



ANNUAL GOVERNANCE STATEMENT 2008/09

Scope of responsibility

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

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

Merseyside Waste Disposal Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

A copy of the code is on our website at www.merseysidewda.gov.uk or can be obtained from the Corporate Services Manager, Merseyside Waste Disposal Authority, 6th Floor, North House, 17 North John Street, Liverpool L2 5QY. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of

the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised, and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2009 and up to the date of approval of the Statement of Accounts.

The following describes the key elements of the systems and processes which underpin the Authority's governance arrangements:

- There is an established Performance Management Framework (PMF) underpinned by a three year Corporate Plan which reflects current corporate strategies, risks and priorities.
- The current Corporate Plan was approved by Members on 15th April 2009 and is delivered through the development of Annual Service Plans and supported by contractual service level agreements.
- Roles and responsibilities of Members and the Scheme of Delegation are reviewed and approved annually. The Authority's scrutiny function is delivered by the full Authority and communication protocols are in place.
- Codes of Conduct are in place for officers and Members are required to comply with their host authority's Code of Conduct.
- A comprehensive set of Procedural Rules which define the Authority's constitution and its internal control mechanisms are in place and are reviewed annually.
- Audit functions are delivered through the full Authority with specific powers delegated to the Audit and Governance Committee.
- Procedures and processes are in place to ensure that the Authority conducts its business in compliance with its legal obligations, including specialist advice where necessary.
- There is a Whistleblowing Policy and a Comments and Complaints Procedure to assist in the transparency of the Authority's business.
- Training and development for Members and officers are delivered through the Member Training and Development Plan, the Staff Development Scheme and a Corporate Training Programme.
- The Authority has a Communications Strategy to deliver clear channels of communication with stakeholders and consultation processes are undertaken as necessary.
- Inter Authority Agreements are being finalised and will ensure effective partnership working and joint working groups are in place with defined terms of reference.
- Internal Control Statements of Assurance are obtained for both the Authority and the boards of Mersey Waste Holdings Limited and Bidston Methane Limited in which it has a vested interest.

Review of effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Authority's Primary

Assurance Group, who have responsibility for the development and maintenance of the governance environment. It also takes into account the Head of Internal Audit's annual report and any issues reported by the Authority's external auditors and other review agencies and inspectorates.

The Authority has reviewed its Code of Corporate Governance in accordance with the CIPFA/SOLACE framework. The Code supports the delivery of good governance through the establishment of the following roles:

- The Authority is responsible for the approval of the Code of Corporate Governance and its associated annual review and assessment.
- The Authority is responsible for the approval of the Annual Statement of Accounts and Annual Statement Governance.
- The scrutiny function is provided by the full Authority.
- Audit and risk issues are dealt with by the full Authority.
- The Audit and Governance Committee has delegated powers to deal with governance matters where statutory deadlines require approvals prior to scheduled full Authority meetings.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and a plan to address weakness and ensure continuous improvement of the system is in place.

Significant governance issues

The review process did not highlight any significant issues regarding the Authority's governance or internal control environment.

The review did however highlight some areas where the Authority could improve its corporate governance arrangements. An action plan to deliver these improvements has been developed and includes:

- Agreement of the Inter Authority Agreements by the Merseyside Waste Partnership
- Quality Assurance of Corporate Governance Assessment
- Review of the Joint Municipal Waste Management Strategy
- Appointment of Assistant Director (Finance)
- Procurement of SLA for support services
- WMRC Admin and Monitoring Process Review
- Establishment of a Stakeholder & Community Liaison Advisory Panel (WMRC Contract)
- Development of an Equality and Diversity Scheme
- Review of the Risk Management Policy and Strategy

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Director

Clerk

Chairman