



Local Code of Corporate Governance update

Committee Audit and Standards

Date of meeting 17 February 2023

Date of report 25 January 2023

Report by Chief Executive

1. Object of report

To update the committee on the arrangements for the production of the Annual Governance Statement for 2022/2023, and the Local Code of Corporate Governance used to inform this statement.

2. Background

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.

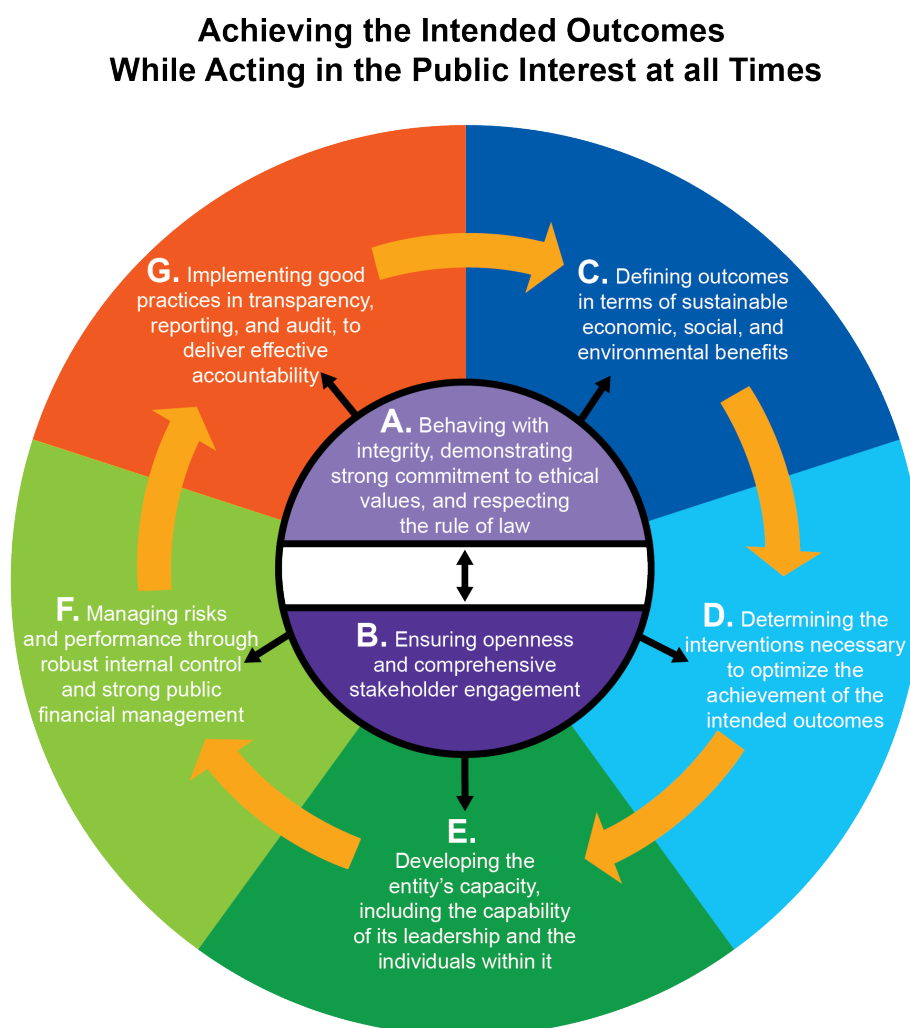
E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

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 2022/2023.

3. Outline of proposals

The Local Code of Corporate Governance 2022/2023 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 2023/2024.

4. Conclusions

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

The framework provides supplementary guidance and a list of questions to consider for each of the seven principles to inform the Local Code of Corporate Governance for 2022/2023.

5. Committee action

The committee is asked to note the arrangements for the production of the Annual Governance Statement for 2022/2023, and the summary of documents to support the Local Code of Corporate Governance with an action plan for 2023/2024 at Appendix 1.

6. 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 and Carbon Consequences	<i>None.</i>

Name Neil Wylie

Name Valerie Davidson

Title Director of Finance & Corporate Support

Title Chief Executive

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

Local Code of Corporate Governance 2022/2023
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 2023/2024
		A	B	C	D	E	F	G		
Annual report	Chief Executive	✓	✓	✓	✓	✓	✓	✓	September 2022	✓
Assurance framework	Audit and Assurance Manager	✓					✓	✓	January 2023	✓
Bus Information Standards	Head of Bus Strategy and Delivery	✓	✓	✓	✓			✓	June 2021	
Calendar of meetings, agendas and reports	Secretary to the Partnership	✓	✓	✓	✓	✓	✓	✓	On-going	✓
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	Media and Public Affairs Manager	✓	✓	✓					February 2020	
Complaints Handling Procedure	Senior Solicitor	✓	✓				✓	✓	April 2021	
Corporate Plan	Chief Executive	✓	✓	✓	✓	✓	✓	✓	September 2022	✓
Corporate Risk Register	Audit and Assurance Manager	✓		✓	✓		✓	✓	On-going	✓
Counter Fraud Strategy	Audit and Assurance Manager	✓					✓		November 2021	
Data Protection Policy	Data Protection Officer	✓	✓				✓		March 2021	
Digital policies and guidance	Director of Finance & Corporate Support	✓	✓			✓			November 2021	
Financial Regulations	Director of Finance & Corporate Support	✓		✓	✓	✓	✓	✓	May 2022	
Financial statements	Director of Finance & Corporate Support	✓	✓	✓	✓	✓	✓	✓	September 2022	✓
Framework for Supporting Local Bus Services	Head of Bus Strategy and Delivery	✓	✓	✓	✓				August 2021	
HR policies and guidance	Head of HR	✓				✓	✓		November 2021	✓
Internal Audit plan	Audit and Assurance Manager	✓			✓		✓	✓	February 2023	✓
Records Management Policy and plan	Data Protection Officer	✓						✓	March 2021	
Risk Management Strategy	Audit and Assurance Manager	✓		✓	✓		✓		November 2018	
Regional Transport Strategy	Head of Policy and Planning	✓	✓	✓	✓			✓	November 2019	✓
Safety performance report	Director of Subway	✓	✓				✓	✓	August 2022	✓
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 Subway	✓	✓	✓	✓				December 2022	✓
Website and intranet	Director of Finance & Corporate Support	✓	✓	✓	✓	✓	✓	✓	On-going	✓