

MERTON AND SUTTON JOINT CEMETERY BOARD

Date: 15 July 2016

Agenda item:

Wards: Borough Wide Merton and Sutton

Subject: Annual Governance Statement 2015/16

Lead officer: Zoe Church

Lead member:

Forward Plan reference number:

Contact officer:

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 2015/16. This statement is required in order to comply with Regulation 6 (1b) of the Accounts and Audit Regulations 2015. As a Joint Committee, MSJCB is one of the scheduled bodies for the purposes of these regulations.
- 1.2 This statement provides assurance to all stakeholders that MSJCB by utilising the established processes and systems of Merton Council's processes and systems ensure that decisions are properly made and scrutinised, and that public money is being spent economically and effectively to ensure maximum benefit to all citizens of the borough.
- 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"
- 1.4 The AGS explains how MSJCB has complied with the code and also meets the requirements of the 2015 Regulations.

2. DETAILS

- 2.1 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. MSJCB 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.
- 2.2 In discharging this overall responsibility, MSJCB 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.
- 2.3 The governance framework comprises the systems and processes, culture and values by which the authority is directed and the activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.4 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 MSJCB policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

3. The Governance Framework

- 3.1 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 senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit annual report, and also by comments made by the external auditors and other review agencies and inspectorates
- 3.2 As part of this review a Corporate Governance steering group has been established and terms of reference agreed. Monthly meetings have been held and an evidence pack compiled to consider a combination of economy, efficiency and effectiveness factors. The results of this review are detailed in the six principles in Appendix 1 (summarised in paragraph 3.3 below)

- 3.3 The framework describes the key elements of systems and processes that comprise the Authority's governance arrangements including arrangements for:
- Focussing on the purpose of the Authority and creating and implementing a vision.
 - Members and officers working together to achieve a common purpose with clearly defined function and roles.
 - Values of Good Governance and standards of behaviour
 - Making transparent decisions which are subject to scrutiny and risk management
 - Developing the capacity of members and officers
 - Engaging with local people and stakeholders
- 4. ALTERNATIVE OPTIONS**
- 4.1 There are no alternative options as the AGS is a statutory requirement.
- 5. CONSULTATION UNDERTAKEN OR PROPOSED**
- 5.1 No external consultation has taken place or is planned for this document.
- 6. TIMETABLE**
- 6.1 This report has been prepared to meet the timetable for the approval of the Statement of Accounts.
- 7. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**
- 7.1 There are no specific financial, resource or property implications.
- 8. LEGAL AND STATUTORY IMPLICATIONS**
- 8.1 The AGS is a statutory requirement.
- 9. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**
- 9.1 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 2015/16

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

1. ANNUAL GOVERNANCE STATEMENT (AGS) 2015/16

- 1.1 In compiling the AGS the Board has adhered to the Solace/CIPFA Guidance which is deemed best practice and addressed their six key principles:

2. Principle 1 – Focussing on the purpose of the Authority and creating and implementing a vision.

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.

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the MSJCB to monitor the achievement of its scope and to consider whether this has led to the delivery of appropriate services and value for money.

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.

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 on going process designed to identify and prioritise the risks to the achievement of MSJCB activities etc., to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The Board works within a code of corporate governance consisting of regulations issued by the Secretary of State. The members and officers of the Board discharge their duties within this framework and consistently with the adopted codes of corporate governance of their constituent councils. This 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 61b) of the Accounts and Audit Regulations 2015.

2.1 Performance Management

The council has robust performance management arrangements in place and as part of the service planning process, performance indicators are challenged by the Business Planning team, Departmental Management Team, Corporate Management Team, reviewed by members and Overview and Scrutiny.

The performance management of MSJCB forms part of the arrangements established for Parks and Green Spaces. The key indicator for cemeteries is the level of income achieved from activities. This is monitored closely by the Board and its officers.

2.2 Financial Strategy and Management

Both Merton and Sutton have well established procedures for compiling their multi-year financial and business strategies. These are reviewed and updated annually. Implicit within these plans is the need for MSJCB to break even so that they do not need to precept constituent authorities.

Recently the Board has had to extend the cemetery at a cost of just over £1.6 million. This cost has been met by matching loans from the constituent authorities.

3. Principle 2 – Members and officers working together to achieve a common purpose with clearly defined function and roles.

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.

The Order established a Constitution, which has been updated over the years as necessary. The Board currently comprises ten members (five councillors from Merton and five 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 Cemeteries Manager and Registrar. The Treasurer and Section 151 Officer is the Council's Head of Business Planning. The Consultant Surveyor is a Merton employee. The Clerk to the Board is an officer from Corporate Governance. These officers work within the powers of the MSJCB, and the delegations from the London Borough of Merton.

4. Principle 3 – Values of Good Governance and standards of behaviour

The Board's members are bound by the Codes of Conduct of the constituent Councils. The Board's officers are employed by Merton Council and work within the governance standards of Merton Council. Officers and members undertake any training on these codes and standards as deemed appropriate by their constituent councils and this is considered sufficient for the purposes of discharging their duties as Board members and officers. Members and officers make declarations of interest in accordance with these codes and standards either to their constituent council or to the Board or to both as appropriate to the circumstances.

The accounts of the board are prepared and reviewed by internal audit, prior to despatch to external auditors as part of the annual governance process. The Board compiled a ten year budget plan to fully assess the impact of the cemetery extension. Financial performance is reported on a regular 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.

5. Principle 4 – Making transparent decisions which are subject to scrutiny and risk management

The council has an anti-fraud and corruption strategy. Integral to these arrangements is the Whistleblowing Policy which is communicated to staff via the intranet, leaflets and posters to outbuildings. All Whistleblowing cases and action are reported annually to the General Purposes committee.

The council also participates in the National Fraud Initiative (NFI) a computerised data matching exercise, led by the Cabinet Office to detect fraud perpetrated on public bodies.

From April 2015 Merton joined the five borough fraud partnership led with Wandsworth, Richmond, Kingston and Sutton to become the South West London Fraud Partnership (SWLFP). This service will join with the South West London Audit Partnership (SWLAP) in October 2016.

MSJCB forms part of these arrangements

5.1 Complaints

Constituent authorities' complaints policies are reviewed regularly to ensure on-going continuous improvement in how we deal with complaints. The annual complaints report is now published on the council's website. Complaints handling is included in departmental induction and specific training on how to respond positively to complaints has been provided to teams who have high volumes of complaints. The Board has reviewed and responded to complaints made in respect of Bearer Beams and this has led to work being carried out to rectify concerns.

5.2 Transparency agenda

In delivering this agenda the Board is currently encompassed within the arrangements made by Merton Council to publish most of the information specified by the government's Open Data requirements on the council's Open Data webpage. Work is in progress to publish the outstanding data to meet the new requirements of the 2015 Transparency Code.

The Protection of Freedoms Act 2012 requires the council to publish datasets that are requested.

Merton Council publishes an Information requests disclosure log which gives brief details of the requests received that week under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

Under the Freedom of Information (FOI) Act, a public authority must respond to an FOI Freedom of Information (FOI) request within 20 working days. The council's performance in responding to Freedom of Information requests is published on the council's website via the performance monitoring dashboard.

5.3 Data Security

The council has established processes to manage the risk of the loss of personal data, of which a significant amount is held across many business areas. The processes include mandatory training for staff, publication of guidance and an Information Security Policy. Prompt reporting of any security incident is required to enable appropriate remedial action to be taken. Each reported incident is followed up by the Information Governance Team to ensure that any lessons learnt are quickly deployed. The Head of Information Governance will decide whether cases are to be reported to the Information Commissioner's Office, and no cases reported during 2015/16 have resulted in any sanctions or monetary penalties against the council, due to the effectiveness of the policies and procedures that are in place.

The council's progress towards more flexible working has brought new challenges for the security of the personal data that we use, and the team constantly revises the content of the weekly staff bulletin items to give guidance about the latest risks and issues.

5.3 Risk management

Risk management is a central part of the Board's system of internal control. The focus of the risk management strategy is to ensure the identification and treatment of risk as part of everyday management. The Risk Register is reviewed at each meeting of the Board.

5.4 Health and safety

The council's safety management system ensures compliance of employers under the Health and Safety At Work Etc Act 1974, The Management of Health and Safety At Work Regulations 1999 and all sister regulations.

Primary functions are to promote good health and safety practice across the council, develop and implement corporate policies and guidance to safeguard the health, safety and welfare of the Council's employees, clients, and members of the public and other persons. Assist departmental management teams identify and develop suitable systems and procedures in compliance with their duties under the legislation.

5.5 Contingencies, business continuity and emergency planning

Merton's Civil Contingencies planning arrangements ensures that the council's plans for responding to an emergency within the borough are current and promulgated throughout the departments to enable a robust response to any incident.

Ensuring the Councils Business Continuity arrangements are current and fit for purpose to enable the council to continue to deliver services during an incident affecting its own infrastructure and staff.

Ensuring that all Emergency Planning and Business Continuity arrangements are tested and exercised periodically across all departments and with external partners where necessary

MSJC forms a part of the arrangements for burials which would be key during occurrences where there was a pandemic or mass fatality.

6. Principle 5 – Developing the capacity of members and officers

Members – Provision of Member development is made jointly with Sutton and a member's development plan is in place for both authorities. Induction training is provided for all new and existing members.

Officers – Training needs are identified through staff appraisals and training can now be booked on the council's iTrent System. The Council has Induction workshops throughout the year for new starters and for employees who change their roles. There is a managers' induction session for managers new to the Council or new to role. Training is available for all staff to ensure they have the skills and knowledge to undertake their role.

7. Principle 6 – Engaging with local people and stakeholders

A wide range of communications channels are used by the council to target different audiences. The Council magazine, My Merton, is delivered to every household in the borough four times a year. The Council also uses online and social media channels to target different audiences. Some services have developed bespoke communication channels to reach particular target audiences.

A wide range of engagement forums are used, some led by the council, others by the community, to communicate the council's vision and to consult local people, for example the Interfaith Forum, LGBT Forum, BAME Forum, Involve, Community Forums, Youth Parliament, and Young Advisors

The council follows the principles for engagement agreed by the Merton Partnership in 2010 and refreshed in 2014 as part of the Get Involved - Community Engagement Strategy. These principles let residents know what they can expect from council consultations and they are invited to report on occasions when consultations fall short of these expectations.

All our consultations and many of our partner's consultations are listed in our online database. Residents and stakeholders can sign up for alert emails to be updated when new consultations are in place on the system so they can find out how to get involved.

8. Overarching

The South West London Audit Partnership has carried out reviews of the councils main financial systems which are also used by MSJCB, an assurance has been provided as part of the councils AGS that the controls are reasonable. A review of the return has also been carried out.

The Treasurer has provided a Certificate of Internal Control for the year ended 31 March 2016, stating that they were aware of their responsibilities, and that they had complied with the Council's policies and procedures. All officers of the Board have signed a certificate of assurance to confirm compliance with Merton's processes and Procedures during 2015/16.

No significant governance issues have been identified during 2015/16, however, steps will be taken to ensure appropriate professional advice is sort in a timely manner. 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.

Chair of the Board

Registrar to the Board

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