CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT
WDA/35/26

Recommendation

That:

1. Members note the update in respect of the Improvement Action Plan for 2026-27;

2. Members approve the Corporate Risk Register included at Appendix 2 to this report; and

3. Members note the Chief Financial officer's statement in respect of the Authority's Financial Robustness included at Appendix 3 to this report.

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CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT
WDA/35/26

Report of the Director of Finance

1. Purpose of the Report

1.1 To note and comment upon the findings of the mid-year review of the Governance Improvement Action Plan for 2026/27, approve the Corporate Risk Register and to note the Chief Financial officer's statement in respect of the financial robustness of the Authority.

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 27th June 2026. This code is based on a framework recommended by CIPFA/SOLACE which defines standards of good corporate governance. The report contained the Annual Governance Statement for 2026/27 together with an Improvement Plan for 2026/27.

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 undertakes periodic reviews of the previous year's Improvement Action Plan to ensure progress is being made. An update with respect to progress is attached at Appendix 1. The updated Corporate Risk Register is attached at Appendix 2 and the Chief Financial officer's statement in respect of the financial robustness of the Authority is attached at Appendix 3.

Merseyside Waste Disposal Authority
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3. Annual Governance Statement Review

3.1 The Primary Assurance Group has undertaken its mid-year review of the Improvement Plan. A status report covering all actions is included at Appendix 1.

3.2 For 2026/27 many of the items focus on the arrangements necessary to support the Future Waste Services Programme of the work undertaken to deliver this year's Improvement Action Plan.

3.3 Most actions are expected to be completed by the end of the year but the following are behind schedule:

CG12: Review Effectiveness of the Audit Committee

3.4 The review is unlikely to be undertaken until the Spring with the form of the review to be discussed at this meeting

CG13: Facilitate a new approach to the Levy Mechanism

3.5 A draft alternative levy agreement was issued on 22 October. Any change must be approved by all five districts and therefore this item is not under the sole control of the Authority.

4. Corporate Risk register

4.1 The updated risk register is attached at Appendix 2 for approval. Changes since the previous register presented to this committee,

- Risk of non-compliance with statutory recommendations from external auditor is removed. This is replaced by a more general risk in respect of corporate governance
- ICT risk now specifically includes cyber threats
- The impact of climate change on Authority services is now included
- The risk in respect of the expiry of the Waste Management & Recycling contract is elevated to a corporate risk

5. Statement of Financial Robustness

5.1 In order to comply with Section 25 of the Local Government Act 2003; the Authority's Chief Financial Officer (the Director of Finance) is required to report on the robustness of the estimates made for the purposes of the revenue budget calculations and the adequacy of the proposed reserves. This information enables a longer-term view of the overall financial

resilience of the Authority to be taken. It also reports on the Director of Finance's consideration of the affordability and prudence of capital investment proposals. The level of general balances to support the budget and an appropriate level of Earmarked Reserves maintained by the Authority in accordance with the agreed Authority Policy on Earmarked Reserves, are an integral part of its continued financial resilience supporting the stability of the Authority.

5.2 An interim assessment is included at Appendix 3, prior to it being finalised and reported to the Authority on 5th February 2027 at the Authority's budget setting meeting.

6. Quality Assurance

6.1 The Authority's Internal Auditors periodically review Corporate Governance arrangements to ensure that the systems in place operate effectively.

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 review of the effectiveness of the system of internal control and production of the governance statement is required in order to comply 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 requested to approve the updated Corporate Risk Register included at Appendix 2, to note and comment upon the findings of the mid-year review the Governance Improvement Action Plan for 2026/27, and to note the Chief Financial officer's statement in respect of the financial robustness of the Authority.

13. Appendices

Appendix 1: Governance Action plan update

Appendix 2: Corporate Risk Register

Appendix 3: Statement of Financial Robustness from the Chief Financial officer.

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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.