



MERSEYSIDE WASTE DISPOSAL AUTHORITY

CODE OF CORPORATE GOVERNANCE

1. INTRODUCTION

- 1.1 This document sets out Merseyside Waste Disposal Authority's Code of Corporate Governance which has been reviewed and updated in accordance with the principles and requirements contained within the framework established by the CIPFA/SOLACE Joint Working Group, 'Delivering Good Governance in Local Government: Framework.'
- 1.2 Merseyside Waste Disposal Authority (MWDA) is committed to the principles of good corporate governance and demonstrates this commitment through the development, adoption and implementation of a Code of Corporate Governance. This Code sets out the Corporate Governance arrangements which are currently in place and how the Authority will continue to review these arrangements and implement improvements where necessary.

2. WHAT IS CORPORATE GOVERNANCE?

- 2.1 Corporate Governance is defined within the CIPFA/SOLACE framework document as 'the systems and processes, and cultures and values, by which local government bodies are directed and controlled through which they account to, engage with and, where appropriate, lead their communities.' It further defines governance as '...how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner'.
- 2.2 In accordance with the CIPFA/SOLACE framework, the Authority recognises the six core principles of good governance as follows:
- (i) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
 - (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles.
 - (iii) Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

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- (iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- (v) Developing the capacity and capability of Members and officers to be effective.
- (vi) Engaging with local people and other stakeholders to ensure robust local public accountability.

3. THE AUTHORITY'S CORPORATE GOVERNANCE APPROACH

3.1 To achieve the principles of good corporate governance, the Authority recognises the principles contained within the CIPFA/SOLACE Framework, against which it will aim to deliver good governance.

3.2 Core Principle (i)

Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.

Supporting principles:

Exercising strategic leadership by developing and clearly communicating the Authority's purpose and vision and its intended outcome for citizens and service users.

Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.

Ensuring that the Authority makes best use of resources and that tax payers and service users receive excellent value for money.

The Authority will:

- Develop and promote the Authority's purpose and vision through its Corporate Plan.
- Review the Corporate Plan and its impact on the Authority's governance arrangements on a regular basis.
- Continue to develop the Joint Recycling and Waste Management Strategy for Merseyside to ensure that partnerships work to a common goal.
- Publish the Authority's Annual Performance Plan on a timely basis to communicate the Authority's activities and achievements, its financial position and performance.
- Produce and publish quarterly reports to monitor the Authority's performance and the quality of its services.
- Continue to develop effective arrangement to identify and deal with failure in service delivery.
- Ensure value for money which takes account of sustainable delivery of services and improved environmental performance.

3.3 Core Principle (ii)

Members and officers working together to achieve a common purpose with clearly defined functions and roles.

Supporting principles:

Ensuring effective leadership throughout the Authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.

Ensuring that a constructive working relationship exists between Authority Members and officers and that the responsibilities of Members and officers are carried out to a high standard.

Ensuring relationships between the Authority, its partners and the public are clear so that each knows what to expect of the other.

The Authority will:

- Set out clearly the respective roles and responsibilities of the Authority's Members and senior officers.
- Maintain an effective Scheme of Delegation, ensuring that the Chief Executive is responsible and accountable to the Authority for all aspects of operational management.
- Maintain the Member/Officer Protocol to ensure that a shared understanding of roles and objectives is maintained.
- Ensure that the Treasurer to the Authority (the S151 officer) is responsible for providing appropriate advice on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system for internal financial control.
- Ensure that the Clerk to the Authority and the Monitoring Officer are responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- Consider the terms and conditions for remuneration of Members and officers and an effective structure for managing the process.
- Maintain effective mechanisms to monitor service delivery.
- Ensure that the Authority's Corporate Plan and key strategies are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.
- When working in partnership ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority.
- When working in partnership:

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- Ensure that there is clarity about the legal status of the partnership through formal agreements such as an Inter Authority Agreement.
- Ensure that protocols are in place to make clear the extent of a representative's authority to bind their organisation to partner decisions.

3.4 Core Principle (iii)

Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

Supporting principles:

Ensuring Authority Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.

Ensuring that organisational values are put into practice and are effective.

The Authority will:

- Ensure that the Authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.
- Ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols.
- Maintain and develop policies that ensure that Members and employees of the Authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.
- Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectation and communicate these with Members, staff, the community and partners.
- Ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.
- Work with Members' constituent authorities to promote and maintain high standards of conduct.
- Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority.
- In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.

3.5 Core Principle (iv)

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

Supporting principles:

Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.

Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.

Ensuring that an effective risk management system is in place.

Using their legal powers to the full benefit of the citizens and communities in their area.

The Authority will:

- Deliver an effective scrutiny function through the Authority's Procedural Rules and Scheme of Delegation, which encourages constructive challenge and enhances the Authority's performance overall and that of any organisation for which it is responsible.
- Have regard to relevant Scrutiny Committee Reports of partner Authority's where written notice requires the Authority's consideration.
- Maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and consideration on which decisions are based.
- Develop and maintain arrangements to safeguard Members and employees against conflicts of interest.
- Develop and maintain an effective audit function through the Authority's board and where appropriate, the Audit and Governance Committee.
- Develop and maintain effective, transparent and accessible arrangements for dealing with complaints.
- Ensure that those making decisions, whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.
- Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.

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- Continue to embed risk management into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs.
- Maintain whistle-blowing arrangements to which staff and all those contracting with the Authority have access.
- Actively recognise the limits of lawful activity placed on the Authority by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the communities it serves.
- Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law.
- Observe all specific legislative requirements placed upon the Authority, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into its procedures and decision-making processes.

3.6 Core Principle (v)

Developing the capacity and capability of Members and officers to be effective.

Supporting principles:

Making sure that Members and officers have the skills, knowledge, experience and resource they need to perform well in their roles.

Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.

Encouraging new talent for membership of the Authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.

The Authority will:

- Provide induction programmes tailored to individual needs and opportunities for Members and officers to update their knowledge on a regular basis.
- Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation.
- Assess the skills required by Members and officers to support their role with the Authority and make a commitment to develop those skills to enable roles to be carried out effectively.
- Develop skills on a continuing basis through staff and Member training and development programmes to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.

- Ensure that effective arrangements are in place for reviewing the performance of the Authority as a whole and of individual Members and agreeing an action plan which might for example aim to address any training or development needs.
- Develop the Authority's strategies and policies to ensure that effective arrangements are in place, designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority
- Ensure that career structures are in place for Members and officers to encourage participation and development

3.7 **Core Principle (vi)**

Engaging with local people and other stakeholders to ensure robust local public accountability.

Supporting principles:

Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.

Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Authority, in partnership or by commissioning.

Making best use of human resources by taking an active and planned approach to meet responsibility to staff.

The Authority will:

- Make clear to Members, all staff and the community, to whom they are accountable and for what.
- Consider stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required.
- Produce an annual report on scrutiny function activity within the Authority's Annual Performance Plan.
- Ensure that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively.
- Hold meetings in public unless there are good reasons for confidentiality.
- Ensure arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements will recognise that different sections of the community have different

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priorities and establish explicit processes for dealing with these competing demands.

- Ensure that the communications strategies and contractual arrangements establish the types of issues the Authority will meaningfully consult on or engage with the public and service users, including a feedback mechanism for those consultees to demonstrate what has changed as a result
- On an annual basis, publish an Annual Performance Plan giving information on the Authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.
- Ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.

4 ASSESSMENT OF THE AUTHORITY'S COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

- 4.1 By adopting this local code, MWDA commits itself to continuously improving its corporate governance arrangements. To ensure on-going commitment, the Primary Assurance Group comprising the Authority's statutory officers and senior management has been established to monitor the Authority's systems and processes for their effectiveness and to identify areas of improvement.
- 4.2 The Primary Assurance Group will undertake regular, at least annual, reviews of the Authority's governance arrangements to ensure continuing compliance with best practice as set out in the CIPFA/SOLACE Framework and recognises the importance of ensuring that such reviews are reported to the Authority and contained within the published accounts, to provide assurance that:
- corporate governance arrangements are adequate and operating effectively in practice; or
 - where reviews of the governance arrangements have revealed gaps, action is planned and implemented to ensure effective governance in future.
- 4.3 A copy of the Annual Assessment and Improvement Plan will be presented to Members for their consideration on an annual basis.
- 4.4 The Authority will prepare an Annual Governance Statement and in so doing recognises that the process of preparing the Governance Statement should itself add value to the Authority's corporate governance and internal control arrangements.

4.5 The Annual Governance Statement will be submitted to the Authority for approval and will include the following information:

- An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control).
- An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide.
- A brief description of the key elements of the governance framework, including reference to group activities where those activities are significant.
- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:
 - the Authority
 - the Audit and Governance Committee/ overview and scrutiny function / risk management arrangements /standards arrangements
 - internal audit
 - other explicit review / assurance mechanisms
- An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

4.6 In reviewing and approving the Annual Governance Statement, Members will be provided with assurances on the effectiveness of the governance framework, the system of internal control, and how these address the key risks faced by the Authority. Those assurances will be available from a wide range of sources, including internal and external audit and a range of external inspectorates. Management will provide the primary source of assurance, however, the Authority's internal audit will also be a significant source of assurance.

5 CONCLUSION

5.1 MWDA is fully committed to the principles of corporate governance, and through the measures outlined within this Code, will ensure that adequate arrangements are made with regard to its continued implementation, monitoring and review.

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