

LOCAL CODE OF CORPORATE GOVERNANCE

INTRODUCTION

Corporate governance is “the combination of processes and structures implemented by the governing body in order to inform, direct, manage and maintain the activities of the organisation toward the achievement of its objectives” (Cadbury Report, 1992).

Corporate governance is about how an organisation ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open and honest and accountable manner. It is made up of the systems, processes, cultures and values, by which the organisation is directed and controlled and through which it accounts to, engages with and delivers high quality services when and where people need them.

Tayside Contracts strives to meet the highest standards of corporate governance in everything we do, is identified in our business plan as a Strategic Theme and we are committed to following the six core principles of corporate governance as identified by the Nolan Committee and endorsed by CIPFA/Solace.

Core principles

Good governance means:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing Tayside Contracts’ capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.

KEY ELEMENTS OF THE LOCAL CODE

To comply with the principles of corporate governance, it is important that the principles are reflected in all parts of Tayside Contracts' business. For Tayside Contracts the "Local Code of Corporate Governance" consists of five main elements:

- Community Focus
- Service Delivery Arrangements
- Structures and Processes
- Risk Management and Internal Control
- Standards of Conduct.

COMMUNITY FOCUS

In carrying out its duties and responsibilities Tayside Contracts will:

- Exercise leadership, where appropriate, in dealing with the local community through the services it provides to its three constituent Councils, namely, Angus Council, Dundee City Council and Perth and Kinross Council.
- Work for and with the local community through the services it provides to the constituent Councils.
- Develop a clear vision and business plan in response to corporate needs.
- Demonstrate integrity in its dealings in building effective relationships and partnerships with the constituent Councils, other public agencies and the private sector.
- Ensure openness in the way in which it conducts all aspects of its business, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- Put in place proper arrangements for the independent review of financial and operational reporting processes.
- Publish on a timely basis, an Annual Report and Accounts presenting an objective and understandable account of:
 - Financial position and performance
 - Corporate Governance

- Publish, on a timely basis, an Annual Performance Report presenting an objective, balanced and understandable account and assessment of current performance in service delivery.

SERVICE DELIVERY ARRANGEMENTS

Tayside Contracts will:

- Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality and other employment policies.
- Put in place arrangements to allocate resources according to priorities.
- Deliver cost effective in-house quality services to the constituent Councils.
- Demonstrate the cost effectiveness of the services provided through benchmarking with recognised organisations eg APSE and by complying with the best value criteria as set by each of the constituent Councils.
- Continually review services to assess and identify opportunities for improvement.
- Foster effective relationships and partnerships with the constituent Councils, other public agencies and the private sector.
- Respond positively to the findings and recommendation of external auditors, internal auditors and other appropriate bodies and will put in place arrangements for the effective implementation of agreed actions.

STRUCTURES AND PROCESSES

Tayside Contracts will:

- Adopt the documented protocols governing the relationship between members and officers which exist in the constituent Councils relevant to each Council's members.
- Ensure the relative roles and responsibilities of senior officers are clearly defined.
- Document its structures and procedures and ensure that these are communicated and understood to demonstrate openness and inclusivity.
- Ensure that these structures and processes are kept up to date and adapted as and when necessary to meet change.
- Ensure that there is proper scrutiny and review of all aspects of performance and effectiveness.

RISK MANAGEMENT AND INTERNAL CONTROL

Tayside Contracts will:

- Ensure risk management is not regarded as a separate process, but rather is embedded into corporate and operational management processes and activities through budgets, service improvement plans and ongoing monitoring, performance review and reporting activities.
- Develop and maintain robust systems for identifying and evaluating all significant risks, with the pro-active participation of all those associated with planning and delivering services.
- Display openness and inclusivity through the involvement of those associated with the planning and delivery of services, including partners.
- Include mechanisms to ensure that the risk management and control process is monitored for compliance and that changes are accommodated.

STANDARDS OF CONDUCT

Tayside Contracts will:

- Exercise leadership by conducting itself as a role model for others to follow.
- Ensure that standards of conduct and personal behaviour expected of all employees are defined and communicated through codes of conduct and protocols.
- Put in place arrangements that ensure:
 - accountability, through establishing systems for investigating breaches and disciplinary problems and taking action where appropriate (including arrangements for redress).
 - effectiveness, through monitoring compliance.
 - integrity, by ensuring objectivity and impartiality are maintained in all relationships.
 - openness and inclusivity, through the documentation of standards, and their regular review.

DELIVERY OF OUTCOMES

Tayside Contracts will deliver these outcomes through:

- Annually defining a series of local procedures and practices which together create the framework for good corporate governance as described in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016).
- Nominating a lead officer for each, who will be responsible for assessing effectiveness in practice.
- Nominating a member of the Corporate Management Team (CMT) as the “Corporate Governance Champion”, responsible for pulling together assessments from lead officers and reporting to the CMT on the overall picture, making recommendations for action as appropriate.
- Annual reporting to members on the Tayside Contracts Joint Committee.
- Producing an Assurance Statement on the extent to which the local code has been adhered to and the actions required where, adherence has not been achieved.

KEY DOCUMENTS

The key Tayside Contracts’ documents covering strategies, policies and procedures that are at the core of Corporate Governance are listed below:

- Standing Orders
- Financial Regulations
- Effective Human Resources Policies
- Employee Charter
- Employee Code of Conduct
- Performance Management Framework
- Fraud Policy
- Anti-Bribery and Anti-Corruption Policy
- Anti-Money Laundering Policy and Guidance and Reporting Procedures
- Equality and Diversity Policy
- Whistleblowing (Confidential Disclosure of Information) Policy
- Risk Management Strategy
- Communication Strategy
- Leadership and Management Development Strategy
- Business Continuity and Resilience Policy
- Partnership Agreements

- Health and Safety Policies and Safe Working Arrangements
- IT Security Policy
- Procurement Strategy
- Quality Policy
- Environmental Procedures