



## **ANNUAL GOVERNANCE STATEMENT 2011/12**

### **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 improvements in the way 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](http://www.merseysidewda.gov.uk) or can be obtained from the Corporate Services Manager, Merseyside Waste Disposal Authority, 6<sup>th</sup> 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 (England) Regulations 2011 in relation to the publication of a statement on internal control.

### **The purpose of the governance framework**

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

It is important to recognise that the governance statement covers all significant corporate systems, processes and controls, spanning the whole range of an authority's activities, including in particular those designed to ensure that:

- the Authority's policies are implemented in practice;
- high-quality services are delivered efficiently and effectively;
- the Authority's values and ethical standards are met;
- laws and regulations are complied with;
- required processes are adhered to;

- performance statements and other published information are accurate and reliable;  
and
- human, financial and other resources are managed efficiently and effectively.

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 2012 and up to the date of approval of the Statement of Accounts.

The following are 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 15<sup>th</sup> April 2011 and is delivered through the development of Annual Service Plans and supported by contractual service level agreements;
- performance against the Corporate Plan is published on a quarterly basis and reviewed by the Authority'
- 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 regularly;
- ensuring the authority'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) .
- audit functions are delivered through the full Authority with specific powers delegated to the Audit and Governance Committee;
- internal audit operates to Internal Auditing Standards as laid down by CIPFA;
- 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; and
- Internal Control Statements of Assurance are obtained from the Chief Executive as Chief Officer for Authority, from St Helens MBC which provides key services and from the board of Mersey Waste Holdings Limited in which the Authority has a vested interest.

### **Review of effectiveness**

The Authority is responsible 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, which has responsibility for the development and maintenance of the governance environment. It also takes into account the Internal Auditor's annual report and any issues reported by the Authority's external auditors and other review agencies and inspectorates where they have reported in the year.

The Authority has continued to review 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 Governance;
- the Authority is responsible for the approval Annual Statement of Accounts after they have been approved by the Chief Finance Officer and audited;
- the scrutiny function is provided by the full Authority;
- the Chief Finance Officer is responsible for ensuring the proper financial administration of the Authority, including:
  - the preparation of the statement of accounts;
  - accounting records and control systems; and
  - internal audit
- audit and risk issues are dealt with by the full Authority; and

- the Audit and Governance Committee has delegated powers to deal with governance matters where statutory deadlines require approvals prior to scheduled full Authority meetings.

Where our review of the effectiveness of the governance framework identifies weaknesses the Authority develops a plan to address the weaknesses and also to ensure a 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.

### **Other governance issues**

The review process highlighted some areas where there is a need to improve governance and controls. While these are important and action plans are being developed to address them they are not considered significant. Areas for improvement include:

- Inter Authority Agreement – the agreement between the Authority and Halton has not been signed and further dialogue is required to conclude the process.
- Review of Governance Arrangements – the Authority is in the process of reviewing how Authority meetings are conducted specifically in relation to consultation with constituent councils.

Signed: .....  
Chief Executive June 2012

Signed: .....  
Clerk June 2012

Signed: .....  
Chairperson June 2012