



# **SHETLAND ISLANDS COUNCIL**

## **CONSTITUTION**

### **PART H**

#### **CODE OF CORPORATE GOVERNANCE**

| <b>Document Information</b>                          |  |   |   |
|--|--|---|---|
| Document Name/Description                            |  | SIC Local Code of Corporate Governance            |   |
| Version Number <i>e.g. V1.1</i>                      |  | 1.1   |   |
| Author   |  | Anne Cogle, Team Leader - Administration          |   |
| Lead Officer/Manager                                 |  | Jan Riise, Executive Manager – Governance and Law |   |
| Final Approval Date                                  |  | 22 March 2017                                     |   |
| Approved by – <i>Council/Committee/Group/Manager</i> |  | Shetland Islands Council                          |   |
| Review Frequency                                     | <ul style="list-style-type: none"> <li>Annually with Code of Corporate Governance</li> <li>The Council’s Chief Legal Officer/Monitoring Officer has delegated authority to agree updates to any of the constitutional documents where these are required to give effect to legislative requirements, Council decisions or changes in operational procedures, and to note that any such changes will be notified in the document version control and, where considered necessary, by a briefing note to Councillors and/or officers.</li> </ul> |   |   |
| Date of next planned review start                    |  | August 2017                                       |   |
| <b>Summary of changes to document</b>                |  |   |   |
| <b>Date</b>  | <b>Version updated</b>   | <b>New version number</b>                         | <b>Brief description of changes</b>   |
| 12/05/2011   | 0.1  | 1.0   | First adopted   |
| 22/03/2017   | 1.0  | 1.1   | No changes - submitted for endorsement to conclude 2012-2017 term of office |

# **SHETLAND ISLANDS COUNCIL**

## **LOCAL CODE OF CORPORATE GOVERNANCE**

### **1 Foreword**

- 1.1 Shetland Islands Council strives to deliver the best possible services for the community whilst keeping within our financial means and is therefore committed to following the principles of Corporate Governance in its aim to meet its strategic, corporate and operational objectives.

### **2 General Purpose**

- 2.1 The Council's Local Code of Corporate Governance shall become an integral part of its service delivery and shall be reflected in all that it does, leading to improved levels of corporate awareness and understanding, underpinned by the following qualities:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership
- Public Service
- Respect

### **3 Scrutiny**

- 3.1 The Local Code of Corporate Governance shall set measurable standards against which Council performance can be continuously assessed through a process of self evaluation supported by a range of clear and robust evidence and shall be subject to transparency and open scrutiny. These standards will be held up for judgement both internally and externally by the following bodies:

#### **3.1.1 Internal Scrutiny**

- Corporate Management Team
- Chief Executive

- SIC Committee
- Audit and Standards Committee
- Risk Management Board
- Internal Audit
- Risk Management Section

### 3.1.2 External Scrutiny

- Audit Scotland/Accounts commission
- Shetland Public
- Local/National/Global Media
- Scottish Public Services Ombudsman
- Public Sector Inspectorates

## 4 **Fundamentals of the Code**

4.1 Shetland Islands Council's Code of Corporate Governance consists of **6 Fundamental Elements** that shall run as a "golden thread" through all aspects of the Authority's business. These Principles are:

### 4.1.1 Purpose, Outcomes and Vision

Shetland Islands Council will focus on:

- understanding and clearly communicating the purpose of the Authority
- short, medium and long-term outcomes for the Community
- creating and implementing a vision for the community now and well into the future that can deliver high quality value-for-money services

### 4.1.2 Working Together

Shetland Islands Council will:

- ensure Members and officers understand the functions of the Council and work together with a common purpose
- clearly define the roles and functions of both Members and officers and their respective relationships with the community
- ensure the Authority's vision, corporate plan, priorities and targets are developed and tested through robust mechanisms

#### 4.1.3 Conduct and Behaviour

Shetland Islands Council will:

- Develop, promote and implement a set of clear values for the Authority
- actively demonstrate the values of Good Governance
- uphold high standards of conduct and behaviour reflective of exemplary governance

#### 4.1.4 Internal Control and Managing Risk

Shetland Islands Council will:

- take informed and transparent decisions and be able to evidence same
- provide a robust means of scrutiny with continual self assessment and improvement
- manage risk effectively at operational, corporate and strategic levels, and across all of its activities

#### 4.1.5 Development of Officers and Members

Shetland Islands Council will:

- develop the capacity and capability of Members and officers to be fully effective in all aspects of their respective roles, particularly those with responsibility for Governance, and ensure the right skills, knowledge and experience is evident
- Striking the right balance in the membership of the Shetland Islands Council between continuity and renewal

#### 4.1.6 Engaging Stakeholders and Public Accountability

Shetland Islands Council will:

- engage with local people to ensure a shared vision
- engage with other stakeholders and ensure that partnership arrangements are underpinned by a common vision
- ensure robust accountability arrangements are in place, as well as mechanisms to identify both failure and improvement.

## **5 Self Evaluation and Improvement Framework**

- 5.1 The Corporate Governance Self Evaluation and Improvement Framework consists of around 18 key issues broken down into the region of 55 requirements against which the organisation must evaluate itself against and is designed to evidence and identify both achievements and failures, as well as to direct and inform specific areas for further improvement.
- 5.2 The Framework follows each of the key principles detailed in section 4 of this Code and details the specific standards to be achieved by the Authority, along with the supporting evidence and/or any remedial actions required where current standards fall short of those expected.
- 5.3 Comprehensive 6 monthly reports will be submitted to Audit & Standards Committee advising on progress and risks identified, as well as actions taken or planned to manage those risks and improve overall performance.

## **6 Authorisation**

This Local Code, which should be challenged and supported by reliable evidence, shall underpin all that the Council does in the name of the community and shall be reviewed on an annual basis to ensure its ongoing effectiveness.

Signed:

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Chief Executive

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Leader

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Convener

8 March 2017