly at its meeting on 17 December 2014. Under Section 197 of the Act, the Assembly may reject the Mayor's proposal by a two-thirds majority of Assembly Members present and voting. The Assembly did not agree by the requisite majority to reject the proposal, but it did agree a motion which called on the Mayor formally to respond to some specific concerns raised and to develop an MDC proposal which addressed the issues identified.

Improving transparency and governance

The Assembly's committees play a key role in scrutinising policy areas and delivery in depth and in bringing information into the public domain. The Assembly, through several of its committees, has maintained its focus on the transparency of the GLA Group, for example recommending the Mayor insist on transparency commitments from organisations (such as London & Partners) which receive significant funding from the GLA.

The Budget & Performance Committee supports the Assembly's scrutiny of the Mayor's budget. In January 2015 the Mayor responded to the Budget & Performance Committee's Pre-Budget Report, accepting a number of recommendations to improve the quality of the budget document and to provide further information on issues such as housing, policing and apprenticeships to help the Assembly's scrutiny.

Assembly work at several committees influenced the Mayor and TfL in introducing flexible ticketing arrangements to help encourage part-time working, leading to the introduction of a price cap on peak time pay as you go travel. Following further work at the Budget Committee, the Mayor also agreed that TfL should review the impact of the introduction of the Pay As You Go daily cap after six months.

Following a Channel 4 News report about the redevelopment of Royal Albert Dock, on 19 November 2014, the London Assembly considered a motion relating to the procurement process of the redevelopment. After the debate at Mayor's Question Time, the Assembly's

Audit Panel considered a report prepared by the GLA's Internal Audit service (the Interim Review of Royal Albert Dock Procurement) and at its meeting on 24 March 2015. The GLA Oversight Committee put questions on the matter to a number of guests including the Chairman and Chief Executive of London & Partners.

Improved transparency on senior employee remuneration has also been a focus for the Assembly this year. At its meeting of 23 July 2014, the GLA Oversight Committee put questions to invited guests on senior pay in the GLA Group, including the Mayor and the Transport for London Commissioner. The Committee subsequently called on the Mayor to establish a consistent approach to exit payments across the GLA Group and asked for greater transparency in terms of pay policies, senior employee remuneration and payments for loss of office.