

# ANNUAL GOVERNANCE STATEMENT

## Scope of responsibility

1. The Portchester Crematorium Joint Committee 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. Portchester Crematorium Joint Committee 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. In discharging this overall responsibility, Portchester Crematorium Joint Committee 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.
3. The 4 constituent authorities (Fareham, Gosport, Havant and Portsmouth) have adopted codes of corporate governance in accordance with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. These codes are published on each of the individual authority's web sites.
4. This statement explains how the Joint Committee has complied, where relevant, 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.

## The purpose of the governance framework

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

7. The governance framework has been in place at Portchester Crematorium Joint Committee for the year ended 31 March 2008 and up to the date of approval of the annual report and statement of accounts.

## **The Governance Framework**

### ***Management arrangements and strategic objectives***

8. The Joint Committee was established by a Memorandum of Agreement between Fareham Borough Council, Portsmouth City Council, Gosport Borough Council and Havant Borough Council in 1956. The Agreement was subsequently updated to reflect the requirements of the Local Government Act 2000, and currently 2 members from each of the constituent authorities make up the Joint Committee.

9. The constituent Councils have delegated to the joint Committee all the powers of the constituent authorities with respect to the provision and maintenance of the crematorium.

10. The agreement sets out the constitution of the Joint Committee; the objectives of the crematorium and relationships between the constituent authorities. The agreement also sets out the minimum number of meetings to be held annually for the general business of the Joint Committee.

11. The officers of the Joint Committee report four times per annum to members of the committee on the quality of the service provided, which includes the grounds and buildings and plant to ensure the highest standards can continue to be maintained.

12. Meetings of the Joint Committee are open to the press and public. The Joint Committee, as the decision making body, has its decisions reported to each of the constituent authorities relevant scrutiny board/panel.

13. The Joint Committee has approved a 6 year Development Plan (reviewed bi-annually) that seeks to indicate the future intentions of the Joint Committee and thereby guide both the management of the crematorium function and future policy decisions. Those issues addressed within the Development Plan include a clear identification of the Crematorium's aims and objectives and policies in respect of standards of service and working practices; multicultural and secular services; fees and charges; financial matters; environmental issues; maintenance of the grounds and the non-provision of memorials.

14. The Joint Committee also considers quarterly performance monitoring reports from the Manager and Registrar, together with reports from the Engineer and Surveyor, Horticultural Consultant, and the Treasurer on their respective areas of responsibility.

15. In next reviewing the Development Plan the Joint Committee will be asked to make decisions to further develop policies in respect of equality and inclusion, and sustainability. In addition, the Joint Committee will be considering each year an annual report (based on the preceding financial year's work). This report will seek to summarise the Joint Committee's main activities and decisions taken act as a useful reference point, and for circulation to each of the constituent authorities.

16. There is a financial strategy and capital programme approved annually and this is reviewed through the year as and when circumstances require.

### ***Performance Management***

17. The Crematorium management seeks to maintain the highest possible relationship with funeral directors thereby ensuring the best possible service for the bereaved and others using the crematorium's facilities. Account is taken of customer feedback and this is acted upon if and whenever necessary. Arrangements are in hand to report these matters formally to the Joint Committee in appropriate circumstances.

18. Statistical information is reported to the Joint Committee.

19. Measures of performance are reviewed through membership of a Best Value review group and the benchmarking of fees.

### ***Financial Management and Reporting***

20. The Joint Committee has in place a system of financial management, which is based on a framework of regular financial information, financial regulations, administrative procedures and processes, management supervision, and a system of delegation and accountability across the four constituent authorities. In particular the system includes:

- Comprehensive budgeting which is approved by the Joint Committee.
- Regular reviews of monthly financial reports which indicate financial performance against forecasts.
- The preparation of regular financial reports which indicate actual expenditure and income against forecasts.
- Clearly defined capital expenditure reported to each meeting of the Joint Committee.
- Transaction monitoring of transactions and income levels.

### ***Roles and Responsibilities***

21. The roles and responsibilities of the Joint Committee and the officer functions with clear delegations of their responsibilities are defined in the Memorandum of Agreement dated 23 November 2006 between the constituent authorities and the scheme of delegation to officers approved by the Joint Committee on 26 June 2006. In addition the Joint Committee (in December 2006) approved standing orders relating to the conduct of business at meetings of the Joint Committee.

### ***Policies and procedures***

22. There are also standing orders (approved in March 2003) setting out the procedure for dealing with the letting of contracts and tenders and the procurement of work. In any case where the contract standing orders are 'silent' the Fareham Borough Council financial regulations apply. There is also provision within the Memorandum of Agreement for the functions of the Joint Committee and for any key decisions that may be taken to be reviewed by any of the 4 constituent bodies.

23. The Joint Committee has adopted a Risk Management Policy and is developing a Risk Management Strategy to continuously improve its arrangements. Risk registers have been prepared covering strategic and operational matters and these are reviewed regularly by the officers, with the Joint Committee being advised of any changes or matters of significance requiring members' attention. Any appropriate projects will be the subject of a risk register as part of the business planning process.

24. As the Joint Committee comprises elected councillors from four local authorities it is recognised that within those authorities the Council's themselves will have already adopted various codes and protocols covering issues such as conduct for members and officers, anti-fraud and corruption, whistle blowing and arrangements for dealing with complaints. Although it has been envisaged that it would be for the respective local authority to apply its codes and protocols to any matter raised by one of its members or the public from within its area, the Governance Assurance Group considers that it would now be appropriate to review that arrangement and develop policies tailored specifically to the crematorium function.

25. It is the responsibility of the Clerk and the Treasurer to ensure that decisions taken by the Joint Committee comply with laws and regulations, internal policies and procedures. Decisions to be taken by the Joint Committee are the subject of written reports.

### ***Member and Officer Development***

26. The development needs of members in relation to the discharge of their functions in respect of crematorium matters are identified by the Clerk and the Treasurer and are supported by appropriate briefings. Other general training for members will have been given by their own respective authorities.

Similarly training for senior officers supporting the Committee is provided when necessary, generally by the constituent authorities.

### ***Community Communication***

27. Clear channels of communication have been established between the Joint Committee and the four constituent authorities, and in turn these channels exist between the crematorium itself and users of the service. The Crematorium has a web site containing a wide range of information, and this is also linked to the four constituent authorities' web sites, facilitating ease of access for the community generally. The crematorium, as a facility, is open to public inspection, and the Crematorium Manager and Registrar is available to show the public the facilities. Both the Manager and Registrar and the Joint Committee welcome any feedback from users of the crematorium.

28. The partnership working that exists between the four constituent authorities is governed by the current Memorandum of Agreement, and has already been described in more detail in preceding paragraphs 8 to 12 inclusive.

### **Review of effectiveness**

29. The Portchester Crematorium Joint Committee 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 officers forming the Governance Assurance Group (the Clerk, Treasurer and the Manager and Registrar) who have responsibility for the development and maintenance of the governance environment
- Fareham Borough Council's Head of Audit and Assurance,
- comments made by the external auditors and other review agencies and inspectorates.

30. To support the governance framework there is a formal process of review of the effectiveness of internal control, which includes –

- The Joint Committee, as the decision making body, has its decisions reported to each of the constituent authorities relevant scrutiny panel/board.
- The Portchester Crematorium Governance Assurance Group (PCGAG) meeting twice yearly to review the framework and its effectiveness at which the Group considers summary feedback from key officers. The PCGAG will develop and report to the Joint Committee on any action plan that is considered necessary.
- Fareham Borough Council's internal audit service carries out a bi-annual planned programme of work based on a comprehensive risk assessment. The Treasurer and the Manager and Registrar receive a full report of the findings and recommendations at the end of each review.

- Fareham Borough Council operates a twice yearly recommendation review process in which services report back on progress on the implementation of internal and external audit recommendations. This information is collated and reported to Fareham's Chief Executive's Management Team.
- The Joint Committee's external auditors carry out work throughout the year in accordance with their code of practice. The findings from this work are summarised in their report at the conclusion of the audit.

31. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Portchester Crematorium Joint Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### **Significant governance issues**

32. We propose over the coming year to take the steps set out below in the Action Plan to address those matters mentioned above 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.

<b>Issue</b>	<b>Actions Taken or Proposed</b>	<b>Lead Officer</b>	<b>Target Date</b>
Governance framework	Framework has now been documented	n/a	complete
Anti-Fraud and Corruption	Develop a policy statement	Clerk to JC	Mar 09
Whistle-blowing	Develop a policy statement	Clerk to JC	Mar 09
Financial Management	Introduce an improved project progress and financial reporting process for capital schemes (including repairs and renewals work)	Engineer to JC	Mar 09
Business Continuity	Develop a business continuity plan for the crematorium	Clerk to JC	Mar 09
Health and Safety	Develop a health and safety policy	Manager and Registrar	Mar 09
Health and Safety	Establish a bi-annual review of health and safety arrangements	Manager and Registrar	Mar 09

<b>Issue</b>	<b>Actions Taken or Proposed</b>	<b>Lead Officer</b>	<b>Target Date</b>
Asset Management	Preparation of an Engineers Annual Report to the Joint Committee to consider the efficiency and effectiveness of the crematorium asset.	Engineer to the JC	Jun 09
Human Resources Management	Develop a code of conduct, to include grievance, disciplinary and absence management procedures and a policy statement for interests, gifts and hospitality, for employees and officers.	Clerk to JC	Jun 09
Risk Management	Develop a risk management strategy	Treasurer to JC	Sep 09
Risk Management	Training to be carried out at the crematorium to improve general awareness of risk management processes.	Manager and Registrar	Sep 09
Equalities and Inclusion	Carry out an equalities impact assessment of the Crematorium activities	Clerk to JC	Dec 09

***Signed on behalf of the Portchester Crematorium Joint Committee by:***

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Chairman of the Joint  
Committee

Clerk to the Joint  
Committee

Treasurer to the Joint  
Committee

Date:

Date:

Date:

JH/me  
19 September 2008