



MERSEYSIDE WASTE DISPOSAL AUTHORITY

## CODE OF CORPORATE GOVERNANCE

### 1. INTRODUCTION

- 1.1. Merseyside Waste Disposal Authority (MWD A) 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.
- 1.2. 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 2016, 'Delivering Good Governance in Local Government: Framework.'

### 2. WHAT IS CORPORATE GOVERNANCE?

- 2.1 Corporate Governance is defined within the CIPFA/SOLACE 2016 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 2016 framework, the Authority recognises the seven core principles of good governance as follows:
  1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  2. Ensuring openness and comprehensive stakeholder engagement
  3. Defining outcomes in terms of sustainable economic, social and environmental benefits
  4. Determining the interventions necessary to optimise the achievement of the intended outcomes
  5. Developing the entity's capacity, including the capability of its leadership and the individuals within it
  6. Managing risks and performance through robust internal control and strong public financial management
  7. Implementing good practices in transparency, reporting and audit to deliver effective 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 2016 Framework, against which it will aim to deliver good governance.

#### **3.2 Core Principle 1**

**Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

**Supporting principles, The Authority will:**

**Behaving with integrity.**

- 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.
- Work with Members' constituent authorities to promote and maintain high standards of conduct.

**Demonstrating strong commitment to ethical values.**

- Ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.
- 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.

**Respecting the rule of law.**

- 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.
- 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.

### **3.3 Core Principle 2**

#### **Ensuring openness and comprehensive stakeholder engagement.**

##### **Supporting principles, The Authority will:**

##### **Openness**

- 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.

##### **Engaging comprehensively with institutional stakeholders**

- Continue to develop the A Zero Waste Strategy for the Liverpool City Region (LCR) to endeavour to agree that key partnerships work to a common goal.
- Produce and publish seasonal updates and an Annual Report to monitor the Authority’s performance and the quality of its services.
- 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:
  - Ensure that there is clarity about the legal status of the partnership through formal agreements such as an Inter Authority Agreement or Memorandum of Understanding.
  - Ensure that protocols are in place to make clear the extent of a representative’s authority to bind their organisation to partner decisions.

## **Engaging with individual citizens and service users effectively**

- Continue to develop effective arrangements to identify and deal with failure in service delivery.

### **3.4 Core Principle 3**

#### **Defining outcomes in terms of sustainable economic, social and environmental benefits.**

##### **Supporting principles, the Authority will:**

###### **Defining outcomes.**

- Develop and promote the Authority's purpose and vision through its Corporate Plan.
- Ensure fair access to services

###### **Sustainable economic, social and environmental benefits**

- Deliver defined outcomes in as sustainable a way as practicable within the resources available
- Manage service users' expectations effectively with regard to determining priorities and making best uses of the resources available.
- Consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision
- Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible.
- Ensure value for money which takes account of sustainable delivery of services and improved environmental performance.

### **3.5 Core Principle 4**

#### **Determining the interventions necessary to optimise the achievement of the intended outcomes**

##### **Supporting principles, the Authority will:**

###### **Determining interventions.**

- Make clear to Members, all staff and the community, to whom they are accountable and for what.

- 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.
- 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.

### **Planning interventions.**

- Consider stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required.
- 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

### **Optimising achievement of intended outcomes.**

- Produce an annual report on scrutiny function activity within the Authority's Annual Report.
- 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 priorities and establish explicit processes for dealing with these competing demands.
- On an annual basis, publish an Annual Report 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.

## **3.6 Core Principle 5**

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

#### **Supporting principles, the Authority will:**

#### **Developing the entity's capacity.**

- 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.

### **Developing the capability of the entity's leadership and other individuals.**

- 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.

## **3.7 Core Principle 6**

### **Managing risks and performance through robust internal control and strong public financial management.**

**Supporting principles, the Authority will:**

#### **Managing risk**

- 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 an effective Scheme of Delegation, ensuring that the Chief Executive is responsible and accountable to the Authority for all aspects of operational management.

#### **Managing performance**

- Publish the Authority's Service Delivery Plan on a timely basis each year to communicate the Authority's activities and achievements, its financial position and performance.

- Set out clearly the respective roles and responsibilities of the Authority’s Members and senior officers.
- 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.

## **Robust internal control**

- Maintain the Member/Officer Protocol to ensure that a shared understanding of roles and objectives is maintained.
- 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.

## **Managing Data**

- Maintain effective mechanisms to monitor service delivery.
- Develop and maintain appropriate processes for managing and storing data.

## **Strong public financial management**

- Ensure that the Treasurer to the Authority (the S151 officer equivalent, appointed under S73 of Local Government Act 1985) 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.
- Consider the terms and conditions for remuneration of Members and officers and an effective structure for managing the process.

### **3.8 Core Principle 7**

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

##### **Supporting principles, the Authority will:**

##### **Implementing good practice in transparency.**

- Have regard to relevant Scrutiny Committee Reports of partner Authority’s where written notice requires the Authority’s consideration.
- Develop and maintain effective, transparent and accessible arrangements for dealing with complaints

##### **Implementing good practices in reporting.**

- Maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and consideration on which decisions are based.

#### **Assurance and effective accountability.**

- 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.
- 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.
- Review the Corporate Plan and its impact on the Authority's governance arrangements on a regular basis

## **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 latest version of 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.