



## Annual Governance Statement 2017/18

### Scope of responsibility

Merseyside Waste Disposal Authority (operating as Merseyside Recycling and Waste Authority) [the 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.

The 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 authority's code is on our website at [www.merseysidewda.gov.uk](http://www.merseysidewda.gov.uk) or can be obtained from:

The Clerk and Monitoring Officer  
Merseyside Recycling and Waste Authority  
7<sup>th</sup> Floor, No 1 Mann Island  
Liverpool  
L3 1BP

This statement explains how the Authority has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

### The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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 and potential impact of those risks being 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 2018 and up to the date of approval of the Statement of Accounts.

### **The governance framework**

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 underpinned by a Corporate Plan which sets out the Authority's long-term aims;
- the current Corporate Plan was approved by Members on 24<sup>th</sup> November 2017 and has a mission statement, "To contribute to the economic, environmental and social well-being of Merseyside by promoting the best use of resources and ensuring that waste is sustainably managed." The plan is delivered through the development and implementation of an annual Service Delivery Plan which reflects current corporate strategies, risks and priorities;
- performance against the Service Delivery Plan is published on a quarterly basis and circulated to Members and other stakeholders;
- there is a Joint Recycling and Waste Management Strategy for Merseyside in place which has been approved by all partner organisations and was used to inform the procurement of major waste contracts, most notably the Waste Management and Recycling Contract and the Resource Recovery Contract;
- there is a Risk Management Strategy in place which provides the Authority with a framework to identify and analyse the risks associated with its activities and ultimately supports the Authority in planning for and delivering its Corporate Plan.
- 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 for Members, both of which include a Register of Interests;
- The Authority's Constitution, including a comprehensive set of Procedural Rules which define its internal control mechanisms, is in place and reviewed regularly;

- 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 is provided by St Helens Council under a service level agreement and 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 is 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. The strategy is currently under review to ensure it remains fit for purpose;
- Inter Authority Agreements are being reviewed and where appropriate, put in place to ensure effective partnership and joint working arrangements; and
- Internal Control Statements of Assurance are obtained from the Chief Executive as Chief Officer for the 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 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 executive managers within the authority, namely the Primary Assurance Group, who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Authority measures its arrangements against a Code of Corporate Governance developed and approved by the Authority 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 Governance Statement;
- the Authority is responsible for the approval of the Annual Statement of Accounts once 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.

The Primary Assurance Group has reviewed the Authority's Code of Corporate Governance and conducted an annual assessment to identify and address any weaknesses in the Authority's governance arrangements. An action plan for delivering improvements has been developed and will be implemented during 2018/19 to continue to strengthen and improve the Authority's governance.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Primary Assurance Group and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

### **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. Whilst these are important and action plans are being developed to address them they are not considered significant. Areas for improvement include:

- Contribution to the Implementation of the Strategic Review undertaken by the Merseyside Councils and the Combined Authority
- To refresh the Joint Recycling and Waste Management Strategy following completion of Strategic Review
- The development of a Data Management Strategy to enhance the Authority's data related and data dependant capability

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:** .....  
Chief Executive April 2018

**Signed:** .....  
Chair April 2018