

Perth & Kinross Council's Local Code of Corporate Governance

Perth & Kinross Council fully supports the fundamental principles of good corporate governance, namely, openness and inclusiveness, integrity and accountability. These principles are defined as follows in the corporate governance framework:

Openness and Inclusiveness

Openness is essential to ensure that all stakeholders have confidence in decision-making and the management processes and individuals within the Council. In addition, openness involves an inclusive approach, with all stakeholders having the opportunity to engage effectively with the decision making process of the Council.

Integrity

Integrity is based on honesty, selflessness and objectivity and involves high standards of propriety and probity on the part of those entrusted with the stewardship of public funds and the management of the Council's affairs.

Accountability

Accountability is the process by which the Council, and its elected members and officers, are held responsible for their actions and decisions.

Systems and Processes

The Council is committed to integration of the above three principles of good governance in the conduct of the Council's business. Systems and processes will be monitored for effectiveness in practice and subject to regular review on a continuing basis.

Leadership

The concept of leadership overarches all the principles of good governance and is vital if the principles are to be adhered to. The Council undertakes to exercise leadership through decision making and other actions that provide a vision and leadership for the local community and by elected members and officers acting in accordance with high standards of conduct.

Dimensions of Council Business

To comply with the principles of corporate governance, it is important that the principles are reflected in each dimension of the Council's business. For the purposes of corporate governance, the following five 'dimensions' have been identified:

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

The following describes how each of these areas is addressed with the Council.

Dimension 1 - Community Focus

Perth & Kinross Council will:

publish, on a timely basis, an annual report presenting an objective and understandable account of the Council's:

- activities and achievements;
- financial position and performance;
- improvement targets;

publish, on a timely basis, a performance plan presenting an objective, balanced and understandable account and assessment of the Council's:

- current performance in service delivery;
- plans to maintain and improve service quality;

put in place proper arrangements for the independent review of financial and operational reporting processes;

put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the Council and will put in place appropriate monitoring processes to ensure that they are effective;

make an explicit commitment to openness in all of the Council's dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by our actions and communications will deliver an account against that commitment;

establish clear channels of communication with all sections of the community and other stakeholders, and will put in place proper monitoring arrangements to ensure that they operate effectively;

ensure that a vision for local communities and strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and other key stakeholders, and will ensure that they are clearly articulated and disseminated.

Dimension 2 - Service Delivery Arrangements

Perth & Kinross Council will:

set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies;

put in place sound systems for providing management information for performance measurement purposes;

monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans;

put in place arrangements to allocate resources according to priorities;

foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors;

consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community, and will put in place processes to ensure that they operate effectively in practice;

respond positively to the findings and recommendations of external auditors and statutory inspectors and will put in place arrangements for the effective implementation of agreed actions.

Dimension 3 - Structures and Processes

Balance of Power and Authority

Perth & Kinross Council will:

put in place clearly documented protocols governing the relationships between members and officers;

ensure the relative roles and responsibilities of executive and other members and senior officers are clearly defined.

Roles and Responsibilities – Members

Perth & Kinross Council will:

ensure that members meet on a formal basis regularly to set the strategic direction of the authority and to monitor service delivery;

develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority;

put in place clearly documented and understood management processes for:

- policy development, implementation and review;
- decision making, monitoring and control, and reporting,

and formal procedural and financial regulations to govern the conduct of the Council's business;

put in place arrangements to ensure members are properly trained for their roles and have access to all relevant information, advice and resources as necessary to enable them to carry out their roles effectively;

ensure that role of executive members are formally defined in writing, to include responsibility for providing effective strategic leadership and for ensuring that the Council successfully discharges its overall responsibilities for the activities of the organisation as a whole;

ensure that the roles and responsibilities of all members of the authority, together with the terms of their remuneration and its review, are defined clearly in writing.

Roles and Responsibilities – Officers

Perth & Kinross Council will:

ensure that the Chief Executive is made responsible to the authority for all aspects of operational management;

ensure that a senior officer is made responsible to the authority for ensuring that appropriate advice is given on financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal control;

ensure that a senior officer is made responsible to the authority for ensuring that that agreed procedures are followed and that all applicable statutes and regulations and other relevant statements of good practice are complied with;

ensure the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are clearly defined in writing;

adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole Council are acknowledged and resolved.

Dimension 4 - Risk Management and Internal Control

Perth & Kinross Council will:

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;

put in place effective risk management systems, including systems of internal control and an internal audit function;

ensure that services are delivered by trained and experienced people;

put in place effective arrangements for an objective review of risk management and internal control, including internal audit;

maintain an objective and professional relationship with external auditors and statutory inspectors;

publish on a timely basis, within the annual report, an objective, balanced and understandable assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice.

Dimension 5 - Standards of Conduct

Perth & Kinross Council will:

develop and adopt formal codes of conduct defining the standards of personal behaviour, to which individual members, officers, and agents of the authority are required to subscribe and will put in place appropriate systems and processes to ensure that they are complied with in practice;

put in place arrangements to ensure that members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with stakeholders;

put in place arrangements to ensure that procedures and operations are designed in accordance with appropriate ethical standards;

put in place arrangements for 'whistle-blowing' to which staff and all those contacting the Council have access.