



Local Code of Corporate Governance update

Date of meeting 23 February 2024

Date of report 1 February 2024

Report by Chief Executive

1. Object of report

To update the committee on the arrangements for the production of the Annual Governance Statement for 2023/2024, and the Local Code of Corporate Governance used to inform this statement.

2. Background to report

The Local Authority Accounts (Scotland) Regulations 2014 require an annual governance statement which details the adequacy and effectiveness of the Partnership's system of internal control. The findings of this review must be considered at a meeting either of the Partnership or a committee whose remit includes audit or governance functions. In SPT the Audit & Standards Committee are charged with this responsibility. Following consideration on the findings of this review, the Partnership/committee must approve an Annual Governance Statement which must be signed by the Chief Executive and the Chair of the Partnership and included within the audited financial statements.

The Governance Framework considers the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.

The '*International Framework: Good Governance in the Public Sector*' provides a set of seven principles and supplementary guidance (to inform the Local Code of Corporate Governance) used to assist in the production of the Annual Governance Statement.

Acting in the public interest requires:

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

B. Ensuring openness and comprehensive stakeholder engagement.

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance in the public sector also requires effective arrangements for:

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes.

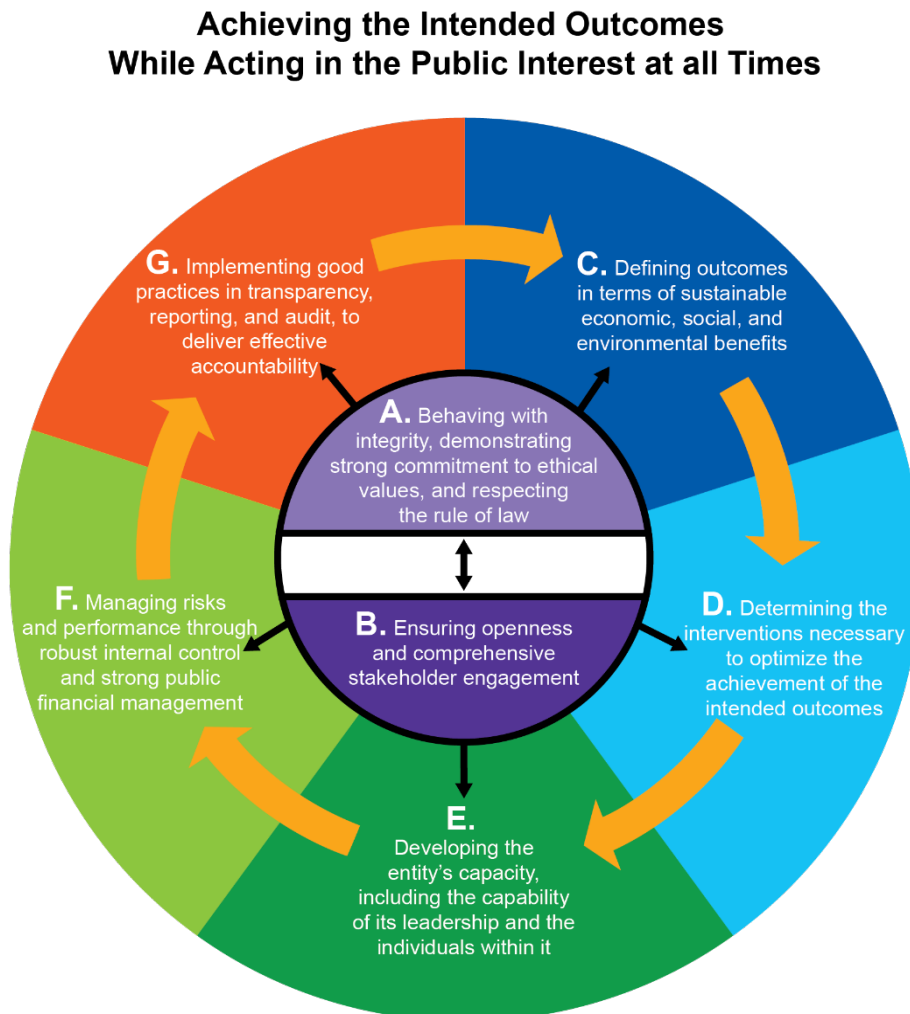
E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

F. Managing risks and performance through robust internal control and strong public financial management.

G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Figure 1 illustrates how these seven principles for good governance in the public sector relate to each other. Principles A and B permeate implementation of principles C to G. Figure 1 also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review. The core, high-level principles characterising good governance in the public sector set out above bring together a number of interrelated concepts. Principles C to G are linked to each other via the “plan-do-check-act” cycle.

Figure 1: Relationships between the Principles for Good Governance in the Public Sector



The framework also provides supplementary guidance for each of the seven principles. This guidance has been used to inform the Local Code of Corporate Governance for 2023/2024.

3. Outline of proposals

The Local Code of Corporate Governance 2023/2024 has been populated with evidence of compliance to support each of the seven principles. A summary of evidence (documents) of compliance by principle has been prepared for ease of reference (see Appendix 1). This summary indicates the work streams which will be subject to review in 2024/2025.

The Chartered Institute of Public Finance and Accountancy (CIPFA) '*delivering good governance in Local Government Framework and guidance notes for Scottish authorities 2016 edition*' has informed this review.

4. Committee action

The committee is asked to note the arrangements for the production of the Annual Governance Statement for 2023/2024, and the summary of documents to support the Local Code of Corporate Governance with an action plan for 2024/2025 at Appendix 1.

5. Consequences

Policy consequences	<i>As detailed in the report.</i>
Legal consequences	<i>The Local Authority Accounts (Scotland) Regulations 2014 require an Annual Governance Statement to be included in the Annual Accounts.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>None.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

Name Lesley Aird
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact *Iain McNicol, Audit and Assurance Manager*, on 0141 333 3195.

Local Code of Corporate Governance 2023/2024
Evidence (documents) of compliance by Principle

Principle	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
B	Ensuring openness and comprehensive stakeholder engagement.
C	Defining outcomes in terms of sustainable economic, social, and environmental benefits.
D	Determining the interventions necessary to optimise the achievement of the intended outcomes.
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it.
F	Managing risks and performance through robust internal control and strong public financial management.
G	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Evidence document(s)	Lead officer	Principle							Date of last review	Action plan 2024/2025
		A	B	C	D	E	F	G		
Annual report	Chief Executive	✓	✓	✓	✓	✓	✓	✓	June 2023	✓
Assurance framework	Audit and Assurance Manager	✓					✓	✓	February 2024	✓
Bus Information Standards	Head of Bus Strategy and Delivery	✓	✓	✓	✓			✓	June 2021	
Calendar of meetings, agendas and reports	Secretary to the Partnership	✓	✓	✓	✓	✓	✓	✓	On-going	✓
Climate Change and Carbon Management	Head of Policy and Planning	✓	✓	✓				✓	June 2023	✓
Code of Conduct for employees	Head of HR	✓						✓	August 2022	
Code of Conduct for members	Secretary to the Partnership	✓						✓	December 2021	
Code of Corporate Governance	Secretary to the Partnership	✓	✓					✓	January 2023	✓
Communications Strategy	Head of Corporate Communications	✓	✓	✓					February 2020	✓
Complaints Handling Procedure	Senior Solicitor	✓	✓				✓	✓	April 2021	
Corporate Plan	Chief Executive	✓	✓	✓	✓	✓	✓	✓	December 2023	✓
Corporate Risk Register	Audit and Assurance Manager	✓		✓	✓		✓	✓	On-going	✓
Counter Fraud Strategy	Audit and Assurance Manager	✓					✓		November 2021	
Data Protection Policy	Senior Solicitor	✓	✓				✓		March 2021	
Digital policy and strategy	Director of Finance & Corporate Support	✓	✓			✓			November 2023	
Financial Regulations	Director of Finance & Corporate Support	✓		✓	✓	✓	✓	✓	May 2022	
Financial statements	Director of Finance & Corporate Support	✓	✓	✓	✓	✓	✓	✓	September 2023	✓
Framework for Supporting Local Bus Services	Head of Bus Strategy and Delivery	✓	✓	✓	✓				August 2021	
HR policies and guidance	Head of HR	✓				✓	✓		April 2023	✓
Internal Audit plan	Audit and Assurance Manager	✓			✓		✓	✓	February 2024	✓
Records Management Policy and plan	Senior Solicitor	✓						✓	March 2021	
Risk Management Strategy	Audit and Assurance Manager	✓		✓	✓		✓		November 2018	
Regional Transport Strategy	Head of Policy and Planning	✓	✓	✓	✓			✓	September 2023	
Safety performance report	Director of Transport Operations	✓	✓				✓	✓	November 2023	✓
Scheme of Delegated Functions	Secretary to the Partnership	✓	✓		✓	✓	✓	✓	May 2022	
Standing Orders of SPT	Secretary to the Partnership	✓	✓	✓	✓	✓	✓	✓	May 2022	
Standing Orders Relating to Contracts	Director of Finance & Corporate Support	✓			✓		✓	✓	May 2022	
Subway Modernisation programme	Director of Transport Operations	✓	✓	✓	✓				December 2023	✓
Website and intranet	Director of Finance & Corporate Support	✓	✓	✓	✓	✓	✓	✓	On-going	✓