

MERTON AND SUTTON JOINT CEMETERY BOARD

Date: 22 June 2010

Agenda item: 6

Wards: Borough Wide Merton and Sutton

Subject: Annual Governance Statement 2009/10

Lead officer: Grant Miles

Contact officer: Anselm Marshall

Urgent report:

The legal requirements for Access to Information have not been met. The Board is advised to consider the report as an urgent matter as the Board must consider its annual governance statement by the end of June.

Recommendations:

That the Annual Governance Statement be noted and agreed

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 The Merton and Sutton Joint Cemetery Board (MSJCB) is required to prepare an Annual Governance Statement (AGS) for the year 2009/10. This statement is required in order to comply with Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006. As a Joint Committee, MSJCB is one of the scheduled bodies for the purposes of these regulations.

2. DETAILS

2.1 The purpose of the AGS is to report on the robustness of the governance arrangements at MSJCB. Corporate governance is defined, for the purposes of this report, as:

“The framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, and lead and control their functions, to achieve objectives. The quality of corporate governance arrangements is a key determinant of the quality of services provided by organisations.”

2.2 Within this framework, the AGS encompasses:

“All significant corporate systems, processes, and controls, spanning the whole of the authority’s activities, in particular, those designed to ensure that:

- policies are implemented in practice;
- high-quality services are delivered efficiently and effectively;
- the authority’s values and ethical standards are met;
- laws and regulations are complied with;

- required processes are adhered to;
- financial statements and other published performance information are accurate and reliable; and
- human, financial, environmental and other resources are managed efficiently and effectively.”

2.3 The AGS is effectively a commentary on how well MSJCB manages itself.

3. ALTERNATIVE OPTIONS

3.1 There are no alternative options as the AGS is a statutory requirement.

4. CONSULTATION UNDERTAKEN OR PROPOSED

4.1 No external consultation has taken place or is planned for this document.

5. TIMETABLE

5.1 This report has been prepared to meet the timetable for the approval of the Statement of Accounts.

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 There are no specific financial, resource or property implications.

7. LEGAL AND STATUTORY IMPLICATIONS

7.1 The AGS is a statutory requirement.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 There are no specific human rights, equalities or community cohesion implications.

9. CRIME AND DISORDER IMPLICATIONS

9.1 None for the purposes of this report.

10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1 There are no specific risk management or health and safety implications.

11. APPENDICES – the following documents are to be published with this report and form part of the report

11.1 Appendix I: Annual Governance Statement 2009/10

12. BACKGROUND PAPERS – the following documents have been relied on in drawing up this report but do not form part of the report

12.1 CIPFA / SOLACE Delivering Good Governance in Local Government – Framework

12.2 CIPFA / SOLACE Delivering Good Governance in Local Government – Guidance Note for Local Authorities

Appendix 1

9. ANNUAL GOVERNANCE STATEMENT 2009/10

1. SCOPE OF RESPONSIBILITY

- 1.1 Merton & Sutton Joint Cemetery Board (MSJCB) 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 Board 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.
- 1.2 In discharging this overall responsibility, the Board is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which include arrangements for the management of risk.
- 1.3 MSJCB 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*. The Annual Governance Statement explains how MSJCB 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.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which MSJCB is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Board to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate cost effective services.
- 2.2 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 risks 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 Board's policies, aims and objectives being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. Governance and Management Arrangements

- 3.1 MSJCB was established under the 1943 Order “for the purpose of the acquisition, construction and maintenance of a cemetery for the interment of the inhabitants of the constituent districts.” MSJCB is therefore a special purpose authority, whose activities are clearly defined.
- 3.2 The Order established a Constitution, which has been updated over the years as necessary. The Board currently comprises six members (three councillors from Merton and three from Sutton), and four officers. Under current arrangements for the appointment of officers, in force since 1986, the Board’s part-time Chief Officers are senior officers of the London Borough of Merton. The Registrar to the Board is the Leisure Services Manager. The Treasurer and Section 151 Officer is the Council’s Head of Finance. The Consultant Surveyor is a Merton employee. The Clerk to the Board is an officer from Democratic Services. These officers work within the powers of the MSJCB, and the delegations from the London Borough of Merton.
- 3.3 All members and all staff are bound by their respective codes of conduct, and receive appropriate training. Members of MSJCB make their declarations of interest through Merton and Sutton councils, as appropriate.
- 3.4 The Board’s three year Medium Term Financial Strategy (MTFS) is aligned and integrated with its functions and plans under the Order, and incorporates the revenue and capital expenditure implications of budget proposals. The MTFS is reviewed annually.
- 3.5 Financial performance is reported on a quarterly basis to Board members. The Board meets its gross expenditure through fees and charges. A Common Fund is also maintained as part of prudent financial management, in order to deal with unforeseen circumstances. In recent years MSJCB has been self-financing, and has not required a precept on the constituent boroughs.
- 3.6 MSJCB publishes regular performance reports on interments, which inform its policies on fees and charges. This is a key area to monitor, as the bulk of income is derived from interment fees. It is also a key risk area for the constituent boroughs, should income fail to cover expenditure.
- 3.7 Risk management arrangements in MSJCB form part of the already robust arrangements in place for the London Borough of Merton. Members and officers also have access to Merton’s whistle blowing policies, which were updated during 2009/10. MSJCB was included for

specific review in the risk management programme for 2009/10, and continues to be part of this ongoing assurance process for 2010/11.

- 3.8 MSJCB's business continuity and emergency planning are co-ordinated through Merton's own processes. The Council has been assessed as having effective emergency planning in place, focussing on high risks, as well as being well prepared for emergencies. MSJCB is included in the business continuity programme for 2010/11.

4. REVIEW OF EFFECTIVENESS

- 4.1 MSJCB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance framework, the Annual Report of the Chief Internal Auditor, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 Merton Council has provided internal audit services to MSJCB in 2009/10, as part of reviewing corporate systems, which are also used by MSJCB. From 2009/10 MSJCB has been included as a specific item in the Audit Plan, in order to provide greater assurance.
- 4.3 No significant governance issues have been identified during 2009/10. However, MSJCB, in conjunction with Merton Council, will continue to review its internal control processes, particularly with regard to performance management, risk management and business continuity.
- 4.4 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.

Chair of the Board

Registrar to the Board

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