

**CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE
STATEMENT**
WDA/09/19

Recommendation

That:

1. Members note the findings of the Annual Corporate Governance Assessment and approve the Improvement Action Plan for 2019/20;
2. Members approve the Code of Corporate Governance; and
3. Members approve the Annual Governance Statement and the Statement be signed by the Authority's representatives for inclusion in the Statement of Accounts 2018/19.

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Report of the Chief Executive

1. Purpose of the Report

- 1.1 To inform Members of the findings of the Annual Governance Assessment and the Improvement Action Plan for 2019/20. Members are also asked to approve the Annual Governance Statement for inclusion in the Statement of Accounts 2018/19.

2. Background

- 2.1 The Authority has a Code of Corporate Governance in place, and the latest version was approved at a meeting of the Authority held on 20th April 2018. This code is based on a framework recommended by CIPFA/SOLACE which defines standards of good corporate governance.
- 2.2 A Primary Assurance Group (PAG) has been established and is responsible for the continuing assessment and review of the Authority's corporate governance arrangements in line with the above code. The group consists of the Authority's Statutory Officers in consultation with the Chief Executive
- 2.3 As part of the continuing assessment PAG undertake periodic reviews of the previous year's Improvement Action Plan to ensure progress is being made. A final progress report on the 2018/19 Improvement Action Plan is attached at Appendix 2.
- 2.4 PAG has also undertaken its annual assessment of internal control and governance arrangements for 2019/20, the findings of which are presented in this report.
- 2.5 On the basis of these findings of both reviews, the Annual Governance Statement for 2018/19 is attached at Appendix 1 for Members' approval and inclusion in the Statement of Accounts 2018/19 to be published later this year.

3. Annual Assessment and Review

- 3.1 The Primary Assurance Group has undertaken its annual review which included:
- a review of the Code of Corporate Governance
 - a review of the progress made in relation to the improvement plan agreed during last year's review;
 - the annual assessment of the Authority's compliance with the Code of Corporate Governance and the identification of improvements to strengthen arrangements in the forward year.
- 3.2 As part of the annual assessment, the Primary Assurance Group reviewed the work undertaken to deliver last year's Improvement Action Plan. The majority of actions have been completed and those which are still ongoing have been carried forward to 2019/20.
- 3.3 For Members' information, the Improvement Action Plan for 2018/19 has been updated to indicate progress made in the year and is attached at Appendix 2.
- 3.4 This year's assessment noted the work undertaken during 2018/19 to strengthen the Authority's internal control and identified new areas for improvement. A copy of the Improvement Action Plan for 2019/20 is attached at Appendix 3 and a full copy of the annual assessment is attached at Appendix 4.
- 3.5 Key areas for focus identified during the assessment included:
- Contribution to the implementation of the Strategic Review undertaken by Merseyside and Halton Councils Leaders and Chief Executive Group (CG3)
 - Develop a new Waste and Resource Strategy for the LCR Following the publication and consultations of the New National Waste Strategy (CG4)
 - To review and implement a standardised approach to the delivery of waste services to key stakeholders (CG14)

4. Quality Assurance

- 4.1 The Authority's Internal Auditors periodically review Corporate Governance arrangements to ensure that the systems in place operate effectively. A review is scheduled to take place later this year.

5. Statements of Assurance

- 5.1 As part of the annual assessment, the Primary Assurance Group require Statements of Assurance from key officers and organisations to confirm they are maintaining robust internal control systems on which the Authority must rely in preparing its accounts.
- 5.2 The following statements have been received from, and considered by the Primary Assurance Group:
- The Authority's Chief Executive;
 - St Helens MBC as provider of key services including finance and auditing; and
 - Mersey Waste Holdings Limited as an organisation included in the Authority's Group Accounts;
- 5.3 Copies of the statements are attached at Appendix 6, 7 and 8 for Members' information.

6. Annual Governance Statement

- 6.1 Regulation 6 of the Accounts and Audit Regulations 2015 requires authorities to prepare and approve an annual governance statement.
- 6.2 The CIPFA/SOLACE Framework defines the form and content of the governance statement to meet the requirements of the above regulations. The format of the statement was updated by CIPFA/SOLACE in 2016 and the proposed statement attached at Appendix 1 is based on this.
- 6.3 The guidance states that 'A good governance statement should be an open and honest assessment of the organisation's performance across all of its activities, with a clear statement of the action being taken or required to address areas of concern.'
- 6.4 The Annual Governance Statement drafted by the Primary Assurance Group reports that no significant governance issues have been identified

and Members are asked to approve the Statement and agree that it be signed by the Authority's representatives as indicated.

7. Risk Implications

7.1 The review of corporate governance and internal control arrangements is a statutory requirement and failure to undertake an effective review may lead to weaknesses in the direction and control of the Authority's functions.

7.2 The following key risks have been identified:

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Weaknesses in internal control mechanisms are not identified.	1	4	4	Annual Assessment
Failure to deliver continuous improvement.	2	3	6	Improvement Plan identified and monitored by Primary Assurance Group

8. HR Implications

8.1 There are no HR implications associated with this report

9. Environmental Implications

9.1 There are no environmental implications associated with this report.

10. Legal Implications

10.1 The work undertaken ensures that the Authority has a sound system of internal control and is in compliance with Regulation 6 of the Accounts and Audit Regulations 2015.

11. Financial Implications

11.1 There are no financial implications associated with this report.

12. Conclusion

- 12.1 Members are asked to note the findings of the Annual Assessment and approve the Code of Corporate Governance and the Improvement Action Plan for 2019/20. Members are also asked to approve the Annual Governance Statement for inclusion within the Statement of Accounts 2018/19 to be published later this year.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.