



**West
Waste**

Local Code of Corporate Governance

Approved by Audit Committee July 2013

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1.0 INTRODUCTION

- 1.1 Corporate governance is the system by which the West London Waste Authority directs and controls its functions and relates to the community it serves. It is therefore a framework of policies management, systems, procedures and structures that together, determine and control the way in which the West London Waste Authority manages its business, determines its strategies and objectives, and sets about delivering its services to meet those objectives for the greater good of its community. This extends to how the organisation accounts to, engages with and, where appropriate, leads its community.
- 1.2 On this basis, the principles of good corporate governance require a local authority to undertake its functions in a way that is completely open and inclusive of all sectors of the community, demonstrates the utmost integrity in all its dealings, and is fully accountable to the public it serves.
- 1.3 The West London Waste Authority (Authority) is committed to demonstrating good corporate governance. This Code sets out what its governance arrangements are, and who is responsible for them within the Authority. It explains how the arrangements will be kept under review and monitored for compliance.
- 1.4 The Code is also intended to express how the Authority will seek to conduct its business in a way that demonstrates -
- **Openness and Inclusivity** – this is necessary to ensure that stakeholders can have confidence in the decision-making and management processes of the Authority, and in the approach of the Members and Officers within them. Being open through genuine consultation with stakeholders and providing access to full, accurate and clear information leads to effective and timely action and lends itself to necessary scrutiny. Openness also requires an inclusive approach, which seeks to ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision-making processes and actions of the Authority. It requires an outward focus and a commitment to partnership working, and it encourages innovative approaches to consultation and to service provision.
 - **Integrity** – is necessary for trust in decision making and actions. It is based upon honesty, selflessness and objectivity, and high standards of propriety and probity in the stewardship of public funds and the management of the Authority's affairs. It is dependent on the effectiveness of the internal control framework and on the personal standards and professionalism of both Members and Officers. It is reflected in the Authority's decision-making procedures, in its service delivery and in the quality of its

financial and performance reporting.

- **Accountability** - is the process whereby Members and Officers within the Authority are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles expressed through a robust and resilient structure.

2.0 **POLICY STATEMENT ON CORPORATE GOVERNANCE**

- 2.1 The Policy of the Authority is to incorporate the principles of good corporate governance into all aspects of its business activities to ensure that stakeholders can have confidence in the decision-making and management processes of the Authority, and in the conduct and professionalism of its Members, Officers and contractors in delivering services. To this end, the Authority will report periodically on its intentions, performance and financial position as well as on the arrangements in place to ensure good governance is always exercised and maintained. The Authority Clerk will be responsible to the Authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

3.0 **THE SIX PRINCIPLES OF CORPORATE GOVERNANCE**

- 3.1 There are six core principles that should underpin governance arrangements within a local authority. These are defined as follows -
- focusing on the purpose of the Authority and on outcomes for the community of the six boroughs it represents.
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles
 - promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
 - taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 - developing the capacity and capability of Members and Officers to be effective
 - engaging with local people and other stakeholders to ensure robust public accountability

- 3.2 This Code addresses these six core principles and describes the systems and processes that support these.
- 3.3 The Code explains how the Authority intends to monitor and review the corporate governance arrangements defined in this Code.
- 3.4 A diagrammatic representation of how this Code fits into the management process of the Authority is attached as **Appendix A**.

4.0 **CORPORATE GOVERNANCE ARRANGEMENTS**

Core Principle 1: Focussing on the single purpose of the Authority which is to dispose of waste

- 4.1 The Authority has developed a clear vision and purpose through its Joint Municipal Waste Management Strategy, to identify intended outcomes and ensure that these are clearly communicated to all stakeholders of the organisation, both internal and external. In doing so, the Authority will report regularly on its activities and achievements, and its financial position and performance. The Authority will publish annually -
- Three year Business Plan including a one year detailed business plan (including performance information and performance data)
 - An annual Statement of Accounts (incorporating the Annual Governance Statement)
- 4.2 The Authority will keep its corporate strategies, objectives and priorities under constant review, so as to ensure that they remain relevant to the needs of the six constituent boroughs.
- 4.3 In undertaking all its activities, the Authority will aim to deliver high quality services which meet the needs of service users. Delivery may be made directly, in partnership with other organisations, or by a commissioning arrangement with agents. Measurement of service quality will be a key feature of service delivery.
- 4.4 The Authority will continue to monitor the cost effectiveness and efficiency of its service delivery
- ensuring that timely, accurate and impartial financial advice and information is provided to assist in decision making and maintaining effective stewardship of public money.
 - ensuring that the Authority maintains a prudential financial framework; keeps its commitments in balance with available

resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary

- ensuring compliance with CIPFA's Code on Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code

4.5 The Authority will seek to address any concerns or failings in service delivery by adhering to and promoting its Complaints Procedure.

Core Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles

4.6 To ensure accountability the Standing Orders of the Authority defines the roles and responsibilities of both the Authority's executive and non-executive functions. In particular, the Standing Orders – this is kept under regular review

- defines the role of the Authority Members
- defines the respective roles of Members and of Senior Officers
- defines the statutory roles of the Head of Paid Service (Director), Section 151 Officer (Treasurer) and the Monitoring Officer (Clerk)
- sets out a Protocol on Member/Officer relations which is the framework for effective working together
- includes a Scheme of Delegation for Members and Officers
- includes rules in relation to staff employment, contracts/procurement, and finance that are regularly reviewed
- requires appropriate governance arrangements for partnerships.

4.7 The Treasurer fulfils the role of Chief Financial Officer as defined in the CIPFA Statement.

To demonstrate compliance with the CIPFA Statement on the *Role of the Chief Financial Officer* the Authority will:-

- ensure that the Treasurer has direct access to the Director and is able to attend Authority Management Team meetings
- appoint a suitably qualified Treasurer and ensure that his/her role is properly understood throughout the Authority
- ensure that the Treasurer leads the promotion and delivery by the whole organisation of good financial management so that

public money is safeguarded at all times and used appropriately, economically, efficiently and effectively

- ensure that reserves are adequate, in line with CIPFA's guidance
- ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis.
- establish a medium term financial planning process to deliver strategic objectives including:
 - a medium term financial strategy to ensure sustainable finances
 - a robust annual budget process that ensures financial balance
 - a monitoring process that enables this to be delivered

Core Principle 3: Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

4.8 The Authority will conduct its activities in a manner which promotes high ethical standards and good behaviour which will foster openness, support and mutual respect. The following strategies, policies and protocols have been established and will be kept under review to assist the Authority in maintaining this culture -

- Officer Code of Conduct
- Protocol on Officer/Member Relations
- Staff and Member Registers of Interest
- ICT Code of Practice and Protocols on ICT use for Members and Officers
- Whistleblowing policy
- ICT Strategy
- HR Policies and Procedures
- Officers' Register of Gifts & Hospitality
- Equal Opportunities and Cohesion Policy Statement
- Communication Strategy
- Procurement Strategy
- Financial Regulations, Tender and Contract Regulations

- 4.9 In addition, the Authority will ensure that systems and processes for financial administration, financial control and protection of its authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.
- 4.10 The aim is to develop a set of shared values which will underpin an ethos of good governance. This will be further supported by compliance with legislation, Authority regulations and all relevant professional standards.
- 4.11 Where the Authority works in partnership it will continue to uphold its own ethical standards, as well as acting in accordance with the partnership's shared values and aspirations.

Core Principle 4: Taking informed transparent decisions which are subject to effective scrutiny and managing risk

- 4.12 The Authority observes this Principle through a combination of the following -
- all meetings of the Authority and its Committees are open to the public
 - having formal Standing Orders which detail the decision making process and the procedures required to support the transparency and accountability of decisions made
 - a comprehensive recording of all decisions taken and the reasons for those decisions
 - Publication of details of all spending in excess of £500
 - maintenance of registers to record potential conflicts of interest, attendance etc
 - an Audit Committee
 - a transparent complaints procedure
 - a Member development programme
 - provision of timely and relevant information to all interested parties
 - involvement of legal, financial or other specific service expertise to inform decision-making
 - an embedded risk management culture
 - effective whistleblowing and counter fraud procedures
 - implementation of specific legislative requirements placed upon the Authority
 - a comprehensive Information Governance Framework in compliance with accredited standards; this Framework will

include the protection of sensitive and commercial data

4.13 In relation to its financial management arrangements, the Authority will

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- ensure an effective internal audit function is resourced and maintained
- ensure that its governance arrangements allow the Treasurer direct access to the Audit Committee and External Auditor
- ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the Authority
- ensure the Authority's governance arrangements allow the Treasurer to bring influence to bear on all material decisions
- ensure that advice is provided on the levels of reserves and balances in line with good practice guidance
- ensure the Authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports
- ensure the Authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes

4.14 Based on the above, in terms of policy and decision making, the Authority is supported at all times by professional advice that addresses all relevant legal, financial and resourcing issues. At the same time, risk management processes operate so as to ensure that the risk and impact of decisions are fully assessed.

Core Principle 5: Developing the capacity and capability of Members and Officers to be effective

4.15 The Authority is continually seeking to develop the capacity and capability of both its Members and officers in recognition that the people who direct and control the organisation must have the right skills. This is achieved through a commitment to training and development, as well as recruiting senior officers with the appropriate balance of knowledge and experience.

4.16 The Authority aims to achieve this by -

- organising Member and employee induction programmes
- developing a People Strategy that addresses issues such as recruitment, succession planning and flexible working
- regularly reviewing job descriptions and person specifications and using these as the basis for recruitment
- implementing a Development Programme including individual training and development plans
- maintaining an effective performance management system

4.17 To ensure compliance with the CIPFA Statement in the *Role of the Chief Financial Officer* the Authority will

- ensure the Treasurer has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of their role
- provide the finance function with the resources, expertise and systems necessary to perform its role effectively
- embed financial competencies in appropriate employee specifications and appraisals
- ensure that Authority Members' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities

Core Principle 6: Engaging with stakeholders to ensure robust public accountability

4.20 The Authority will seek the views of its stakeholders and respond appropriately by -

- clearly identifying its stakeholders, in order to ensure that relationships with these groups continue to be effective
- publishing a three year Business Plan including a one year business plan; an annual Statement of Accounts to inform stakeholders and service users of the previous year's achievements and outcomes
- publishing a Medium Term Financial Strategy.
- presenting itself in an open and accessible manner to ensure that Authority matters are dealt with transparently, in so far as the need for confidentiality allows

- introducing an Employee Relations Framework (Trade Union Recognition Agreement), that will outline how staff and their representatives are consulted and involved in decision-making
- developing a Freedom of Information Act Publication Scheme and arrangements to respond to requests for information from the public
- operating access to information procedure rules to ensure local people and stakeholders can exercise their rights to express an opinion on decisions, and can understand what decisions have been made and why
- ensuring the lawful and correct treatment of personal information through an Information Governance policy that follows the principles set out in legislation and statutory guidance
- maintaining a Authority website that provides access to information and services

5.0 **MONITORING, REPORTING AND REVIEW**

5.1 Ensuring good corporate governance is the responsibility of the whole Authority. However to formalise the process, the Authority has an Audit Committee that is primarily responsible for monitoring and reviewing the corporate governance arrangements.

5.2 The Audit Committee takes responsibility for internal and external audit, information governance, risk management, procedure rules, as well as overall corporate governance that are detailed in the Standing Orders. This Committee is tasked with ensuring that an effective system of internal control operates throughout the organisation. The Committee meets a minimum of three times a year.

5.3 The Authority regularly reviews the effectiveness of its system of internal control. This review seeks to -

- identify principal risks to the achievement of Authority objectives
- identify and evaluate key controls to manage principal risks
- obtain assurances of the effectiveness of key controls
- evaluate assurances and identify gaps in control/assurances

This review is undertaken by the Audit Committee and is part of the preparatory process for the Annual Governance Statement. The Audit Committee receives assurance on the effectiveness of controls from the Head of Internal Audit (Harrow). In addition, the effectiveness of the Internal Audit Service and the Audit Committee are reviewed annually.

- 5.6 Finally, annual reports are produced and published by the Audit Committee.

The Annual Governance Statement

- 5.7 Following the annual review of effectiveness of the system of internal control an Annual Governance Statement (AGS) will be published as part of the Statement of Final Accounts for the Authority. The AGS will provide an overall assessment of the corporate governance arrangements in the Authority.
- 5.8 To reflect the Authority's commitment to the continuous improvement of its system of internal control an Action Plan will be drawn up in response to any significant control weakness identified in the AGS. The Audit Committee will monitor progress on this Action Plan.

Review of this Code

- 5.9 A review of this Code will be undertaken annually alongside the preparation of the AGS.

6.0 CONTACT DETAILS AND FURTHER INFORMATION

- 6.1 Further details of the Authority's Corporate Governance arrangements can be obtained on the Authority's website www.westlondonwaste.gov.uk or by contacting the Director, Jim Brennan.

- (i) Director, Jim Brennan (**Head of Paid Service**)

Telephone: 020 8814 3040

Email: Jimbrennan@westlondonwaste.gov.uk

- (ii) Treasurer, Ian O'Donnell (**Section 151 Officer**)

Telephone: 020 8825 5269

Email: odonnelli@ealing.gov.uk

- (iii) Clerk, Richard Gruet (**Monitoring Officer**)

Telephone: 020 8503 2024

Email: Richard.gruet@hounslow.gov.uk