



Annual Governance Statement 2023/24

Introduction

Governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance leads to:

- Effective leadership
- Good Management
- Good Performance
- Good stewardship of public money
- Good public engagement
- Good outcomes for our service users

The governance framework comprises the culture, values, systems and procedures by which the organisation is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Merseyside Waste Disposal Authority (operating as Merseyside Recycling and Waste Authority, MRWA) acknowledges its responsibility for ensuring that there is a sound system of governance. The Authority has developed a local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Authority's constitution and can be accessed on the Authority's website.

The Authority's governance framework aims to ensure that in conducting its business it:

- Operates on a lawful, open inclusive and honest manner;
- Makes sure that public money is safeguarded, properly accounted for and uses economically, efficiently and effectively;
- Has effective arrangements for the management of risk; and
- Secures continuous improvements in the way that it operates.

The system of internal control is a significant part of the Authority's governance 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 supply reasonable and not absolute assurance of effectiveness. The Authority's 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 occurring and the impact should they happen, and to manage them efficiently, effectively and economically.

The Annual Governance Statement

The Authority is required by the Accounts and Audit (England) Regulations 2015 to prepare and publish an annual governance statement. This is a public document that reports on the extent to which the Authority complies with its own Code of Governance and explains how the Authority has reviewed the effectiveness of its systems of internal control.

In this document the Authority:

- Acknowledges its responsibility for ensuring that there is a sound system of governance
- Summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment
- Describes how the Authority has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period
- Provides details of how the Authority has responded to any issue(s) identified in last year's governance statement
- Reports on any significant governance issues identified from this review and provides a commitment to addressing them.

The annual governance statement reports on the governance framework that has been in place at MRWA for the year ended 31 March 2024.

How the Annual Governance Statement is prepared

The review of the Authority's governance statement is carried out by the Primary Assurance Group (PAG) which reports to the Chief Executive. The PAG consists of the members of the Senior Leadership team, including those with responsibilities as the Chief Finance Officer, Clerk and Monitoring Officer.

In preparing the annual governance statement the Authority has:

- Reviewed the Authority's existing governance arrangements against its local Code of Corporate Governance
- Considered any areas where the Local Code of Corporate Governance may need to be updated to reflect changes in the Authority's governance arrangements and best practice guidance
- Taken account of other sources of assurance over the Authority's governance framework
- Assessed the effectiveness of the Authority's governance arrangements and highlighted whether there are any planned changes in the coming period

The PAG has prepared the Governance statement for review by the Chief Executive highlighting any significant governance issues facing the Authority

The Authority's Governance Framework

The Authority aims to achieve good standards of governance by adhering to the following key principles set out in the best practice guidance 'Delivering Good Governance in Local Government: Framework 2016'

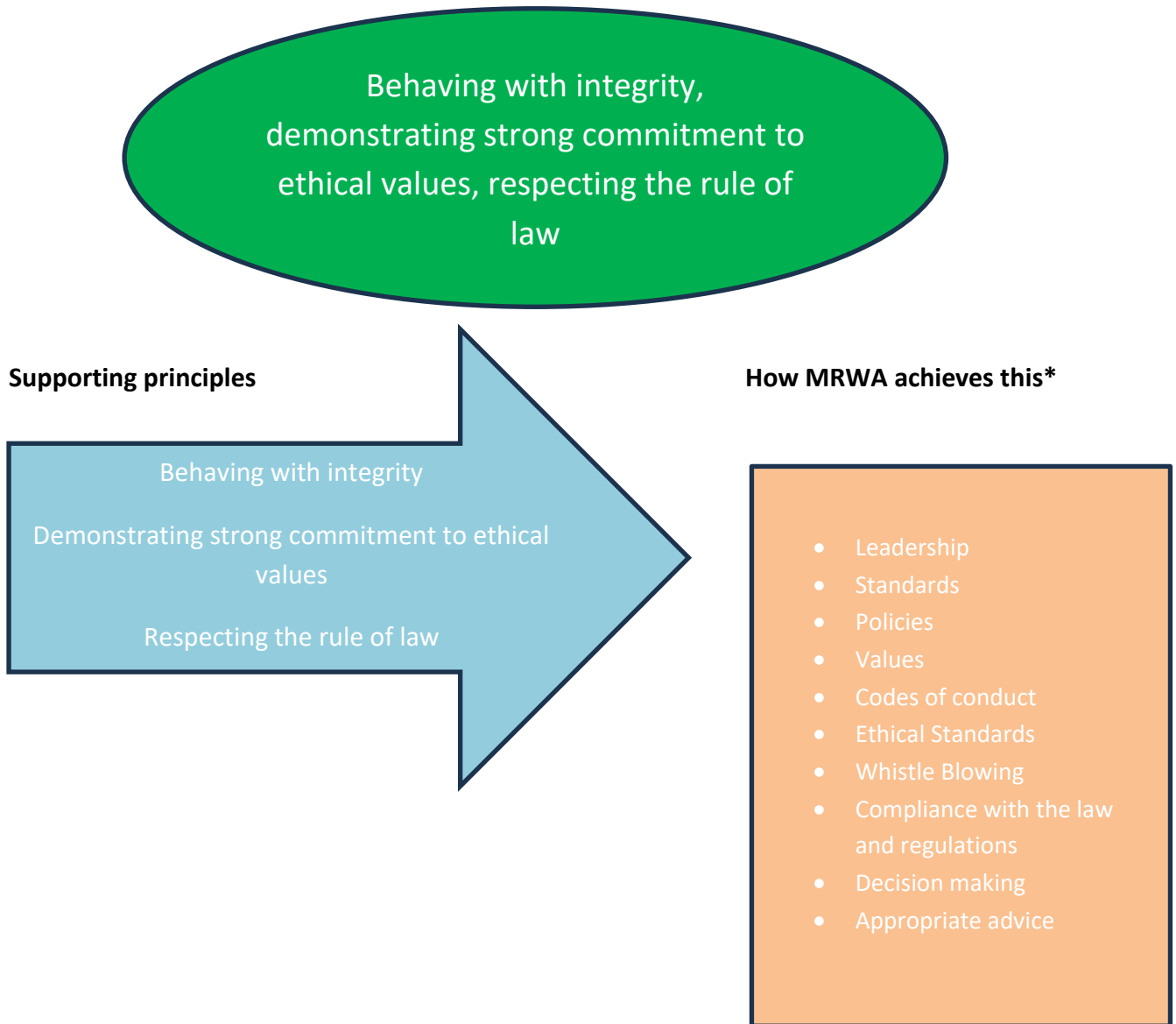
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the Authority's capacity, including capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

As part of this annual governance statement the Authority has undertaken an assessment of previously identified governance issues and the progress made against these issues in the year. Any areas not resolved will be carried forward into 2024/25 and will continue to be monitored.

The Authority considers that it is compliant with the 'CIPFA Delivering Good Governance in Local Government: Framework 2016'. Examples of how the Authority complied are included within the Annual Assessment for 2023/24 and the Improvement Plans for 2023/24 and 2024/25.

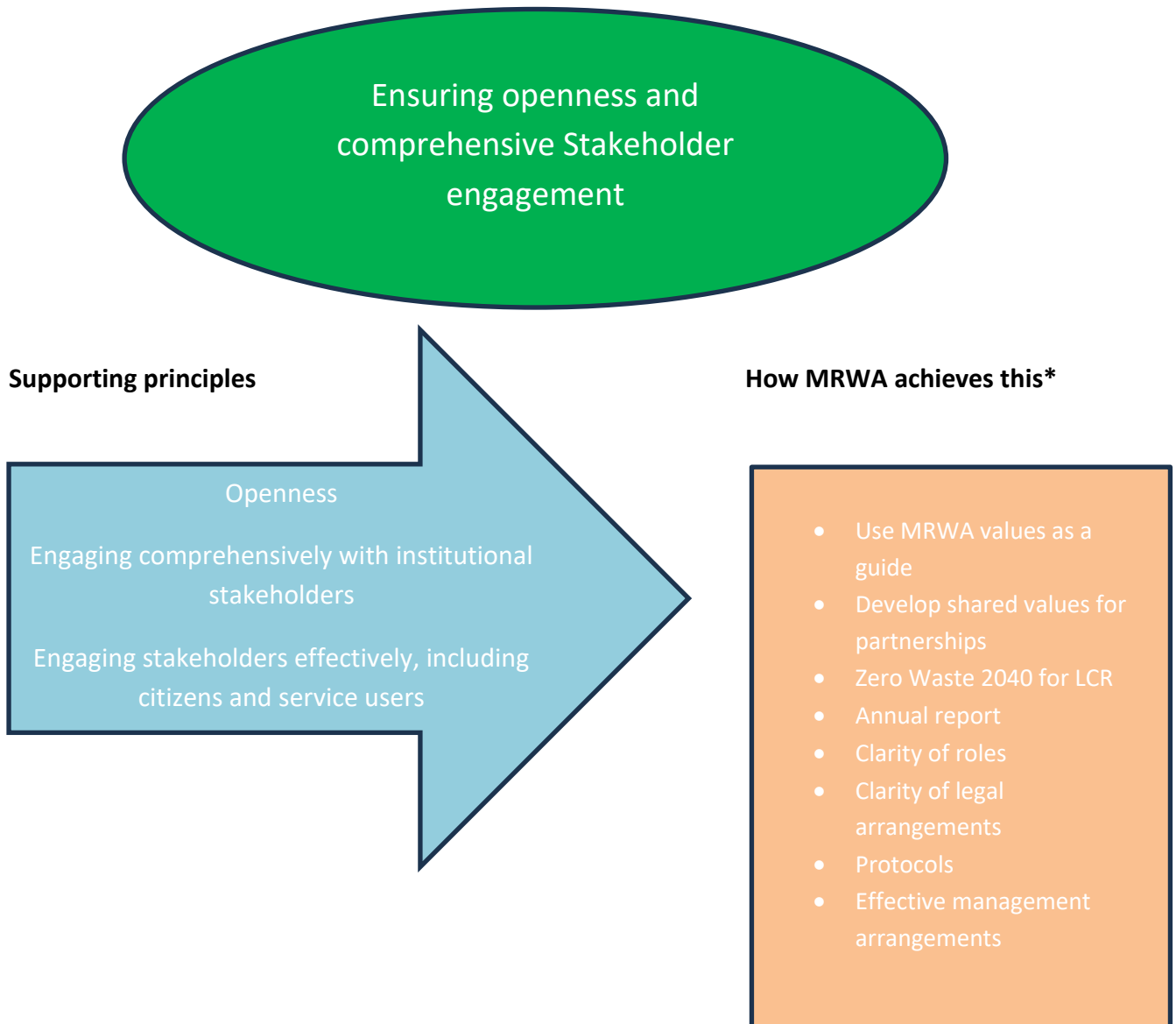
Core Principles, supporting principles and the MRWA response

Core Principle 1



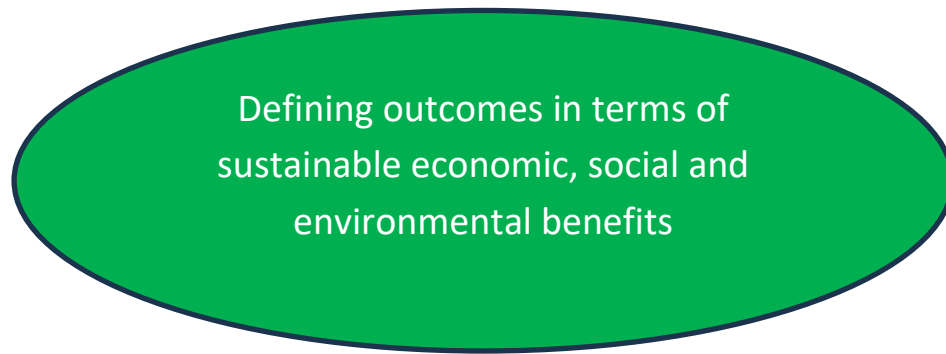
**Supported and evidenced in the Annual Assessment and improvement plans*

Core Principle 2

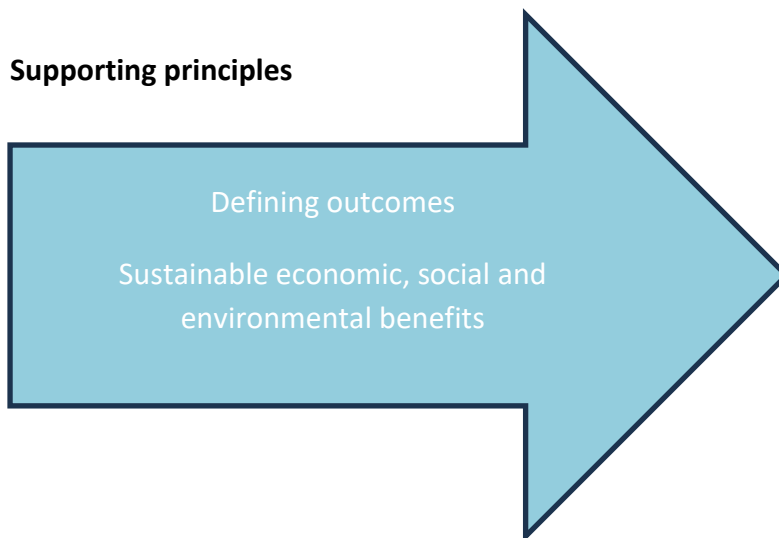


**Supported and evidenced in the Annual Assessment and improvement plans*

Core Principle 3



Supporting principles

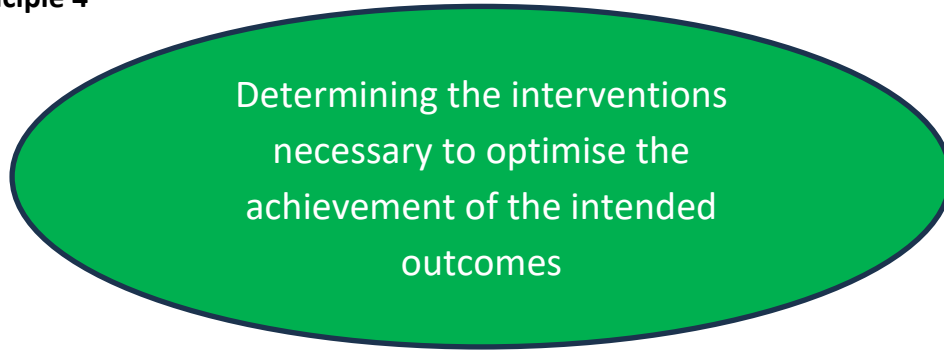


How MRWA achieves this*

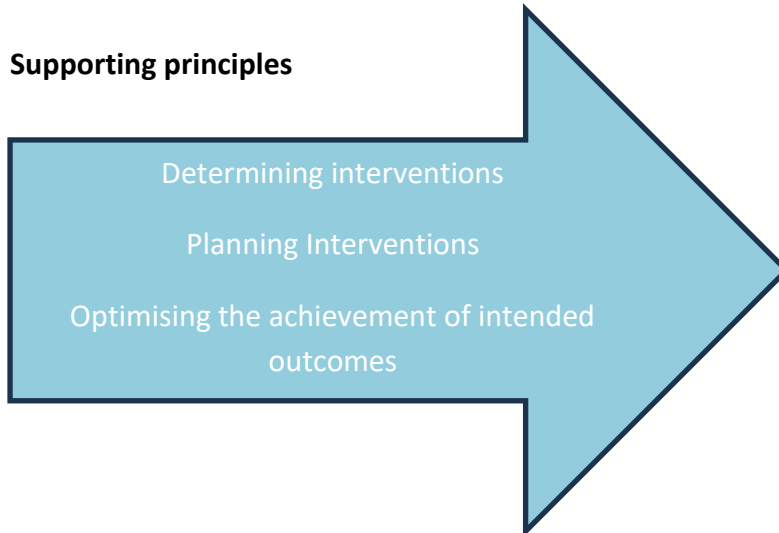
- Vision and the corporate plan
- Fair access to services
- Delivering outcomes sustainably
- Managing expectations
- Balancing economic, social and environmental issues in decisions
- Wider public interest and consultation
- Value for Money

**Supported and evidenced in the Annual Assessment and improvement plans*

Core Principle 4



Supporting principles



How MRWA achieves this*

- Annual report
- Accountability for Members and officers
- Clear communications
- Openness, accessibility and transparency
- Staff consultation
- Stakeholder relationships
- Strategies for meaningful consultation
- Report on scrutiny arrangements
- Public meetings
- Accessibility of public engagement

**Supported and evidenced in the Annual Assessment and improvement plans*

Core Principle 5

Developing the entity's capacity,
including the capability of its
leadership and the individuals within
it

Supporting principles

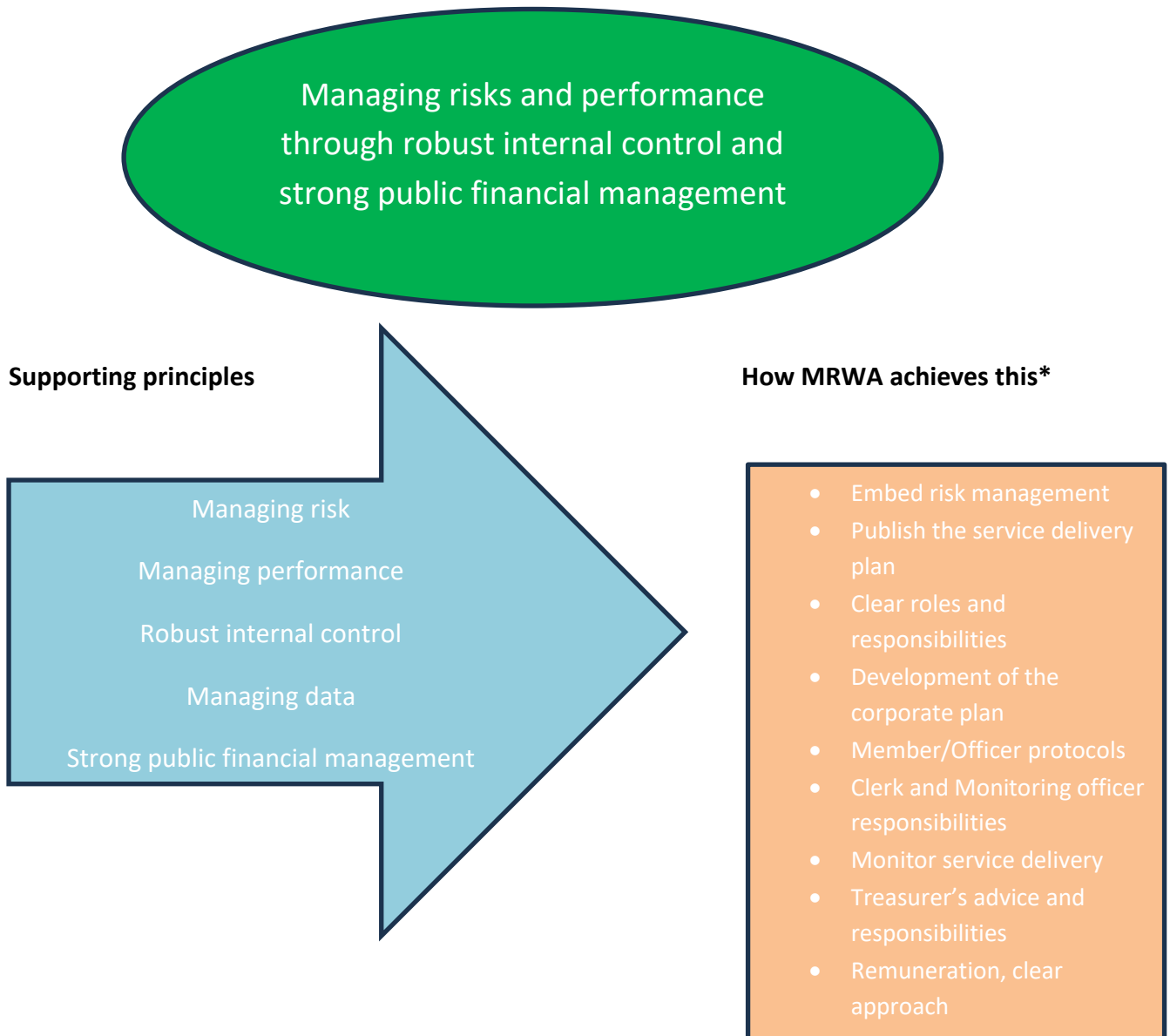
Developing the entity's capacity
Developing the capability of the entity's
leadership and other individuals

How MRWA achieves this*

- Develop member and officer skills
- Review performance
- Encourage all staff to contribute
- Provide career structures
- Induction programmes
- Review skills and support for statutory officers
- Member and officer skills and training assessments

**Supported and evidenced in the
Annual Assessment and
improvement plans*

Core Principle 6



**Supported and evidenced in the Annual Assessment and improvement plans*

Core Principle 7

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Supporting principles

Implementing good practice in transparency
Implementing good practice in reporting
Assurance and effective accountability

How MRWA achieves this*

- Consider scrutiny reports of partner organisations
- Complaints procedures
- Documenting decisions
- Scrutiny via procedural rules and scheme of delegation
- Effective audit function
- Regular review of the Corporate Plan

**Supported and evidenced in the Annual Assessment and improvement plans*

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 Director of Finance 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 2024/25 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 to present a significant risk to Governance or control.

One of the matters identified in the previous year was that the arrangements for appointments needed to be reviewed. This was addressed and the Authority has extended the remit of its Disciplinary and Investigation Committee at the AGM to ensure the Authority's governance of matters in this regard remain robust.

Other matters reported in the previous year are addressed in the improvement action plans for 2023-24 and 2024-25.

Other areas for improvement include:

- MRWA CEX to lead in conjunction with the CEX Wirral BC, on the LCR Strategic Waste Management Partnership to develop a new Zero Waste 2040 Strategy for the LCR
- Develop the Authority's approach to the planning of future waste management services, in preparation for the procurement of the replacement services currently delivered under the existing Waste Management & Recycling Contract.
- Develop an agreed procurement approach to lead new contract procurement
- Develop a new approach to Levy Mechanism – agreed with District Councils
- The authority has been working with the external auditor to ensure the audit of accounts can be brought up to date. Members receive a regular report on the progress being made by the authority, its accounting advisers and the external auditors. We will continue to report regularly on progress during the year.

7 – Appendix 1

Signed:
Chief Executive April 2024

Signed:
Chair April 2024