



## **CODE OF CORPORATE GOVERNANCE**

### **1. INTRODUCTION**

- 1.1 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 Joint Working Group, 'Delivering Good Governance in Local Government: Framework.'
- 1.2 Merseyside Waste Disposal Authority (MWDA) is committed to the principles of good corporate governance and demonstrates this commitment through the development, adoption and implementation of the 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.

### **2. WHAT IS CORPORATE GOVERNANCE?**

- 2.1 Corporate Governance is defined within the CIPFA/SOLACE 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 framework, the Authority recognises the six core principles of good governance as follows:
- (i) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
  - (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles.
  - (iii) Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
  - (iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
  - (v) Developing the capacity and capability of Members and officers to be effective.
  - (vi) Engaging with local people and other stakeholders to ensure robust local public 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 Framework, against which it will aim to deliver good governance.

#### 3.2 **Core Principle (i)**

**Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.**

**Supporting principles:**

Exercising strategic leadership by developing and clearly communicating the Authority's purpose and vision and its intended outcome for citizens and service users.

Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.

Ensuring that the Authority makes best use of resources and that tax payers and service users receive excellent value for money.

**The Authority will:**

- Develop and promote the Authority's purpose and vision through its Corporate Plan.
- Review the Corporate Plan and its impact on the Authority's governance arrangements on a regular basis.
- Continue to develop the Joint Municipal Waste Management Strategy to ensure that partnerships work to a common goal.
- Publish the Authority's Annual Performance Plan on a timely basis to communicate the Authority's activities and achievements, its financial position and performance.
- Produce and publish key performance indicators to measure the quality of service for users.
- Continue to develop effective arrangement to identify and deal with failure in service delivery.
- Ensure value for money is be measured and reviewed and takes account of sustainable delivery of services and improved environmental performance.

#### 3.3 **Core Principle (ii)**

**Members and officers working together to achieve a common purpose with clearly defined functions and roles.**

**Supporting principles:**

Ensuring effective leadership throughout the Authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.

Ensuring that a constructive working relationship exists between Authority Members and officers and that the responsibilities of Members and officers are carried out to a high standard.

Ensuring relationships between the Authority, its partners and the public are clear so that each knows what to expect of the other.

**The Authority will:**

- Set out clearly the respective roles and responsibilities of the Authority's Members and senior officers.
- Maintain an effective Scheme of Delegation, ensuring that the Director is responsible and accountable to the Authority for all aspects of operational management.
- Maintain the Member/Officer Protocol to ensure that a shared understanding of roles and objectives is maintained.
- Ensure that the Treasurer to the Authority (the S151 officer) is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system for internal financial control.
- Ensure that the Clerk to the Authority (the Monitoring Officer) is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- Consider the terms and conditions for remuneration of Members and officers and an effective structure for managing the process.
- Maintain effective mechanisms to monitor service delivery.
- 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.
- 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 the Inter Authority Agreement.
  - Ensure that protocols are in place to make clear the extent of representative's authority to bind their organisation to partner decisions.

**3.4 Core Principle (iii)**

**Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.**

**Supporting principles:**

Ensuring Authority Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.

Ensuring that organisational values are put into practice and are effective.

**The Authority will:**

- 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.
- Ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.
- The Authority will work with Members' constituent authorities to support their development and maintenance of effective standards committees.
- Use the organisation's shared values to act as a guide for decision making and as a bias 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.

**3.5 Core Principle (iv)****Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.****Supporting principles:**

Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.

Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.

Ensuring that an effective risk management system is in place.

Using their legal powers to the full benefit of the citizens and communities in their area.

### **The Authority will:**

- 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.
- Have regard to relevant Scrutiny Committee Reports of partner Authority's where written notice requires the Authority's consideration.
- Maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and consideration on which decisions are based.
- 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.
- Develop and maintain effective, transparent and accessible arrangements for dealing with complaints.
- 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.
- 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 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.
- 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.

### **3.6 Core Principle (v)**

**Developing the capacity and capability of Members and officers to be effective.**

**Supporting principles:**

Making sure that Members and officers have the skills, knowledge, experience and resource they need to perform well in their roles.

Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.

Encouraging new talent for membership of the Authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.

**The Authority will:**

- 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.
- 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

**3.7 Core Principle (vi)**

**Engaging with local people and other stakeholders to ensure robust local public accountability.**

**Supporting principles:**

Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.

Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Authority, in partnership or by commissioning.

Making best use of human resources by taking an active and planned approach to meet responsibility to staff.

**The Authority will:**

- Make clear to the Authority, all staff and the community, to whom they are accountable and for what.
- Consider stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required.
- Produce an annual report on scrutiny function activity within the Authority's Annual Performance Plan.
- 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.
- 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.
- 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
- On an annual basis, publish an Annual Performance Plan 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.
- 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.

**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 Authority's Primary Assurance Group has been established to monitor the Authority's systems and processes for their effectiveness and to identify areas of improvement. A copy of the Terms of Reference for this group is attached at Appendix 1A.

- 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 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 that will ensure effective governance in future.
- 4.3 A copy of the latest Annual Assessment and Improvement Plan, is attached at Appendix 1B.
- 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.

- 4.7 A copy of the latest Annual Governance Statement is attached at Appendix 1C.

## 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.



## **PRIMARY ASSURANCE GROUP - TERMS OF REFERENCE**

### **PURPOSE**

The purpose of the Primary Assurance Group is to: -

- Obtain, document and evaluate, from all relevant sources, an annual assessment of the MWDA's internal control and governance framework including examples of assurance and supporting evidence.
- Provide an annual assurance regarding the assessment of the internal control environment and corporate governance arrangements.
- Review the Authority's Code of Corporate Governance and draft an Annual Governance Statement, identifying where applicable, any significant internal control issues.
- Recommend an Action Plan for Improvements where any are identified by the above actions.
- Review the Code of Corporate Governance and related Action Plan on at least a biannual basis

### **MEMBERSHIP**

The group will consist of the Assistant Director of Strategy and Resources, Business Support Manager and the Corporate Services Manager, and in consultation with the Assistant Director of Operations, the Director and the Treasurer.

### **LIMITATIONS**

The findings of the annual review and subsequent action plan emanating from the group will require Authority approval.

### **FREQUENCY**

The group will meet on at least a biannual basis.

**APPENDIX 1B**

**Annual Assessment and Review Improvement Plan to be inserted**

**MERSEYSIDE WASTE DISPOSAL AUTHORITY**

**Assurance and evidence in support of the Authority's Annual Governance Statement**

**Objective 1 - Establishing Principal Statutory Obligations and Organisational Objectives**

**Step 1: In support of objective 1 – Mechanism established to identify principal statutory obligations**

<b>Examples of assurance:</b>	<b>Evidenced by:</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. Responsibilities for statutory obligations are formally established	Procedural Rules and Scheme of Delegation  Appointment of Committees inc delegation and terms of reference.  Job descriptions  Organisational charts	Related Parties declarations arrangements to be strengthened.  Sustainable Development Strategy to develop action plans for delivery of policy.	AV  SD	June 2008  April 2008
2. Record held of statutory obligations	Accessible record of statutory obligations produced through Annual Performance Plan  Environmental Law and other legislative subscriptions	Production of Annual Report to be reviewed following removal of Best Value obligations.  Corporate Social Responsibility (CSR) statements to be included in Annual Report.	PP  TS	June 2008  June 2008
3. Effective procedures to identify, evaluate, communicate, implement, comply with and monitor legislative change exist and are used	Management Structure ensures this through existing management processes  Suitably qualified and experienced employees are appointed and selected against accurate and specific job descriptions and			

Examples of assurance:	Evidenced by:	Areas of Improvement	Lead Officer	Implementation Date:
	<p>person specifications</p> <p>Induction Process for new staff</p> <p>Subscribed to receive electronic parliamentary updates to highlight forthcoming legislative changes</p> <p>Reports to Members where necessary on implications of changes to / new legislation</p>			
<p>4. Effective action is taken where areas of non-compliance are found in either mechanism or legislation</p>	<p>Comments and Complaints System established to record and monitor service user satisfaction.</p> <p>Internal / External audit reports are reported to the Authority and action plans agreed.</p> <p>All Comment and Complaints reported to Management Team.</p>			

**Step 2: In support of Objective 1 – Mechanism in place to establish organisational objectives**

Examples of assurance:	Evidenced by:	Areas of Improvement	Lead Officer	Implementation Date:
<p>1. Consultation with stakeholders on priorities and objectives</p>	<p>JMWMS Consultation.</p> <p>Development of Inter Authority Agreement.</p> <p>Communications Strategy.</p> <p>Develop a Joint Communications programme with the Merseyside Waste Partnership.</p>	<p>Agreement of IAA by the Merseyside Waste Partnership (inc. Halton).</p> <p>Stakeholder &amp; Community Liaison Plan (WMRC Contract)</p>	<p>SD</p> <p>JS</p>	<p>June 2008</p> <p>February 2009</p>
<p>2. The authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation).</p>	<p>The Corporate Plan takes into account the European, National, Regional and Merseyside agenda in developing its aims and objectives.</p> <p>Consultation with the Merseyside Partnership and their plans used to inform the Authority's strategies and planning processes.</p> <p>Three year Corporate Plan reviewed during Annual Service Planning Process.</p>			
<p>3. Priorities and objectives are aligned to principal statutory obligations and relate to available funding</p>	<p>The principal statutory obligations are currently recognised within the Corporate Plan and Annual Service Plans and executed through waste contracts with financial constraints recognised.</p> <p>Inter Authority Agreement defines partnership approach / responsibilities.</p>	<p>Delivery of the Procurement Project to ensure continuity of service following transfer from current contractor.</p>	<p>TB</p>	

	<p>The levy apportionment mechanism has been changed to one which is more tonnage based and better reflects the 'polluter pays' principle.</p> <p>Affordability envelope agreed with Merseyside District Councils</p>				
4.	<p>Objectives are reflected in departmental plans and are clearly matched with associated budgets</p>	<p>The Authority's Corporate Plan is implemented through the Annual Service Plans which include key projects and how they contribute to Corporate Objectives.</p> <p>The Authority prepares three year budgets as part of its forward planning.</p>	<p>Delivery of Annual Service Plans during 2008/09.</p>	<p>NF/AM</p>	<p>March 2009</p>
5.	<p>The authority's objectives are clearly communicated to staff and to all stakeholders, including partners.</p>	<p>The Authority has an established performance management framework which sets out the Authority's vision, aims and objectives within its Corporate Plan which is published in its Annual Performance Plan.</p> <p>The Corporate Plan and Annual Service Plans used as part of the Staff Development process to illustrate a 'golden thread' approach.</p>			

**Step 3: In support of objective 1 – Effective corporate governance arrangements are embedded within the authority**

Examples of assurance:	Evidenced by:	Areas of Improvement	Lead Officer	Implementation Date:
1. Code of corporate governance established	<p>A Code of Corporate Governance in line with the CIPFA/SOLACE guidance relevant to the type of authority has been adopted by the authority.</p> <p>The Code is approved by Members on an annual basis and published on the Authority's website.</p>			
2. Review and monitoring arrangements in place	<p>The Code itself incorporates a review process to ensure it remains up to date</p> <p>An annual report on compliance with the Code of Corporate Governance is prepared and submitted to members</p> <p>Internal/external audit report on adequacy of corporate governance arrangements</p> <p>An action plan is prepared to address any significant identified weaknesses in complying with the Code and is continuously monitored through the Authority's PMF</p>			
3. Committee charged with governance responsibilities	<p>The Authority is the body charged with governance responsibilities.</p> <p>An Audit and Governance Committee is formed each year to deal with governance issues in the absence of a full Authority</p>			

	Meeting. The Audit and Governance Committee has established delegations, terms of reference and reports its proceedings to the Authority.			
4.	Governance training provided to key officers and all members	Induction training for new officers and all new members in place.		
5.	Staff, public and other stakeholder awareness of corporate governance	Principal documents including procedural rules are reviewed and circulated annually. Code of Corporate Governance and other key documents are published on the Authority's website.  Employee Handbook incorporates procedural rules, etc.	Review Employee Handbook annually to ensure links to documents are up to date.	PP  July 2008



**Step 4: In support of objective 1 – Performance management arrangements are in place.**

Examples of assurance:	Evidenced by:	Areas of Improvement	Lead Officer	Implementation Date:
1. Comprehensive and effective performance management systems operate routinely	<p>The Authority's PMF System identifies Key Performance Indicators through Corporate and Service Plans.</p> <p>Management Team monitor performance and identify actions.</p> <p>Comparisons made on yearly, quarterly and monthly performance.</p> <p>Benchmarking takes place for key indicators</p> <p>Data Quality Strategy has been developed.</p>	<p>Approve and publish Data Quality Strategy.</p>	<p>AV</p>	<p>April 2008</p>
2. Key performance indicators are established and monitored	<p>Performance Indicators are produced in various formats for a variety of audiences including public documents.</p>	<p>Continuous review and publication of key Indicators.</p>	<p>AV</p>	<p>March 2009</p>
3. The authority knows how well it is performing against its planned outcomes	<p>Quarterly reports are presented to Members and other stakeholders</p> <p>Internal and external auditor's reports on key performance indicators</p> <p>Quarterly budget monitoring reports are produced.</p> <p>External audit/agency reports on performance through</p>			

		WasteDataFlow.			
4.	Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes	<p>JMWMS identifies key performance targets and monitoring reports are regularly produced.</p> <p>Performance targets in subsequent corporate and service plans are revised in the light of actual performance</p> <p>Continuous improvement is strived for in the development of the Annual Service Plans and reported to the Management Team.</p> <p>Performance targets and monitoring used to inform partnership working.</p>			
5.	The authority continuously improves its performance management	The performance management systems are regularly reviewed and updated to take account of organisational changes, audit recommendations and in terms of technology development.			

**Step 1a – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles**

<b>Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area</b>				
<b>The code should reflect the requirements for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. develop and promote the authority's purpose and vision	Corporate and Annual Service Plans.	Strengthen role in District LSP's	NF	June 2008
2. review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements	Corporate Plan reviewed annually. Service Plans produced annually and incorporate governance development through annual CG review.  Joint Municipal Waste Management Strategy			
3. ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	Joint Municipal Waste Management Strategy  Inter Authority Agreements  Representation on boards (MWHL, BML)	Clarification on SOWG roles and responsibilities	NF	October 2008
4. publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance (not police service)	Annual Performance Plan  Annual Statement of Accounts			
5. decide how the quality of service for users is to be	Contractual service measures including user surveys.	Stakeholder & Community Liaison Plan (WMRC	JS	February 2009

<p>measured and make sure that the information needed to review service quality effectively and regularly is available</p>	<p>Complaints System reporting and satisfaction surveys.</p>	<p>Contract)</p>		
<p>6. put in place effective arrangements to identify and deal with failure in service delivery</p>	<p>Complaints Procedure Performance standards within current and future contracts.</p>			
<p>7. decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.</p>	<p>Performance Management Framework. Sustainable Procurement Policy</p>	<p>WMRC – Annual Service and Implementation Plan</p>	<p>JS</p>	<p>February 2008</p>

**Step 2a – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles**

<b>Members and officers working together to achieve a common purpose with clearly defined functions and roles</b>				
<b>The local code should reflect the requirements for local authorities to:</b>	<b>Source documents/good practice/other means that maybe used to demonstrate compliance</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice (this is not relevant for the police service)	Procedural Rules and Scheme of Delegation.  Appointment of Lead Members / Portfolios and representations on other bodies.  Member Training and Development Plan.			
2. set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers	Procedural Rules and Scheme of Delegation.  Job Descriptions	Develop sub-delegations to Assistant Directors and revise Job Descriptions.	NF	December 2008
3. determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority taking account of relevant legislation and ensure that it is monitored and updated when required.	Scheme of Delegation.  Statutory Instruments and Regulations.			

<p>4. make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management</p>	<p>Job Descriptions and Service Plans.</p>			
<p>5. develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained</p>	<p>Member and Staff Induction. Member / Officer Protocol. Chairman's Briefings.</p>			
<p>6. make a senior officer (usually the section 151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control</p>	<p>Appointment of Treasurer to the Authority. Financial Procedural Rules</p>			
<p>7. make a senior officer (other than the Responsible Financial Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are complied with</p>	<p>Appointment of Clerk to the Authority, defined as Monitoring Officer within Procedural Rules.</p>			

8. develop protocols to ensure effective communication between members and officers in their respective roles	Member/Officer protocol			
9. set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective remuneration panel (if applicable)	Member Allowance Scheme			
10. ensure that effective mechanisms exist to monitor service delivery	Performance Management Framework Contract Performance Arrangements			
11. ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated	Joint Municipal Waste Management Strategy. Statutory Performance Targets.			
12. when working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to	Joint Municipal Waste Management Strategy Inter Authority Agreements. Representation on Joint Boards.	Strengthen MWDA's role in District LSP's		

the partnership and to the authority	Project Plans, Statement of Funding and representation on Project Boards (NTDP and Procurement)			
13. when working in partnership: - ensure that there is clarity about the legal status of the partnership - ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.	Inter Authority Agreements	SOWG Roles and Responsibilities	NF	October 2008



<b>Step 3a – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles</b>				
<b>Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</b>				
<b>The local code should reflect the requirements for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	Code of Conduct Performance Management Framework Staff Development Scheme	Implementation of HR Strategy	PP	June 2008
2. 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	Member/Officer Protocol Officer Code of Conduct Antifraud and Corruption Strategy Communications Protocol	Related Party Transaction Declarations.  Collate host authority Codes of Conduct for Members	AV  AV	June 2008  June 2008
3. put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that	Procedural Rules Codes of Conduct and Declarations of Interest. Equal Opportunities Policy	Development of an Equality and Diversity Scheme	PP	October 2008

they continue to operate in practice				
4. develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners	Codes of Conduct	Collate host authority Codes of Conduct for Members	AV	June 2008
5. put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice	Codes of Conduct	Review Officer Code of Conduct	PP	September 08
6. develop and maintain an effective standards committee	Not applicable			
7. use the organisations shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority	Performance Management Framework	Improved communications through intranet development.	PP	June 2008
8. 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	Inter Authority Agreements			

demonstrated by partners' behaviour both individually and collectively.				
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<b>Step 4a – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles</b>				
<b>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b>				
<b>The local code should reflect the requirements for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall and of any organisation for which it is responsible.	Scrutiny function delivered through Scheme of Delegation			
2. have regard to relevant scrutiny committee reports of partner authorities where written notice requires the Authority's consideration.	Compliance with legislative requirements LGPIH Act 2007			
3. develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	Scheme of Delegation  Key Decisions recorded in Authority minutes.  Forward Plan  Standard format for Executive Decisions.  Admin Decisions recorded.	Improve format for Authority Reports.	AV	June 2008

4. put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice	Members comply with their host authority's Code of Conduct	Collate host authority Codes of Conduct for Members	AV	June 2008
5. develop and maintain an effective audit committee ( or equivalent ) which is independent or make other appropriate arrangements for the discharge of the functions of such a committee	Audit and Governance Committee Terms of Reference			
6. put in place effective transparent and accessible arrangements for dealing with complaints	Comments and Complaints Procedure			
7. ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.	Member Training and Development including Induction process.			

8. 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	Financial and legal advice considered at Chairman's Briefings and relevant advice recorded within Authority reports.			
9. ensure that risk management is embedded into the culture of the organisation , with members and managers at all levels recognising that risk management is part of their job	Risk Management Strategy			
10. ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the authority have access (In the police service "staff" includes the Chief Constable and those under the direction and control of the Chief Constable)	Whistleblowing Policy			
11. actively recognise the limits of lawful activity placed on them by, for example the ultra vires doctrine but also strive to	Constitution Monitoring officer provisions Statutory provision			

<p>utilise powers to the full benefit of their communities</p>				
<p>12. 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</p>	<p>Seek legal / QC advice where appropriate.</p> <p>Legislative monitoring through subscription service and officer research role.</p>			
<p>13. 12. observe all specific legislative requirements placed upon them, 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 their procedures and decision making processes.</p>	<p>Monitoring Officer provisions Job Description / Person Specifications Statutory provision</p>			

<b>Step 5a – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles</b>				
<b>Developing the capacity and capability of members and officers to be effective</b>				
<b>The local code should reflect the requirements for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis	Staff Development Scheme including Training Plan  Member Training and Development Plan including Induction Process	HR Strategy implementation.	PP	June 2008
2. 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	Job Descriptions / Person Specifications  Performance Management Framework	Identify job descriptions for Statutory Officers (Clerk, Treasurer, Solicitor)	NF	October 2008
3. assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	Staff Development Training and Development Plans for Officers and Members	HR Strategy inc. Competency Framework Development (as above)	PP	
4. develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	Member Development supports MWDA role. Wider Member training delivered by host authorities.			



<p>5. 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</p>	<p>Performance Management Framework linked to Corporate Plan and ultimately the Staff Development Scheme to identify training needs. (Golden Thread)</p> <p>PMF Reporting including monthly reports to management team</p>			
<p>6. ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority</p>	<p>Consultation Processes in relation to strategy development and sites and planning processes.</p>	<p>Stakeholder and Community Liaison Advisory Panel</p>	<p>JS</p>	<p>Feb 2009</p>
<p>7. ensure that career structures are in place for members and officers to encourage participation and development</p>	<p>Staff Development Scheme</p>	<p>HR Strategy implementation.</p> <p>Review of Member Training and Development</p>	<p>PP</p> <p>AV</p>	<p>June 2008</p> <p>October 2008</p>

**Step 6a – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles**

<b>Engaging with local people and other stakeholders to ensure robust public accountability</b>				
<b>The local code should reflect the requirements to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. make clear to themselves, all staff and the community, to whom they are accountable and for what	Consultation processes  Corporate Plan and Annual Performance Plan.	Strengthen MWDA's role in District LSP's	NF	June 2008
2. consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required	Inter Authority Agreements and Joint Municipal Waste Management Strategy  Joint and Project Boards  Engagement with regional boards	Strengthen MWDA's role in District LSP's	NF	June 2008
3. produce an annual report on scrutiny function activity	Scrutiny items considered by full Authority.	Scrutiny Report to be included in Annual Performance Plan	PP	June 2008
4. 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	Communications Strategy  Joint Communications Project and funding.  Complaints Procedure  PMF	Stakeholder and Community Liaison Plan (WMRC Contract)	JS	Feb 2009

<p>5. Hold meetings in public unless there are good reasons for confidentiality.</p>	<p>Authority Meetings  Notice of Meetings  Forward Plan  Deposit of papers in public domain</p>			
<p>6. ensure arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands</p>	<p>Equal Opportunities Policy  Translation Service  Contract Specifications</p>	<p>Equality and Diversity Scheme  Implementation of new contractual arrangements to be monitored</p>	<p>PP  JS</p>	<p>October 2008  Feb 2009</p>
<p>7. establish a clear policy on the types of issues they 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</p>	<p>Communication Strategy  Authority and Contractual User Surveys  Joint Municipal Waste Management Strategy  Complaints Procedure  Site Acquisition Strategy</p>	<p>Incorporate customer – focused reporting within Performance Management Framework</p>	<p>AV</p>	<p>October 2008</p>

<p>8. on an annual basis, publish a performance plan 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.</p>	<p>Annual Performance Plan Statement of Accounts Budget Reports</p>			
<p>9. 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</p>	<p>Procedural Rules including Access to Information Procedural Rules</p>			
<p>10. develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.</p>	<p>Performance Management Framework and Decision Making Process.</p>	<p>HR Strategy to determine union and staff representation.</p>	<p>PP</p>	<p>June 2008</p>

**Objective 2: Identify principal risks to achievement of objectives:**

<b>Step 1: In support of objective 2 – The authority has robust systems and processes in place for the identification and management of strategic and operational risk</b>				
<b>Examples of assurance:</b>	<b>Evidenced by:</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
<p>1. There is a written strategy and policy in place for managing risk which:</p> <ul style="list-style-type: none"> <li>• Has been formally approved at political and risk management board (or equivalent) level</li> <li>• Is reviewed on a regular basis</li> <li>• Has been communicated to all relevant staff</li> <li>• Includes partnership risks</li> </ul>	<p>A Risk Management Strategy is in place which aligns corporate risks with the Corporate Plan and ultimately risk management at Service Plan and Key Project level.</p> <p>Corporate Risk Register reviewed and approved as part of the annual review of the Corporate Plan and Annual Service Plan process.</p>			
<p>2. The authority has implemented clear structures and processes for risk management which are successfully implemented and:</p> <ul style="list-style-type: none"> <li>• Management board and elected members see risk management as a priority and support it by personal interest and input</li> <li>• Decision making considers risk</li> <li>• A senior manager has been appointed to</li> </ul>	<p>Lead Member appointed for Risk Management.</p> <p>Key and Executive Decisions with options appraisal include risk analysis.</p> <p>Corporate Planning process is risk-based with Corporate Risk Register used to identify key risks to delivery of Corporate aims and objectives.</p> <p>Corporate Services Manager responsible for monitoring Risk Management Strategy.</p>	<p>Establishment of a Safety and Risk Management Forum.</p> <p>Authority Report Template to include Risk Implications standard paragraph.</p> <p>Senior Officer Job Descriptions to reflect risk responsibilities.</p>	<p>PP</p> <p>AV</p> <p>NF</p>	<p>June 2008</p> <p>June 2008</p> <p>October 2008</p>

<p>“champion” risk management</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities for risk management have been defined</li> <li>• Risk management systems are subject to independent assessment</li> <li>• Risk management is considered in the annual business planning process</li> <li>• Risk management extends to partnership risks</li> </ul>	<p>Risk management and analysis included within all levels of the Performance Management Framework.</p> <p>Link between internal audit and risk management functions is clearly defined in terms of reference of internal audit.</p>			
<p>3. The authority has developed a corporate approach to the identification and evaluation of risk which is understood by all staff</p>	<p>Risk Management processes embedded in project management methodology to manage the projects identified to deliver Corporate and Service Plans.</p> <p>Employee Handbook includes a section on Risk Management</p>			

4.	The authority has well defined procedures for recording and reporting risk	Risk Management Strategy defines and embeds processes for managing risks at each level of the Performance Management Framework.		
5.	The authority has well-established and clear arrangements for financing risk	<p>Budget Report identifies financial coverage of future risks.</p> <p>Treasury management delivered by St Helens</p> <p>The Authority has regularly reviewed its risk financing and mitigation through meetings with its Insurance consultants</p> <p>All legal requirements for insurance are met</p> <p>Insurance claims are managed at St Helens MBC in accordance with their internal procedures and in accordance with current procedural rules</p>		
6.	The authority has developed a programme of risk management training for relevant staff	<p>Management Training Programme included risk management</p> <p>Project Management training includes risk.</p> <p>In-house PMF Info System includes risk analysis of projects.</p>	Appropriate skills for risk management needs to be incorporated into Management Training identified in HR Strategy as per above.	

Examples of assurance:	Evidenced by:	Areas of Improvement	Lead Officer	Implementation Date:
<p>7. The corporate risk management board (or equivalent) adds value to the risk management process by:</p> <ul style="list-style-type: none"> <li>• Advising and supporting corporate management team on risk strategies</li> <li>• Identifying areas of overlapping risk</li> <li>• Driving new risk management initiatives</li> <li>• Communicating risk management and sharing good practice</li> <li>• Providing and reviewing risk management training</li> <li>• Regularly reviewing the risk register(s)</li> <li>• Coordinating the results for risk reporting</li> </ul>	<p>Safety and Risk Management Forum to deal with Health and Safety.</p> <p>Risk reviews conducted by management team.</p>	<p>Develop the role of the Safety and Risk Management Forum</p>	<p>AV</p>	<p>October 2008</p>
<p>8. A corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice and:</p> <ul style="list-style-type: none"> <li>• Support decision making and policy formulation</li> <li>• Provides support in the risk identification and analysis process</li> <li>• Provides support in prioritising risk mitigation action</li> <li>• Provides advice and support in determining</li> </ul>	<p>Corporate Safety and Risk Officer in place (support service from St Helens) and a member of ALARM</p> <p>Risk Management 'champion' identified at Authority level.</p>			



	<ul style="list-style-type: none"> <li>risk treatments</li> <li>Inspires confidence in managers</li> </ul>				
9.	Managers are accountable for managing their risks	<p>Corporate Risk register identifies responsible officer.</p> <p>Project Managers responsible for project risk management</p>	Review job descriptions as part of staff development.	PP	June 2008
10.	Risk management is embedded throughout the organisation	Risk Management embedded within Performance Management Framework and the Authority's decision-making processes.			
11.	Risks in partnership working are fully considered	<p>Risks associated with JMWMS have been identified throughout its development and therefore joint working risks/opportunities considered. Control measures in place through the Inter Authority Agreement.</p> <p>The procurement project has a clearly developed risk management process and this highlights partnership working as a key risk/opportunity.</p>	Develop IAA Risk Register	NF	December 2008
12.	Where employed, risk management information systems meet users' needs	PMF Information System includes risk management.			

**Objective 3: Identify and evaluate key controls to manage principal risks:**

**Step 1: In support of objective 3 – The authority has robust system of internal control which includes systems and procedures to mitigate principal risks**

Examples of assurance:	Evidenced by:	Areas of Improvement	Lead Officer	Implementation Date:
1. There are written financial regulations in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff: <ul style="list-style-type: none"> <li>• Authority has adopted CIPFA code on Treasury Management</li> <li>• Compliance with the Prudential Code</li> </ul>	Financial Procedural rules exist and approved / reviewed by the Authority  Financial Instructions have been made available to all staff and incorporated into the induction process.  Capital Strategy  Financial Instructions included within an Employee Handbook which is available to all staff.	Development of Land and Property Disposal Procedural Rules  Update and maintain Asset Register	JW  JW	March 2008  March 2009
2. There are written contract standing orders in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff	Contract Procedure Rules exist and approved / reviewed by the Authority  Included within an Employee Handbook which is available to all staff.			
3. There is a whistle blowing policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff	Whistleblowing Policy approved by Authority (3/2/06).  Included within an Employee Handbook which is available to all staff.			
4. There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed	Anti-Fraud and Corruption Strategy approved by Authority (2/2/07).	Code of Conduct for Officers to be reviewed.  Implications of the	PP	June 2008

	and widely communicated to all relevant staff	Included within an Employee Handbook which is available to all staff.  Register of Gifts/Hospitality in use.	Conduct of Local Authority Members consultation to be addressed when outcome of consultation is known.  Produce a review cycle for procedures.	NF  AV	October 2008  October 2008
5.	There are codes of conduct in place which have been formally approved and widely communicated to all relevant staff	A Code of Conduct for Authority employees exists.  All Authority employees have been issued with the Code of Conduct and it is part of the induction process and included in Employee Handbook.  A Member / Officer Protocol was approved by the Authority (19/3/04)			
6.	A register of interests is maintained, regularly updated and reviewed	Members complete the register of interests at their host authority  Members declare any interest at each Authority meeting and is recorded accordingly	Related Parties declarations arrangements to be strengthened.	AV	June 2008
7.	Where a scheme of delegation has been drawn up, it has been formally approved and communicated to all relevant staff	Scheme of Delegation approved each year at Annual Meeting  Guidance on levels of delegation produced and circulated to relevant staff and within Member Induction Pack.  Key Decisions formally	Sub-delegations to be developed to reflect Assistant Director roles.	NF	October 2008

	minuted, Exec decisions recorded, Admin Decisions / Urgent Decisions recorded as appropriate.				
8.	A corporate procurement policy has been drawn up, formally approved and communicated to all relevant staff	<p>A Contract Procurement Strategy has been approved.</p> <p>Procurement Group established with Lead Member identified.</p> <p>Sustainable Procurement Policy approved by Members and action plan developed.</p> <p>Capital Strategy developed and approved.</p>	Education and Awareness raising to staff in relation to sustainable procurement..	SD	September 2008
9.	<p>Business/service continuity plans have been drawn up for all critical service areas and the plans:</p> <ul style="list-style-type: none"> <li>• Are subject to regular testing</li> <li>• Are subject to regular review</li> </ul>	<p>Key services are delivered through contracts and continuity plans need to be addressed within contractual arrangements.</p> <p>ICT Strategy addresses data recovery arrangements.</p>	Civil Contingency Act role to be developed with Districts	NF	September 2008
10.	The corporate/departmental risk register(s) includes expected key controls to manage principal risks	<p>Corporate Risk register sets out principal risks and sets out key controls</p> <p>Corporate Risk Register and controls are reviewed annually.</p>			
11.	Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and	Corporate risks are reviewed annually and projects identified to mitigate and control risks are monitored through the PMF.			

<p>reviewed.</p>	<p>Project Risks are managed through the life of the project. The Procurement Project in particular is closely managed.</p> <p><b>Risk Management Strategy specifies risk analysis criteria.</b></p>			
<p>12. The authority's internal control framework is subject to regular independent assessment</p>	<p>Internal Audits based on risk. Annual audit undertaken and report/opinion by Chief Internal Auditor.</p> <p>External audits undertaken by Audit Commission including risk-based audit plan, published reviews and annual letter submitted to Members at full Authority meeting or Audit and Governance Committee where appropriate</p> <p>Assessment of Internal Audit by External Auditor</p> <p><b>External Inspection reports (Audit Commission and 4Ps)</b></p>	<p>Strengthen management team reporting of risk</p>	<p>AV</p>	<p>August 2008</p>
<p>13. A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all relevant staff</p>	<p>An approved Health and Safety Policy exists.</p> <p><b>Included within an Employee Handbook which is available to all staff.</b></p>	<p>Review H&amp;S Policy.</p>	<p>PP</p>	<p>August 2008</p>

<p>14. A corporate complaints policy/procedure has been drawn up, formally approved, communicated to all relevant staff, the public and other stakeholders is regularly reviewed</p>	<p>An approved Comments and Complaints Policy and Procedure exists.</p> <p>Procedure is available on the Authority's website, or upon request and is advertised through the Authority's contractor at HWRC's.</p> <p>User surveys undertaken to inform complaints process.</p> <p>Complaints reported within Management Performance Reports.</p>			
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**Objective 4: Obtain assurance on the effectiveness of key controls:**

<b>Step 1: In support of objective 4 – Appropriate assurance statements are received from designated internal and external assurance providers:</b>				
<ul style="list-style-type: none"> <li>• The authority has identified appropriate sources of assurance</li> <li>• Appropriate external assurances are identified and obtained</li> </ul>				
<b>Examples of assurance:</b>	<b>Evidenced by:</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. The authority has determined appropriate internal and external sources of assurance	<p>Director's Assurance Statement – informed by PAG</p> <p>Internal Audit (provided by St Helens MBC service level agreement)</p> <p>External Audit provided by Audit Commission</p> <p>Environment Agency for environmental works</p> <p>Statement of Assurance obtained from Mersey Waste Holdings Limited.</p> <p>4P's Gateway Reviews undertaken to monitor the progress of the Procurement Project.</p>	External validation of Director's appraisal	NF	June 2008
2. Appropriate key controls on which assurance is to be given have been identified and agreed	<p>Employee Handbook contains approved procedures and policies.</p> <p>Code of CG Action Plans implemented and monitored via PMF Information System.</p>			

3.	Departmental assurances are provided	Single service authority therefore para 1 above provides sufficient controls.			
4.	External assurance reports are collated centrally <ul style="list-style-type: none"> <li>• Reports are reviewed by relevant senior management team and reported to appropriate committee</li> <li>• Action plans are prepared and approved as appropriate</li> <li>• Follow up reports on recommendations are requested and reviewed by relevant senior management team and progress is regularly reported to relevant committee</li> </ul>	Audit reports submitted to Authority and Action Plans approved.			
5.	Internal Audit Arrangements	Provided by St Helens MBC			
6.	Corporate Governance Arrangements	Corporate Governance reviewed by Audit Commission annually.			
7.	Performance monitoring arrangements	Quarterly Performance Reports published on website and circulated to key stakeholders.  Monthly Management Team performance reports produced.  Budget Monitoring reports produced and published quarterly  Progress reports produced	Performance reporting to Senior Officers Working Group (SOWG) to be developed.	NF	October 2008



	quarterly/six-monthly			
	Performance reviewed at Management Team meetings, Senior Officers Working Group and Waste Management Advisory Group			

**Objective 5: Evaluate assurances and identify gaps in control/ assurances:**

<b>Step 1: In support of objective 5 – The authority has made adequate arrangements to identify, receive and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls</b>				
<b>Examples of assurance:</b>	<b>Evidenced by:</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
<p>1. Responsibilities for the evaluation of assurances are clearly defined throughout the organisation.</p>	<p>Primary Assurance Group established.</p> <p>All internal and external audit reports agreed with the Director.</p> <p>Lead Member for Audit consulted where appropriate.</p> <p>Action Plans identify responsible officers.</p>			
<p>2. Mechanism established for collecting governance assurances</p> <ul style="list-style-type: none"> <li>• Overall responsibility allocated to governance senior officer group</li> <li>• Required assurances are agreed and recorded</li> <li>• Central record of all assurances (either evidence file, or showing clear link to where evidence is held)</li> <li>• Clear guidance as to evaluation procedure including assurance over risks, independence and</li> </ul>	<p>Terms of Reference established for Primary Assurance Group.</p> <p>Findings of PAG Annual Assessment reported to Director and Treasurer and considered by the Authority.</p>			

<p>objectivity of assurances</p> <ul style="list-style-type: none"><li>• Defined evaluation mechanism</li><li>• Timetable for completion by statutory deadline</li><li>• Gap assessment – performed and challenged</li></ul>				
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**Objective 6: Action plan to address weaknesses and ensure continuous improvement of the system of corporate governance:**

<b>Step 1: In support of objective 6 – There is a robust mechanism to ensure that an appropriate action plan is agreed to address identified control weaknesses and is implemented and monitored</b>				
<b>Examples of assurance:</b>	<b>Evidenced by:</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. An action plan is drawn up and approved	An Action Plan is produced annually and is approved by the Authority.			
2. All actions are 'SMART': <ul style="list-style-type: none"> <li>• Specific</li> <li>• Measurable</li> <li>• Achievable</li> <li>• Realistic</li> <li>• Time-bound</li> </ul>	Each action compliant with 'SMART' test			
3. Actions communicated and responsibilities assigned	Responsibilities for each action identified and action plan included in PMF Info System.			
4. Implementation timescales agreed	Timescales for each action identified in action plan			
5. Ongoing review of progress and of continuing appropriateness of action	Monitored through the PMF Info System			

**Objective 7: Annual Governance Statement:**

**Step 1: In support of objective 7 – An Annual Governance Statement has been drafted in accordance with the statutory requirements and timetable set out in the Accounts and Audit Regulations 2003, as revised by the Accounts and Audit (Amendment) (England) Regulations 2006, and is in accordance with CIPFA guidance.**

Examples of assurance:	Evidenced by:	Areas of Improvement	Lead Officer	Implementation Date:
1. Responsibility for the compilation of the Annual Governance Statement has been assigned	PAG Terms of Reference.			
2. There is an Annual Governance Statement production timetable that meets the statutory deadline	Annual Governance Statement approval included in Forward Plan.			
3. The Annual Governance Statement is reviewed, challenged and approved by the authority	Annual Governance Statement reported by PAG to Director and Treasurer and considered by the Authority.			
4. Governance assurance statement is prepared, incorporating all the required elements of the statement on internal control	Format of governance assurance statement clearly incorporates required elements of the statement on internal control, is prepared by PAG and delivered within statutory deadlines.			

**Objective 8: Report to cabinet / executive committee:**

<b>Step 1: In support of objective 8 – An annual report to the authority (or delegated committee) on the Annual Governance Statement is presented, in accordance with the CIPFA pro forma</b>				
<b>Examples of assurance:</b>	<b>Evidenced by:</b>	<b>Areas of Improvement</b>	<b>Lead Officer</b>	<b>Implementation Date:</b>
1. Responsibility for reporting is clearly defined	Contained within Code of Corporate Governance and PAG Terms of Reference.			
2. The signatories to the annual governance assurance statement and SIC are defined and are appropriate in accordance with statutory requirements (i.e. Most senior officer and most senior member of the organisation)	Director, Clerk and Chairman sign Annual Governance Statement.			
3. The report is likely to be published in a timely fashion with the statutory accounts	Approval to statement sought prior to the completion of the Statement of Accounts.			



## **ANNUAL GOVERNANCE STATEMENT**

### **Scope of responsibility**

Merseyside Waste Disposal 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.

Merseyside Waste Disposal 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 code is on our website at [www.merseysidewda.gov.uk](http://www.merseysidewda.gov.uk) or can be obtained from the Corporate Services Manager, Merseyside Waste Disposal Authority, 6<sup>th</sup> Floor, North House, 17 North John Street, Liverpool L2 5QY. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives of appropriate, cost effective services.

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 of those risks

being realised, and the impact should they be 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 2008 and up to the date of approval of the Statement of Accounts.

The following describes the key elements of the systems and processes which underpin the Authority's governance arrangements:

- The Authority has in place a Corporate Plan and implemented through the delivery of Annual Service Plans.
- The Corporate Plan is regularly reviewed and informed by corporate strategy, in particular the Joint Municipal Waste Management Strategy.
- There is an established Performance Management Framework to deliver service improvements assisted where applicable by contractual service level agreements.
- Roles and responsibilities of Members and the Scheme of Delegation are determined 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 Members are required to comply with their host authority's Code of Conduct.
- A comprehensive set of Procedural Rules which define the Authority's constitution.
- Audit functions are delivered through the full Authority with specific powers delegated to the Audit and Governance Committee.
- 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.
- Training and development for Members and senior officers are delivered through the Member Training and Development Plan and the Staff Development Scheme.
- The Authority has a Communications Strategy to deliver clear channels of communication with stakeholders and consultation processes are undertaken as necessary.
- Inter Authority Agreements have been established to deliver effective partnership working. Internal Control Statements of Assurance are obtained for both the Authority and its company.

### **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 Primary Assurance Group within the authority 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 has reviewed its Code of Corporate Governance 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 Statement of Accounts and Annual Statement Governance.
- The scrutiny function is provided by the full Authority.
- Audit and risk issues are dealt with by the full Authority.
- The Audit and Governance Committee has delegated powers to deal with governance matters where statutory deadlines require approvals prior to scheduled full Authority meetings.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and a plan to address weakness and ensure continuous improvement of the system is in place.

### **Significant governance issues**

Focusing on the Authority and on outcomes for the community and creating and implementing a vision for the local area:

- The Authority's role in the District Council Local Strategic Partnerships will be strengthened.
- The roles and responsibilities of the Senior Officer Working Group will be clarified.
- A Stakeholder and Community Liaison Plan will be developed as part of the implementation of the Waste Management and Recycling Contract to ensure service delivery meets the needs of service users.

Members and officers working together to achieve a common purpose with clearly defined functions and roles:

- Detailed sub-delegations will be developed to reflect the roles of the Assistant Directors.

Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour:

- A HR Strategy will be developed and implemented.
- Standards of conduct will be strengthened by seeking Related Party Transaction Declarations.

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:

- The format of Authority reports will be improved to provide greater clarity of risk implications.

- An annual statement summarising the Authority's scrutiny function will be included in the Annual Performance Plan.

Developing the capacity and capability of Members and officers to be effective:

- Senior officer and statutory officer roles and responsibilities and associated job descriptions will be reviewed to improve clarity.
- Member Training and Development arrangements will be reviewed.

Engaging with local people and other stakeholders to ensure robust public accountability:

- An Equality and Diversity Scheme will be developed and implemented.

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:**

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Director

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Clerk

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Chairman



**Statement by the Director**

**Annual Governance Statement 2007-08**

Merseyside Waste Disposal Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this responsibility, Members and senior officers are responsible for establishing a system of internal control including governance and risk management.

As Director, I have specific responsibility for maintaining a system of sound internal control including governance and risk management, that supports the achievement of the Authority's Corporate Objectives, and for reviewing its effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of these objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

I understand the system of internal control is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore provide only reasonable and not absolute confidence that the risks of failure have been mitigated.

As Director I am responsible for reviewing the effectiveness of the system of internal control, governance and risk management processes operating within the Authority as a whole. My review of the effectiveness of these processes has taken into account the following:

- The extent to which key strategic and operational risks have been subject to identification and review during the year together with the adequacy of their related controls and they are adequately reflected in the Authority's Corporate Risk Register;
- The ongoing review of the adequacy and review of the effectiveness of management arrangements documented in the Annual Assessment of corporate governance and internal control arrangements;
- The re-assessment in year of the control environment where key service areas / functions have been subject to significant change;
- The extent to which agreed actions arising from internal and external audit reports have been implemented;
- Outcomes and required actions arising from reviews by other bodies including external and statutory inspectorates and the external auditors;
- The ongoing review of compliance with the Authority's Code of Corporate Governance;
- The extent to which joint working arrangements and partnerships have been subject to review in year as to the effectiveness of their governance, control and risk arrangements.

Based on my review I am satisfied that a sound system of internal control has operated within the Authority throughout the year ended 31 March 2008 and is ongoing.

There are therefore no significant governance, risk and control issues that require reporting within the Authority's published Annual Governance Statement for 2007-08

I confirm that in my opinion the governance, control and risk issues identified in the Annual Assessment are not significant. Areas of improvement have however been identified for inclusion in the Authority's Annual Governance Statement 2007/08 to highlight the Authority's commitment to continuously improve its corporate governance and internal control arrangements.

**Signed:**

**Date:**

**Statement of Assurance 2007/08**

**Response to questions from Merseyside Waste Disposal Authority**

- 1. Have the key risks to the achievement of the Company's objectives been subject to identification and review during the year together with the adequacy of related internal controls? Are these reflected in the Company's Corporate Risk Register?**

The key financial risks to the achievement of the company's objectives are identified and reviewed as part of its audit reviews and also as part of the daily and monthly management checks. See reply to Q3.

In operational terms, key risks are identified and reviewed on an ongoing basis by the executive team, in liaison with the company's management team and, where appropriate, reported to the main Board for approval to solutions on more strategic issues.

- 2. Have agreed actions resulting from internal quality control reviews been implemented or are still subject to planned implementation?**

The company is accredited as an Investors In People, and in respect of ISO 9001 and ISO 14001. As part of these accreditations, the company's operations are subject to an annual external review by a duly qualified professional. Interim internal reviews are also undertaken. The findings of reviews are considered by the management team and action plans formulated to improve on any 'weak' areas.

All agreed actions resulting from internal quality control reviews have been implemented, where possible. Action Points not undertaken are included in a planned implementation timetable which is ongoing.

It should also be noted that BDO Stoy Hayward (the company's Auditors) undertook a pre-audit systems review in August 2007 and reported no significant weaknesses within our financial controls. Areas where improvements sought were identified and reported to management and actioned as part of our ongoing procedural reviews.

- 3. Have agreed actions of Auditor reports been implemented or are still subject to planned implementation?**

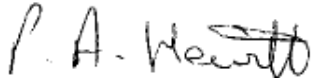
Our Auditors have made no recommendations or comments on the company's internal controls and procedures, hence no actions in respect of this are deemed necessary.

- 4. Have agreed actions resulting from key external inspection agencies e.g. Environment Agency or any other relevant inspectorates, been implemented or are still subject to planned implementation?**

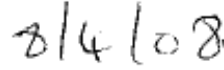
As far as I am aware, all agreed actions from key inspection agencies have been implemented except for the installation of additional perimeter gas monitoring boreholes at Hafod Quarry. This work has been commenced, but is not yet complete.

5. In your opinion, are there any significant internal control issues that you consider should be brought to the attention of the Authority?

In my opinion, there are no significant internal control issues that I consider should be brought to the attention of the Authority.



.....  
**P.A. Hewitt**  
**COMMERCIAL DIRECTOR**



.....  
**Date**

## APPENDIX 4



### Statement of Assurance - Bidston Methane Limited 2007/2008

Novera acknowledges its responsibility for ensuring that an efficient system of internal controls are maintained and operated that supports the achievement of Bidston Methane Limited objectives and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve these objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

There have been no recommendations of actions from Audit reports or from key external inspection agencies in respect of weaknesses in our internal controls and none have been identified internally.

I am satisfied that an effective system of internal control has been in place throughout the full financial year and is ongoing and there are no significant internal control issues that should be brought to the attention of MWDA.

Signed .....  .....  
John Hewson – Director of Bidston Methane Limited

Date ..... 26/3/08 .....