

MERTON AND SUTTON JOINT CEMETERY BOARD

Date: 12 June 2017

Agenda item:

Wards: Borough Wide Merton and Sutton

Subject: Annual Governance Statement 2016/17

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 2016/17. 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. It is worthy of note at this point that MSJCB utilises the systems and procedures of the London Borough of Merton (the Council/Authority) and as such utilises the work undertaken by this organisation to demonstrate good governance.

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.
- 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 The Authority has established a Corporate Governance steering group and terms of reference agreed to undertake this review. Monthly meetings have been held and an evidence pack compiled to review the seven principles which are:
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement

- Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

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 2016/17

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 and Guidance Notes

Appendix 1

1. ANNUAL GOVERNANCE STATEMENT (AGS) 2016/17

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

2. Principle 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Codes of Conduct

- 2.1 The Council has an Employee Code of Conduct that applies to all council employees without exception, as well as to non-employees who are engaged (e.g. agency workers) or contracted by the council. The summary code of conduct is available on the intranet, is given to all new members of staff and discussed as part of the induction process. This code includes a requirement for staff to declare any conflicts of interest.
- 2.2 The Members' Code of Conduct is included in the council's Constitution and includes the principles of public life and information on declaring and registering interests. Each year (after Annual Council) Members are asked to declare their interests and mechanisms are in place to update these regularly when there are changes.
- 2.3 The Standards Committee of the Council receives annual reports on gifts and hospitality declared by staff and Members.
- 2.4 The whistleblowing policy was last reviewed in 2016 and is available on the intranet and internet. Leaflets are distributed within the civic centre and to schools and other organisations.

3. Principle 2: Ensuring openness and comprehensive stakeholder engagement

Transparency agenda

- 3.1 The council publishes the information specified by the government's Open Data requirements on the council's Open Data webpage. Work to publish the council's organisation chart was completed in April 2016. The current data published on the council's website includes:
- Spending over £500
 - Senior employees' salaries
 - Job descriptions of staff earning over £50k
 - Pay multiple

- Pay policy statement
 - Payments to councillors – allowances and expenses
 - Councillors attendance at meetings
 - Democratic data including the Constitution, minutes, decisions and
and
 - election results
 - The Business Plan, policies, performance, audit and inspections
 - Finance data and counter fraud statistics
 - Merton's contract register
 - Funding to the voluntary and community sector
 - Structure charts
 - Parking income and expenditure
 - Details of on-street and off-street parking spaces
 - List of property assets
 - Trade union activity
- 3.2 The Protection of Freedoms Act 2012 requires the council to publish certain datasets that are requested.
- 3.3 The Council publishes an information requests disclosure log which gives brief details of the requests received each week under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
- 3.4 Under the Freedom of Information (FOI) Act, a public authority must respond to FOI requests within 20 working days. The council is measured against a corporate target of 90% of FOI requests dealt with in time. Performance in responding to FOI requests within the 20 day deadline for 2016/17 is 85%. Performance is reported to the Corporate Management team monthly and is also published on the council's website via the performance monitoring dashboard.

Complaints

- 3.5 The Complaints policy is reviewed periodically to ensure it remains relevant and supports improvement in the way the council deals with complaints. New staff are introduced to effective complaints handling through their departmental inductions; and training and advice is provided to those teams which regularly deal with complaints.
- 3.6 Work is on-going with service departments to identify policy complaints so departments can deal with them appropriately. Departments receive feedback to help them identify areas for improvement and departmental actions are monitored to assess whether changes that are made make a difference. 5.11 The council's performance in responding to complaints is reported to the Corporate
- 3.7 The Client Side monitors the level of complaints and escalates appropriately.

4. Principle 3: Defining outcomes in terms of sustainable economic, social, and environmental benefits

- 4.1 The Board's top priority will continue to be to provide safe services of the best possible quality within financial constraints. We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.
- 4.2 The Authority is utilising best practice in project management/ transformation to assess the future direction of services and the required staff, process and IT development to deliver this change. Internal decision making structures have been established to maximise Authority wide assessment and development.

5. Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

Delegations

- 5.1 The council's constitution sets out the roles and responsibilities of the executive, non-executive, scrutiny and officer functions.
- 5.2 The functions of Council are set out in Article 4 of the constitution. These include responsibility for adopting and changing the constitution, policy framework and budget

Financial strategy and financial management

- 5.3 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.
- 5.4 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. The embedding of the new contract and maintaining a workable budget will need to be addressed during the financial year 2017/18.

Policy and decision making

- 5.5 Policy and decision making is undertaken by the Board which is compiled from 5 Merton and 5 Sutton Councillors. Normally there are two meetings of the Board each year.

Performance management

- 5.6 The new Client Side function will monitor and report on the performance of the new contract.
- 6. Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it**
- 6.1 The Board are responsible for the governance of the Cemetery.
- 6.2 The authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 6.3 Development needs members/officers
- 6.4 Members –A members' development plan is in place and this is adapted to meet arising needs. Induction training is provided for all new members.
- 6.5 Officers – All council employees (except those on probation) will have an annual appraisal. 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 to all staff to ensure they have the skills and knowledge to undertake their roles. The leadership behaviours have been included in the appraisals for the Collective Departmental Management Teams for 2016/17 with the view to rolling it out all staff in April 2017. As part of the Council's ambition to be London's Best Council in 2020 a development programme was launched for the Collective DMTs and the Leadership Team.
- 7. Principle 6: Managing risks and performance through robust internal control and strong public financial management.**

Risk management

- 7.1 Risk management is a central part of the organisation'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.
- 7.2 The Board utilises Merton's approach to Risk Management and has adopted a Risk Management Strategy that is based on the Merton Risk Management Model. The Risk Register is reviewed at each meeting of the Board.

- 7.3 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.
- 7.4 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.

8. Principle 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Internal Audit

- 8.1 Internal Audit is an assurance function that provides an independent and objective opinion on the control environment. It operates to defined standards as set out in the Public Sector Internal Audit Standards. An external assessment was carried out in March 2014, which concluded that Merton's Internal Audit function complied with the standard.
- 8.2 An annual report is produced by the Head of Audit which provides an opinion on the adequacy and effectiveness of the internal control environment.
- 8.3 A review has been undertaken on the 5 elements of the CIPFA statement on the role of the Head of Audit in public sector organisations. These elements are all met.

Data Security

- 8.4 The council holds a significant amount of personal data across its many business areas and has put in place actions to manage the risk of possible loss of this data. These include annual mandatory training for all council and partner staff with access to council systems, publication of guidance and an Information Security policy. Staff are required to report any security incident promptly to the Information Governance Team so an investigation and appropriate remedial or mitigating action can be taken. Each reported incident is followed up by the Information Governance Team to identify lessons to be learned and to make changes to reduce the risk of data loss in future. A report on incidents is made each quarter to a meeting of the Information Governance Board. The Head of Information Governance will decide whether to self-report an incident to the Information Commissioner's Office. Of the incidents reported during 2016/17, none have resulted in any sanctions or monetary penalties being levied against the council, reflecting the effectiveness of the policies and procedures that are in place.

- 8.5 The council's introduction of greater flexible and mobile working has brought new challenges for the secure handling of personal data. Staff using mobile technology must have a current pass in their online security training and are provided with a guidance booklet on good practice in handling personal information on a mobile device. The team revises the content of weekly good practice tips in the staff bulletin items to give guidance about the latest risks and issues.

9. Developments for 2016/17

- 9.1 The improvement actions below have been identified as a result of the review carried out. Progress will be followed up during 2016/17 and reported to Standards /General Purposes committee.

Action	Lead	
Further Review of Financial Position Mid-Year	Treasurer/ Client Side Function	To monitor the embedding of the new contract and ensure that a break even position is established as soon as possible. Report to the Board Autumn 2017.
Review of Roles and Responsibilities	Treasurer/ Client Side Officer	The roles, responsibilities and information flows/provision of the Board require review to ensure they meet the strategic and operational requirements of service provision under the new contracting arrangements. This review should include a review of the proposals for the demolition and rebuild of the toilet block in the Cemetery in the light of the new contract Report to the Board Autumn 2017.

Chair of the Board

Registrar to the Board