

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2016/17

LLWYDCOED JOINT COMMITTEE

28TH JUNE 2016

**REPORT OF GROUP DIRECTOR,
COMMUNITY & CHILDREN'S SERVICES**

Agenda Item No: 7

**ANNUAL GOVERNANCE
STATEMENT – LLWYDCOED
CREMATORIUM
2016/17**

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1. PURPOSE OF THE REPORT

- 1.1 This report provides Members with an overview and opinion on the governance arrangements in place at Llwydcoed Crematorium for the financial year 2016/17.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Review the Annual Governance Statement for Llwydcoed Crematorium, suggest any material amendments and recommend its certification by the Chairperson of the Joint Committee, Group Director Corporate & Frontline Services (RCTCBC) and also the Community Facilities Manager in readiness for inclusion within the Crematorium's Statement of Accounts for 2016/2017.

3. BACKGROUND

- 3.1 The Accounts and Audit (Wales) Regulations 2014 (regulation 5) state:

“Responsibility for internal control and financial management

- (1) *The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body's functions and which includes*

- (a) arrangements for the management of risk; and
(b) adequate and effective financial management.*

- (2) *The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control and shall include a statement on internal control, prepared in accordance with Proper Practices.”*

- 3.2 Proper Practices are deemed to be the Code of Practice for Local Authority accounting which specifies:

“A local authority shall undertake a review of its system of internal control in accordance with best practice. Delivering Good Governance in Local Government, published by CIPFA and SOLACE, recommends that the review be reported in an Annual Governance Statement.”

- 3.3 Rhondda Cynon Taf County Borough Council is responsible for ensuring that its business and that of the Joint Committee, for which it has administrative responsibility, is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.
- 3.4 A draft Annual Governance Statement for the 2015/16 financial year relating to the activities of Llwydcoed Crematorium is attached at Appendix A.

4. SUMMARY

- 4.1 The overall governance arrangements at Llwydcoed Crematorium for the financial year 2015/16 are considered to be satisfactory.

LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
LLWYDCOED JOINT COMMITTEE

28TH JUNE 2016

REPORT OF THE GROUP DIRECTOR, COMMUNITY & CHILDREN'S SERVICES

**ANNUAL GOVERNANCE STATEMENT –
LLWYDCOED CREMATORIUM 2015/16**

Background papers:

Annual Governance Statement 2015/16

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APPENDIX A

LLYWDCOED CREMATORIUM
ANNUAL GOVERNANCE STATEMENT

1.	Scope of Responsibility
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- 1.1 Llwydcoed Crematorium is managed and administered by the Llwydcoed Crematorium Joint Committee, under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee is made up of nine members; five from Rhondda Cynon Taf CBC County Borough Council and four from Merthyr Tydfil CBC County Borough Council. Rhondda Cynon Taf CBC County Borough Council became the Host Authority for the Joint Committee in 1996, taking over from the Urban District of Aberdare and the County Borough of Merthyr Tydfil.
- 1.2 In discharging its overall responsibility, the Joint Committee is responsible for putting in place proper governance arrangements.
- 1.3 Rhondda Cynon Taf County Borough Council is responsible for ensuring that its business and that of the Joint Committee, for which it has administrative responsibility, is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.
- 1.4 Rhondda Cynon Taf County Borough Council and Llwydcoed Crematorium have several policies and processes that are consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.
- 1.5 This Annual Governance Statement explains how Llwydcoed Crematorium has complied with the various elements of 'The Framework'.

2.	The Purpose of the Governance Framework
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- 2.1 The governance framework comprises the systems, processes, and cultural values, by which an organisation is directed and controlled. It enables an organisation to monitor the achievement of its objectives and to consider whether those objectives have led to the delivery of appropriate 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 to the achievement of objectives so can therefore only provide reasonable and not absolute assurance of effectiveness.

- 2.3 The system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of aims and objectives, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 2.4 The following paragraphs summarise the overall governance framework and the system of internal control, which has been in place for Llwydcoed Crematorium for the year ended 31st March 2016.

3.	The Governance Framework
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- 3.1 The CIPFA/SOLACE governance framework sets out six fundamental principles of corporate governance:
- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.
 - 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 Governance Statement has used these principles to demonstrate how the overall governance arrangements at Llwydcoed Crematorium during 2015/16 were deemed to be satisfactory. The Governance Statement does not document policies, procedures and working practices under each of the six principles, but instead provides an overview of the governance and internal control processes and systems.
- 3.3 **Rhondda Cynon Taf County Borough Council's Constitution**
The Constitution of Rhondda Cynon Taf County Borough Council, which has the financial stewardship of the Joint Committee, allocates functions and responsibility within the Authority. It also regulates the behaviour of individuals (Members & Officers) and groups through codes of conduct, protocols and rules of procedures.
- 3.4 **Joint Committee's Constitution**
Llwydcoed Crematorium operates under a Memorandum of Agreement between the former County Borough of Merthyr Tydfil and the former Urban District Council of Aberdare, signed on 31st May 1969. Although these organisations have been superseded by Rhondda Cynon Taf

County Borough Council and Merthyr Tydfil County Borough Council, the constitution of the committee has remained largely unchanged; the two Councils taking on the responsibilities of their predecessors.

- 3.5 The Memorandum of Agreement covers the constitution of a committee, the “Llwydcoed Crematorium Joint Committee”, which has the overall responsibility for the operation, management and finance of the Crematorium. Both Councils have delegated their functions as Burial Authorities to the Joint Committee.
- 3.6 The Joint Committee’s Constitution sets out how the Committee operates, how decisions are made and the procedures which are followed. The Joint Committee has adopted the Financial Procedure Rules and Contract Procedure Rules of Rhondda Cynon Taf County Borough Council.
- 3.7 **Officer & Member Conduct**
All Officers at Llwydcoed Crematorium are subject to Rhondda Cynon Taf County Borough Council’s Terms and Conditions of Employment.
- 3.8 The Council takes fraud, corruption and maladministration very seriously and has the following policies, which aim to prevent or deal with such occurrences:
- Financial Procedure Rules.
 - Contract Procedure Rules.
 - Anti-Fraud, Bribery and Corruption Policy & Procedure.
 - Whistleblowing Policy.
 - Human Resources policies and procedures.
- NOTE: All of the above policies apply to staff working at the Llwydcoed Crematorium.*
- 3.9 Members of the Joint Committee are governed by the Code of Conduct of their relevant Council.
- 3.10 The Public Service Ombudsman and the relevant Councils’ Standards Committee investigate allegations of misconduct by Members and monitor the conduct of Members.
- 3.11 **Financial Management**
Section 4(ii) of the Joint Committee’s Constitution requires the Committee to hold regular meetings throughout the year. The Joint Committee has determined to hold quarterly meetings. Standard agenda items include a report from the Treasurer to the Crematorium and also a performance/statistical report.
- 3.12 The Rhondda Cynon Taf County Borough Council’s Financial Procedure Rules provide clear guidance in relation to all financial matters. As stated, the Joint Committee has adopted Rhondda Cynon Taf’s Financial Procedure Rules and Contract Procedure Rules.

3.13 The Wales Audit Office audits Llwydcoed Crematorium's annual Statement of Accounts, the report of which is presented to the Joint Committee.

3.14 **Roles & Responsibilities – Members & Officers**

The Joint Committee has overall responsibility for the provision and maintenance of the crematorium. In discharging its responsibility the Joint Committee:

- Receives information regarding the performance of the Crematorium, including statistics on services provided, financial statements and any proposals for major capital schemes / investment and direct the Community Facilities Manager, and Registrar accordingly.
- Determines the fees & charges for services provided following receipt of a report and recommendation from the Community Facilities Manager and Registrar.
- Receives any audit reports and recommendations contained therein and instruct the Community Facilities Manager accordingly.
- Receives an annual report on service complaints, comments and feedback and instruct the Community Facilities Manager accordingly.
- Is consulted on any significant policy or procedural change that materially affects the provision of services at the Crematorium.

3.15 In order to strengthen further the internal control environment in place at the Crematorium, in March 2012 the Joint Committee approved a scheme of delegation for the Bereavement Services Manager and Registrar. There is a clear and transparent record of roles and responsibilities at the Crematorium.

3.16 **Scrutiny**

The terms of reference of the Llwydcoed Crematorium Joint Committee are set out in the Crematorium's Constitution. The Joint Committee comprises of five members from Rhondda Cynon Taf County Borough Council and four Members of Merthyr Tydfil County Borough Council.

3.17 The Crematorium's financial and operational performance is monitored and scrutinised by the Joint Committee. The Joint Committee receives quarterly reports from:

- The Treasurer to the Crematorium, and;
- The Community Facilities Manager

In addition to these regular reports, the Joint Committee also receives ad-hoc reports relevant to the operation of the Service.

Review of Effectiveness

- 4.1 Rhondda Cynon Taf County Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The requirement to undertake an annual review also extends to Joint Ventures where the Council has lead responsibility.
- 4.2 **Reports of the Bereavement Services Manager and Registrar**
Regular 'Bereavement Services Manager and Registrar' reports were provided to the Joint Committee during 2015/2016 providing Members of the Committee with updates on performance and statistical information.
- 4.3 In addition to these 'standard' agenda items, items specific to the operational running of the site were also reported to the Joint Committee throughout the year.
- 4.4 **Financial Management**
During 2015/2016 the role of the Chief Financial Officer at Rhondda Cynon Taf County Borough Council was compliant with the principles of the CIPFA Statement – Role of the Chief Financial Officer in Local Government 2010.
- 4.5 **Llwydcoed Crematorium Joint Committee**
During 2015/2016 the Joint Committee received regular finance reports from the Treasurer to Llwydcoed Crematorium, and in addition to this, received regular performance reports from the Bereavement Services Manager and Registrar. The Committee also received reports relevant to the service being provided at the Crematorium.
- 4.6 **Internal Audit**
On August 17th 2015 Internal Audit undertook an internal audit review of the Llwydcoed Crematorium and concluded that the overall control environment in place was effective. No high priority recommendations were made.
- 4.7 **External Audit**
On September 29th 2015, the External Auditor Wales Audit Office issued an unqualified Auditor's Report on the financial statements and related notes of Llwydcoed Crematorium for the 2013/14 Statement of Accounts.

Significant Governance Issues

In the previous governance statement approved in May 2015, the replacement of the cremators and installation of abatement equipment was identified as a significant governance issue.

During 2015/16 work has been undertaken to replace the cremators and install abatement equipment at Llwydcoed Crematorium. This work has been completed on programme and within budget through the robust project management arrangements.

The works required some disruption to normal working arrangements including a reduced working week and a closure of the facility for a three week period in December 2015. Effective on site management of contractors and proactive communication with Funeral Directors and visitors to the facility have ensured that the works have progressed with minimum disruption to service users.

The cremators and abatement equipment are now fully operational. This will ensure that the facility can continue to operate in a sustainable, efficient manner for the next 15 to 20 years in full compliance with environmental legislation.

This is no longer considered to be a significant governance issue for the Joint Management Committee.

Certification of Annual Governance Statement

The overall governance arrangements at Llwydcoed Crematorium for the financial year 2015/16 are considered to be satisfactory.

Chairperson of the Joint Committee

Date:.....

Service Director Public Health and Protection (RCTCBC)

Date:.....

Community Facilities Manager

Date:.....

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