

**SIC Corporate Governance - Self Assessment 2023-2024**

**Introduction**

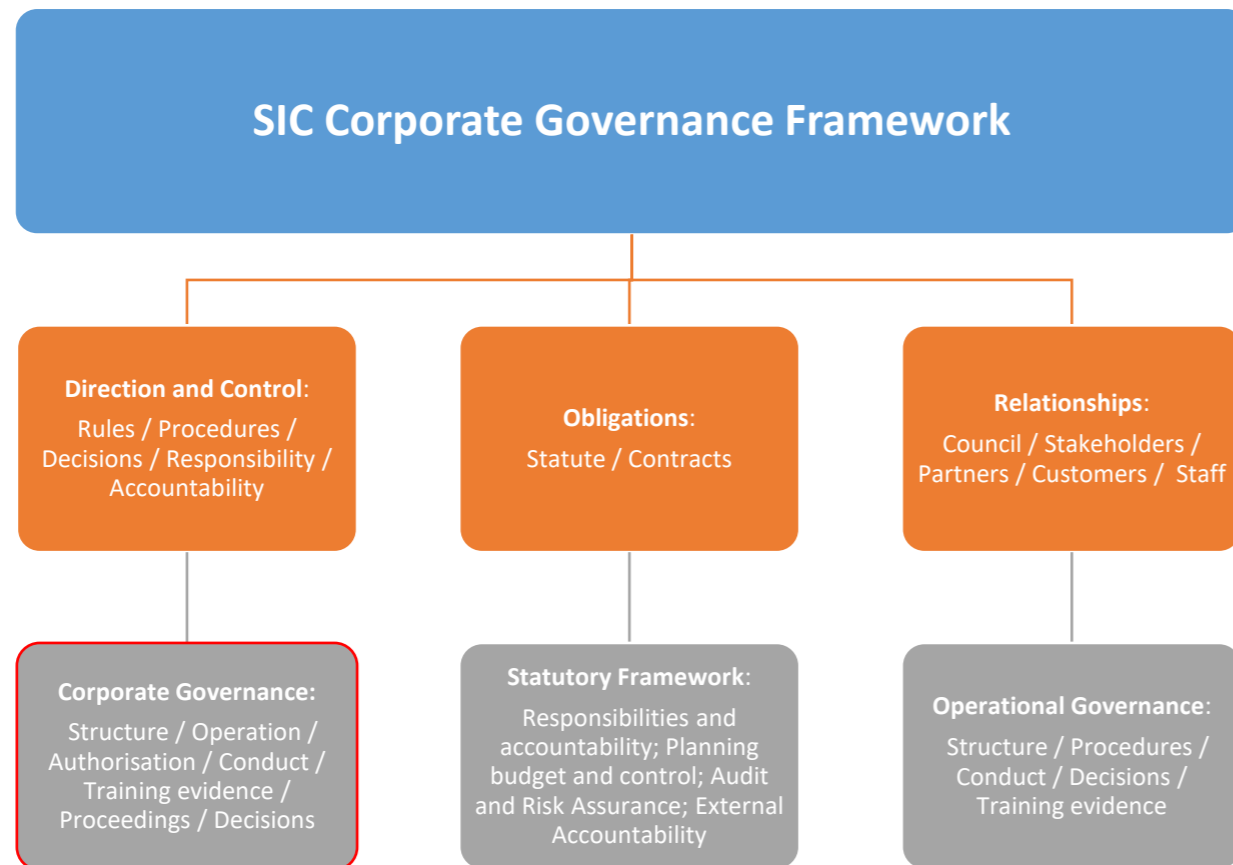
Shetland Islands Council is committed to achieving good standards of corporate governance.

Following in internal self-assessment by Council officers, this document illustrates the framework of policies, procedures, behaviours and values by which the Council is controlled and governed, and demonstrates the Council’s compliance with the national core principles.

The document specifically: (1) outlines the actions and behaviours that demonstrate good governance as set out in the national framework; (2) provides a list of policies, procedures and other documentary evidence that demonstrates the Council’s governance arrangements; and (3) recommends improvement actions required to match or exceed the national standards, to introduce areas of best practice, or to suggest areas for more detailed review.

The Assessment is used to review the local Code of Corporate Governance, which describes how the Council will achieve compliance.

The Assessment will also be used to inform the Annual Governance Statement, which will be contained within the Council’s Annual Accounts.



**Compliance Evidence**

Assessment of Compliance (this document)

SIC Local Code of Corporate Governance

Annual Governance Statement – Annual Accounts

**Outcome of Assessment**

Based on the evidence presented here Shetland Islands Council is governed by sound and effective internal management controls and continues to demonstrate compliance with the requirements of the CIPFA/SOLACE Framework: "Delivering Good Governance in Local Government".

Whilst the Code itself needs only minor adjustments to update terminology, there are improvement actions noted in the Self Evaluation. Many of these actions are already in progress as part of the Best Value Assurance Report Strategic Action Plan, and are now being monitored and reported quarterly to Audit Committee and Council (Min Ref SIC 41/24). The remaining improvement actions will be monitored by Corporate Management Team, performance reported to Policy and Resources Committee, and re-evaluated annually as part of this Code of Corporate Governance Self-Assessment process.

Subject to Audit Committee's approval, and endorsement by the Council, the new revised Code for 2024/25 will be published on the Council's website in December 2024.

Executive Manager - Governance and Law

11 December 2024

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions 2024/25
<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>					
A1. Behaving with integrity	<p>1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p> <p>1.2 Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p> <p>1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p> <p>1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<ul style="list-style-type: none"> <li>• Council Standing Orders and Scheme of Administration and Delegation and are reviewed regularly or when required</li> <li>• Ethical Framework policies and procedures embedded in Constitution</li> <li>• Councillors' Code of Conduct</li> <li>• Council Values and Aims understood by senior management and staff</li> <li>• Policies and procedures in place for key activities such as Procurement, Treasury Management, Complaints, Health and Safety and HR</li> <li>• External Audit and Internal Audit audits and report provide assurance and the Council responds positively to any recommendations arising from external and internal audits.</li> <li>• Integration Scheme for Shetland H&amp;SCP</li> </ul>	<ul style="list-style-type: none"> <li>• In relation to declarations of interest, members are formally asked to regularly review their register of interests every month and an annual review.</li> <li>• All agenda covers advise Members that declarations at meetings should include a brief explanation of the individual nature of the interest.</li> <li>• Declarations of interest are minuted and Registers of Interest are available for public viewing on the Council's website.</li> </ul>	4 = Good – important strengths with areas for improvement	The Procurement Strategy should be reviewed and updated. Management should ensure that arrangements are in place to produce an annual procurement report - outstanding Internal Audit Recommendation.
A2. Demonstrating strong commitment to ethical values	<p>2.1 Seeking to establish, monitor and maintain the organisation's ethical standards and performance</p> <p>2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</p> <p>2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p>As above and in addition:</p> <ul style="list-style-type: none"> <li>• Reporting Concerns at Work Policy</li> <li>• Customer Charter</li> <li>• Complaints Handling Procedure and Annual Feedback Monitoring Reports</li> <li>• Contract Standing Orders, compliance and monitoring</li> <li>• Officers' Code of Conduct</li> <li>• Members' Registers of interest</li> <li>• Protocol on Councillor/Officer relations</li> <li>• Whistleblowing and Response Policy (December 2023)</li> </ul>		4 = Good – important strengths with areas for improvement	<ul style="list-style-type: none"> <li>• Elected Members' Induction Refresher training on the Council's Constitution (Complaints and ward representation, Standing Orders, Information governance and Ethical standards)</li> <li>• Employee Register of Interests, Gifts and Hospitality - procedure and operational guidance required - including particular guidance for senior officers and procurement staff - outstanding Internal Audit Recommendations.</li> </ul>
A3. Respecting the rule of law	<p>3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.</p> <p>3.2 Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p> <p>3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p> <p>3.4 Dealing with breaches of legal and regulatory provisions effectively</p>	<p>As A.1 and A.2 and in addition:</p> <ul style="list-style-type: none"> <li>• Statutory Officers job outlines included in Scheme of Administration</li> <li>• Protocol on Chief Officer Appointments</li> <li>• Statutory Officers are members of CMT and attend relevant Council and Committee meetings</li> <li>• Internal Audit investigate any alleged incidents of breaches of legal and regulatory provisions, corruption or misuse of power</li> </ul>		4 = Good – important strengths with areas for improvement	Constitutional documents – Constitution, Standing Orders for meetings and Scheme of Administration and Delegations - to be updated to reflect current organisational structures and values, remote meetings protocols and clearer guidance for public petitions and deputations. Standards and protocols for Members' Seminars and pre-meetings to be included – included in SIC Governance Review Tasks - to be monitored by CMT and performance reported to Policy and Resources Committee via Corporate Services Directorate Plan quarterly updates.

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>					
B1. Openness	<p>B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</p> <p>B1.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</p> <p>B1.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p> <p>B1.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p>	<ul style="list-style-type: none"> <li>• Our Ambition 2021-2026 - annual updates</li> <li>• Openness and transparency review 2021</li> <li>• Council Values and Aims</li> <li>• Agendas for meetings, minutes and reports published on the Council website. By exception, some items are held in private in accordance with Local Government legislation, and the reasons for this are documented</li> <li>• Meetings are open to the public and webcast</li> <li>• Council Standing Orders</li> <li>• Press releases and social media interaction used to inform the public of council policies and decisions</li> <li>• Internal Audit annual report</li> <li>• Annual Financial Report &amp; Accounts</li> <li>• Quarterly and Annual Financial and Performance Reports</li> <li>• National LGBF benchmarking report</li> <li>• Chief Social Work Officer Annual Report</li> <li>• Asset Investment Plan reporting</li> <li>• Website information – housing, council tax, planning, schools, etc.</li> <li>• Freedom of Information – Publication Scheme</li> <li>• Public consultation on major projects – embedded in PRINCE2 methodology</li> <li>• Shetland Partnership leading member</li> <li>• Shetland Partnership Plan 2018-2028</li> <li>• Council's social media channels</li> <li>• Social Media Strategy</li> <li>• Customer First Strategy</li> <li>• Customer Charter</li> <li>• Customer Feedback Framework 2022</li> <li>• Complaints Handling Procedure and Annual Feedback Monitoring Reports</li> <li>• Unacceptable Actions Policy</li> <li>• Service-level customer communication</li> <li>• Equality and Human Rights Mainstreaming report</li> </ul>		4 = Good – important strengths with areas for improvement	Constitutional documents – Constitution, Standing Orders for meetings and Scheme of Administration and Delegations - to be updated to reflect current organisational structures and values, remote meetings protocols and clearer guidance for public petitions and deputations. Standards and protocols for Members' Seminars and pre-meetings to be included – included in SIC Governance Review Tasks - to be monitored by CMT and performance reported to Policy and Resources Committee via Corporate Services Directorate Plan quarterly updates.
B2. Engaging comprehensively with institutional stakeholders	<p>B2.1 Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p> <p>B2.2 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p> <p>B2.3 Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners, and that the added value of partnership working is explicit</p>	<p>As B1 above plus:</p> <ul style="list-style-type: none"> <li>• Locality Planning - targeted and joint approaches to improving outcomes in communities</li> <li>• Community Asset Transfer and Participation Request processes in place with open and transparent decision making which can be challenged</li> <li>• Shetland Business Forum</li> <li>• Shetland Space Innovation Programme</li> <li>• Growth Deal for the Islands Joint Committee</li> <li>• Orion - Shetland Islands Clean Energy Project</li> <li>• Regional Economic Forum member</li> </ul>		5 = Very Good – major strengths	

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
<p>B3. Engaging stakeholders effectively, including individual citizens and service users</p>	<p>B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</p> <p>B3.2 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p> <p>B3.3 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p> <p>B3.4 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p> <p>B3.5 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p> <p>B3.6 Taking account of the interests of future generations of tax payers and service users</p>	<p>As B1 and B2 above plus:</p> <ul style="list-style-type: none"> <li>• Participatory Budgeting</li> <li>• "Voices For" Projects</li> <li>• Housing/Tenants Surveys</li> <li>• "Nort Natters" - see note</li> <li>• Knab Redevelopment - public/residents consultation and drop-ins</li> <li>• Community Conversations - Covid19 Recovery</li> <li>• Strategy for Parental Involvement and Parental Engagement</li> <li>• H&amp;SCP - Shetland Public Engagement Network</li> <li>• Shetland Employability Partnership</li> <li>• Fuel Poverty Action Plan</li> <li>• Climate Change Action - public seminars and workshop events</li> <li>• Shetland Outdoor Access Forum - Communication Plan</li> <li>• Local Development Plan 2: Main Issues Report Consultation</li> <li>• Renewal theme of COVID-19 recovery</li> <li>• Meids Board - engaged with Young people with lived experience of being looked after and the care system</li> <li>• Participation and Engagement Policy (March 2024)</li> </ul>		<p>5 = Very Good – major strengths</p>	

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
<b>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>					
<b>C1. Defining outcomes</b>	<p>1.1 Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions</p> <p>1.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p> <p>1.3 Delivering defined outcomes on a sustainable basis within the resources that will be available</p> <p>1.4 Identifying and managing risks to the achievement of outcomes</p> <p>1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available</p>	<ul style="list-style-type: none"> <li>• Our Ambition 2021-2026</li> <li>• Change Programme</li> <li>• Council Vision and Aims</li> <li>• Outcome Delivery Plan</li> <li>• Public performance reporting</li> <li>• Annual updates on Community Plan and Outcome Delivery Plan</li> <li>• Council Report – Financial Planning</li> <li>• Asset Investment Plan</li> <li>• Digital Transformation Strategy 2021-24</li> <li>• Communications Strategy</li> <li>• Locality Planning</li> <li>• Budget planning process</li> <li>• Annual updates on Community Plan and Outcome Delivery Plan</li> <li>• Annual report and accounts</li> <li>• Council Report – Financial Planning</li> <li>• Annual Investment and Treasury Strategy</li> <li>• Strategic and operational risk registers</li> <li>• Risk reporting</li> <li>• Audit and CMT risk monitoring</li> <li>• Risk Management Strategy</li> <li>• Business Continuity Planning</li> <li>• Participatory budgeting (PB)</li> </ul>		5 = Very Good – major strengths	
<b>C2. Sustainable economic, social and environmental benefits</b>	<p>2.1 Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</p> <p>2.2 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>2.3 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p> <p>2.4 Ensuring fair access to services</p>	<ul style="list-style-type: none"> <li>• Asset Investment Programme / Asset Investment Group</li> <li>• Scottish Local Government Living Wage</li> <li>• Community Benefits</li> <li>• Agendas, reports and minutes of meetings</li> <li>• Asset Investment Strategy</li> <li>• Annual Investment and Treasury Strategy</li> <li>• Strategic risk register monitoring</li> <li>• Recovery &amp; Renewal themes of COVID- 19 response</li> <li>• Council Standing Orders</li> <li>• Council website</li> <li>• Scheme of Administration</li> <li>• Main Issues Report &amp; Local Development Plan</li> <li>• Adhering to statutory guidance</li> <li>• Equality and Diversity Policy</li> <li>• Equality Outcomes Mainstreaming Plan and Report</li> <li>• Fairer Scotland Duty - Fairer Shetland</li> <li>• Fair Work First Statement</li> <li>• Equal Pay Statement 2021-2025</li> </ul>		5 = Very Good – major strengths	

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>					
D1. Determining interventions	<p>1.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided</p> <p>1.2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resource available including people, skills, land and assets and bearing in mind future impacts</p>	<ul style="list-style-type: none"> <li>Options appraisals (including guidance &amp; training) – mainstreamed into Business Cases &amp; financial bid processes</li> <li>Council Standing Orders</li> <li>Agendas, reports and minutes of meetings</li> <li>Corporate report template - resource impact statements</li> <li>Financial planning and financial management</li> </ul>		5 = Very Good – major strengths	
D2. Planning interventions	<p>2.1 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p> <p>2.2 Considering and monitoring risks facing each partner when working collaboratively including shared risks</p> <p>2.3 Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</p> <p>2.4 Ensuring capacity exists to generate the information required to review service quality regularly</p> <p>2.5 Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan</p>	<ul style="list-style-type: none"> <li>Procurement Contract Register</li> <li>Community Planning Partnership including thematic outcome delivery groups</li> <li>Risk Management Strategy</li> <li>Strategic Risk Register</li> <li>Business Continuity Planning</li> <li>Performance Management Framework (PMF) 2019-2024</li> <li>Outcome strategies</li> <li>Outcome Delivery Plan</li> <li>Shetland Partnership Plan 2018-2028</li> <li>Performance Management System</li> <li>Quarterly performance reporting</li> <li>Financial planning and management</li> </ul>		5 = Very Good – major strengths	
D3. Optimising achievement of intended outcomes	<p>3.1 Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</p> <p>3.2 Ensuring the budgeting process is all- inclusive, taking into account the full cost of operations over the medium and longer term</p> <p>3.3 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</p> <p>3.4 Ensuring the achievement of ‘social value’ through service planning and commissioning</p>	<ul style="list-style-type: none"> <li>Financial management and planning</li> <li>Asset Investment Strategy</li> <li>Annual Investment and Treasury Strategy</li> <li>Local Development Plan</li> <li>Participatory budgeting (PB) – participatory approaches to policy development and capital and revenue spend</li> <li>Community Benefits, Fair Working Practices</li> <li>Asset Management Plans</li> <li>Corporate Asset Management Group</li> <li>Capital Project Appraisal Forms</li> <li>Financial Planning</li> <li>Revenue Savings Templates</li> <li>Corporate Resource Planning (e.g. transformation fund, restructuring budget)</li> <li>Financial Planning and management</li> <li>Economic Development &amp; Islands Deal approaches to community benefits</li> <li>Change programmes</li> </ul>	<p>The Chief Executive set up a BVAR Leads Group comprising senior officers from across the Council to lead the work required to address the recommendations from the BVAR. Much of the work has been completed and an updated action plan was presented to the Council on 12 June 2024.</p> <p>The Council, “resolved that the remaining Best Value activity actions continue to be reported and monitored in accordance with the Council’s budget and performance management framework” and “agreed that Best Value Strategic Plan updates should be a standing item on the Audit Committee agenda”, (Min Ref SIC 41/24).</p> <p>Accordingly, all the remaining BVAR actions are now recorded on the Council’s performance management system, Pentana and progress on continuing work in this regard will feature in departmental performance reports.</p>	5 = Very Good – major strengths	

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it					
E1. Developing the entity's capacity	<p>1.1 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently</p> <p>1.2 Recognising the benefits of partnerships and collaborative working where added value can be achieved</p> <p>1.3 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<ul style="list-style-type: none"> <li>• Performance indicators are reviewed quarterly or annually</li> <li>• The council uses the Local Government Benchmarking Framework and takes part in relevant benchmarking exercises run by the Improvement Service, APSE and other networks</li> <li>• Scheme of Administration and Delegations</li> <li>• Induction training</li> <li>• Employee review and development procedures including Continuous Conversations and Teachers Professional Review and Development</li> <li>• Benchmarking/Performance Indicators</li> <li>• CE/Chairs Weekly Forum</li> <li>• iLearn/Brightwave training portal</li> <li>• Members' Induction and Development Training</li> <li>• Member Seminars and Briefings</li> <li>• Workforce Strategy 2021 – 2026 and Workforce Plan</li> <li>• Code of Conduct for Councillors</li> <li>• Protocol on Councillor/Officer Relations</li> <li>• Employee Code of Conduct</li> <li>• Performance Management Framework (PMF) 2019-2024</li> <li>• Key Performance Indicators/Benchmark reporting</li> <li>• Medium/Long Term Financial Plan</li> <li>• Procurement Strategy</li> <li>• CoSLA and Improvement Service engagement</li> <li>• Community Planning Partnership</li> <li>• Shetland Health and Social Care Partnership</li> <li>• Growth Deal for the Islands</li> <li>• Scotland Excel</li> <li>• Local Government Digital Partnership connections</li> <li>• Third Sector Interface via Voluntary Action Shetland</li> <li>• Community Council support and liaison</li> </ul>		5 = Very Good – major strengths	
E2. Developing the capability of the entity's leadership and other individuals	<p>2.1 Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p> <p>2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p> <p>2.3 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p> <p>2.4 Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks</p> <p>2.5 Ensuring that there are structures in place to encourage public participation</p> <p>2.6 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p> <p>2.7 Holding staff to account through regular performance reviews which take account of training or development needs</p> <p>2.8 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</p>	<ul style="list-style-type: none"> <li>• Scheme of delegation</li> <li>• Elected member inductions</li> <li>• Scheme of Administration</li> <li>• Council Standing Orders</li> <li>• Contract Standing Orders</li> <li>• Codes of Conduct for Employees &amp; Members</li> <li>• Job descriptions</li> <li>• Member and Officer induction programmes</li> <li>• Briefings to Members</li> <li>• Corporate Training Calendar</li> <li>• Brightwave e-learning / I-Learn</li> <li>• Member Training and Development Plans</li> <li>• Member support team</li> <li>• Chief Executive and Member meetings</li> <li>• Member Training and Development Plans</li> <li>• HR and Health and Safety policies</li> <li>• Implementation of new Health &amp; Safety ICT system</li> <li>• Continuous Conversations Policy</li> <li>• Harassment and Bullying at Work Policy</li> <li>• Healthy Working Lives Award</li> <li>• Employee Assistance Programme</li> <li>• Occupational Health provision</li> <li>• Mental Health and Wellbeing Policy</li> <li>• Violence against Women – a Policy to Support Employees</li> <li>• Menopause Support and Guidance for Staff</li> <li>• Equality and Diversity Policy</li> <li>• Equal Pay Statement 2021-2025</li> <li>• Scottish Local Government Living Wage</li> <li>• Disability Confident Employer</li> <li>• Equally Safe at Work Accreditation</li> </ul>		4 = Good – important strengths with areas for improvement	<ul style="list-style-type: none"> <li>• Elected Members' Induction Refresher training on the Council's Constitution (Complaints and ward representation, Standing Orders, Information governance and Ethical standards)</li> <li>• Constitutional documents – Constitution, Standing Orders for meetings and Scheme of Administration and Delegations - to be updated to reflect current organisational structures and values, remote meetings protocols and clearer guidance for public petitions and deputations. Standards and protocols for Members' Seminars and pre-meetings to be included</li> </ul>



Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
<b>Principle F: Managing risks and performance through robust internal control and strong public financial management</b>					
F1. Managing risk	1.1 Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making 1.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively 1.3 Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none"> <li>• Scheme of Administration and Delegations</li> <li>• Risk management Strategy and policy</li> <li>• Corporate Management Team/Risk Board monitoring</li> <li>• Business Continuity Planning</li> <li>• Audit Committee Remit</li> <li>• Departmental and Council Wide Risk Registers</li> <li>• Risk registers as part of response to and recovery from COVID-19</li> </ul>		5 = Very Good – major strengths	
F2. Managing performance	2.1 Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review 2.2 Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook 2.3 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making 2.4 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement 2.5 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements )	<ul style="list-style-type: none"> <li>• Strategic planning and performance arrangements (Outcome Delivery Plan, Community Plan)</li> <li>• Council Minutes and Committee reports</li> <li>• Performance Management Framework (PMF) 2019-2024</li> <li>• Corporate report format and guidance</li> <li>• Council Minutes and Committee reports</li> <li>• Scheme of Administration and Delegations</li> <li>• Codes of Conduct for Members and Employees</li> <li>• Recruitment and Selection Policy</li> <li>• Registers of interests (Member and Officer)</li> <li>• Anti-Fraud, Bribery and Corruption Policy</li> <li>• Council Standing Orders</li> <li>• Annual Governance Statement</li> <li>• Adherence to Local Gov. in Scotland Act</li> <li>• Contract Standing Orders</li> <li>• Financial planning and management</li> <li>• Annual Report and Accounts</li> </ul>		5 = Very Good – major strengths	
F3. Robust internal control	3.1 Aligning the risk management strategy and policies on internal control with achieving objectives 3.2 Evaluating and monitoring risk management and internal control on a regular basis 3.3 Ensuring effective counter fraud and anti- corruption arrangements are in place 3.4 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor 3.5 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, that its recommendations are listened to and acted upon	<ul style="list-style-type: none"> <li>• Risk management strategy</li> <li>• Strategic risk register</li> <li>• Internal audit plan and reports</li> <li>• Risks linked to outcomes in key plans</li> <li>• Budget monitoring arrangements</li> <li>• Compliance with the Code of practice on managing the risk of fraud and corruption</li> <li>• Annual Governance Statement</li> <li>• Annual Report and Accounts</li> <li>• Internal audit work plan</li> <li>• Audit Committee oversight of Internal /External Audit and Strategic Risks</li> </ul>		5 = Very Good – major strengths	
F4. Managing data	4.1 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data 4.2 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies 4.3 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> <li>• Codes of Conduct for Members and Employees</li> <li>• Recruitment and Selection Code of Practice</li> <li>• Registers of Members’ and Employees’ interests</li> <li>• Anti-Fraud, Bribery and Theft strategy</li> <li>• Corporate training and guidance notes on FOI, Regulation of Investigatory Powers and Data Protection</li> <li>• Data Protection (e-courses)</li> <li>• Information Governance Policy Framework</li> <li>• Information Security Policy</li> <li>• Data protection policy and procedures, including breach management and reporting</li> <li>• Data Sharing Framework</li> <li>• Records Management Plan</li> <li>• Information Asset Registers</li> <li>• Information Governance Board</li> <li>• Financial planning and management arrangements</li> <li>• Council Report - Financial Planning</li> <li>• Asset Investment Strategy</li> <li>• Annual Investment and Treasury Strategy</li> <li>• Outcome Delivery Plan</li> <li>• Performance Management Framework (PMF) 2019-2024</li> <li>• Quarterly and end year reporting</li> <li>• Local Government Benchmarking Framework analysis</li> </ul>		5 = Very Good – major strengths	

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
F5. Strong public financial management	5.1 Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance 5.2 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks & controls	<ul style="list-style-type: none"> <li>• Budget monitoring reports - quarterly and annual performamnce</li> <li>• Fund Manager reviews</li> <li>• Annual report and accounts</li> <li>• Financial Regulations</li> </ul>		5 = Very Good – major strengths	

Principles	Sub-Principles	Evidence	Further Notes	Evaluation	Improvement Actions
<b>Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>					
<b>G1. Implementing good practice in transparency</b>	<p>1.1 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</p> <p>1.2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>	<ul style="list-style-type: none"> <li>• Council website</li> <li>• Corporate Report Format</li> <li>• Agenda Management Guidance</li> <li>• Communications strategy</li> <li>• Annual Public Performance Report</li> <li>• Council website - performance pages</li> <li>• Evaluation of public performance reporting arrangements</li> <li>• Openness and transparency review 2021</li> </ul>		5 = Very Good – major strengths	
<b>G2. Implementing good practices in reporting</b>	<p>2.1 Reporting at least annually on performance, value for money and the stewardship of its resources</p> <p>2.2 Ensuring members and senior management own the results</p> <p>2.3 Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</p> <p>2.4 Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate</p> <p>2.5 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations</p>	<ul style="list-style-type: none"> <li>• Annual report and accounts</li> <li>• Annual Public Performance Report</li> <li>• Performance Management Framework 2019-2024</li> <li>• Local Government Benchmarking Framework</li> <li>• Annual Performance Report</li> <li>• Discussion at Council/Committees</li> <li>• Chief Executive review meetings</li> <li>• Code of Corporate Governance improvement actions</li> <li>• Annual governance statement- included in annual accounts and publicly available</li> </ul>		5 = Very Good – major strengths	
<b>G3. Assurance and effective accountability</b>	<p>3.1 Ensuring that recommendations for corrective action made by external audit are acted upon</p> <p>3.2 Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p> <p>3.3 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p> <p>3.4 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p> <p>3.5 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p>	<ul style="list-style-type: none"> <li>• Recommendations made by external audit acted upon</li> <li>• Audit Scotland Annual Audit Report to Members and the Controller of Audit</li> <li>• Best Value report</li> <li>• Compliance with CIPFA's statement on the role of the head of internal audit</li> <li>• Compliance with public sector internal audit standards</li> <li>• Recommendations made by peer reviews/inspections/regulatory and bodies considered and included in plans for implementation</li> <li>• Annual Governance Statement</li> <li>• Community Planning Partnership governance arrangements</li> <li>• Ongoing approach to community engagement, participation and feedback on decisions</li> </ul>		5 = Very Good – major strengths	

**Code of Corporate Governance - Council Improvement Plan 2024-2025**

PRINCIPLE	2024/25 Actions	NOTES / UPDATE
A1. Behaving with integrity	The Procurement Strategy should be reviewed and updated. Management should ensure that arrangements are in place to produce an annual procurement report - outstanding Internal Audit Recommendation.	IA2320 21/22 Compliance with Procurement Arrangements (Corporate) - Recommendation 1; and IA2321 21/22 Compliance with Procurement Arrangements (Corporate) - Recommendation 2. Significant progress has been made with revised Contract Standing Orders and associated templates now in place, supported by a Procurement Procedure to assist staff. Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.
A2. Demonstrating strong commitment to ethical values E2. Developing the capability of the entity's leadership and other individuals	Elected Members' Induction Refresher training on the Council's Constitution (Complaints and ward representation, Standing Orders, Data Protection, Information governance, Records Management and Ethical standards)	Carried over from 2023/24 - a timetable of refresher training sessions to be agreed with Members following approval of the 2025/2026 calendar of meetings.
A2. Demonstrating strong commitment to ethical values	Employee Register of Interests, Gifts and Hospitality procedure and operational guidance required - including particular guidance for senior officers and procurement staff - outstanding Internal Audit Recommendations	IA2471 22/23 Gifts and Hospitality Recommendation 1; IA2469 22/23 Gifts and Hospitality Recommendation 2; and IA2470 22/23 Gifts and Hospitality - Recommendation 3. Work is ongoing to prepare a gifts and hospitality policy and operational guidelines that will incorporate all aspects of the Audit recommendations. Also linked to: IA2671 22/23 Community Asset Transfers (Development) - Recommendation 2 - Update the Employee Code of Conduct to reflect the changes made to the processes for registering employee interests.
A3. Respecting the rule of law B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness B1.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided B1.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear B1.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.	Constitutional documents – Constitution, Standing Orders for meetings and Scheme of Administration and Delegations - to be updated to reflect current organisational structures and values, remote meetings protocols and clearer guidance for public petitions and deputations. Standards and protocols for Members' Seminars and pre-meetings to be included – included in SIC Governance Review Tasks - to be monitored by CMT and performance reported to Policy and Resources Committee via Corporate Services Directorate Plan quarterly updates.	Carried over from 2023/24 - component part of ongoing SIC Governance Review and Internal Audit Review of Committee Effectiveness, to report in early 2025.

**Code of Corporate Governance - Council Improvement Plan 2023-2024**

<b>PRINCIPLE</b>	<b>2023/24 Actions</b>	<b>NOTES / UPDATE</b>
C1. Defining outcomes C2. Sustainable economic, social and environmental benefits D3. Optimising achievement of intended outcomes F5. Strong public financial management	BVAR 2022 - Strategic Action Plan - Financial Stability	The Council needs to address its significant increase in reliance on reserves, if it is to avoid impacts on services in the long-term as reserves run out - Will continue as part of budget setting year on year
C1. Defining outcomes	BVAR 2022 - Strategic Action Plan - Performance Management Arrangements - Development of revised Performance Framework including policy and procedures, performance indicators, and training for elected Members.	P&R & Council approved the PM framework in June 23. Training for elected members will be incorporated in the training plan going forward. A revised set of performance indicators to support Our Ambition was proposed and approved on 27th March 2024 - Complete.
C2. Sustainable economic, social and environmental benefits	BVAR 2022 - Strategic Action Plan - Equality Impact Assessments - Development of Council -wide process for an Integrated Impact Assessment (Equality, Fairness and Rights, and Islands) and create a central repository of all completed Impact Assessments on council webpage.	IIA template has been shared with Executive Managers and Team Leaders to remind them of the need to undertake IIA - Complete.
D1. Determining interventions	BVAR 2022 - Strategic Action - Partnership Working - Locality Plans	Shetland Partnership has established that no further locality plans are required - Complete.
B3. Engaging stakeholders effectively, including individual citizens and service users D1. Determining interventions	BVAR 2022 - Strategic Action - Partnership Working - Community Engagement Strategy	A Participation & Engagement Policy has been approved 27th March 2024. The Policy will sit alongside an online Participation Hub, which is currently being developed and will include a toolkit of different engagement methods as well as case studies of engagement and participation activity undertaken in Shetland - Complete - lthough implementation will become part of business as usual.
D2. Planning interventions D3. Optimising achievement of intended outcomes	BVAR 2022 - Strategic Action - Asset Investment Plan	Now updated, in conjunction with Finance service and informed by feedback from Members at two AIP seminars. Approved by P&R and SIC in 2024 as part of the Budget Book report - complete
D2. Planning interventions	BVAR 2022 - Strategic Action - Procurement Arrangements	Work commenced on a digitised process to help lead officers when procuring. Revised Contract Standing Orders were approved by the Council on 27th September 2023. Work to support services through revised procedures and guidance is in hand - Team Leader Procurement will continue work already completed.
D2. Planning interventions	BVAR 2022 - Strategic Action - Transformational Change - Change Programme Delivery Plan	The development of strategies and plans continue to be supported by the Programme Management Office and the Council's Performance and Improvement Adviser who will advise on the performance indicators and targets - Complete.
E2. Developing the capability of the entity's leadership and other individuals	BVAR 2022 - Strategic Action - Partnership Working - Participatory Budgeting	Participatory budgeting has been well established at Community Council level however the mainstreaming commitment to SIC budget is more challenging. Community Engagement Strategy and approach developed to engage community in budget setting and the service reviews will develop approach to PB. Annual report on compliance - Complete.
E2. Developing the capability of the entity's leadership and other individuals	BVAR 2022 - Strategic Action - Partnership Working - Role of IJB in Strategic Change	IJB is developing a programme of service reviews and change activities to support budget recovery plan and medium term financial plan. This action belongs in the IJB action plan - Complete.

	Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Principle B: Ensuring openness and comprehensive stakeholder engagement	Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits	Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	Principle F: Managing risks and performance through robust internal control and strong public financial management	Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Totals	
1 = Unsatisfactory – major weaknesses	0	0	0	0	0	0	0	0	1 = Unsatisfactory – major weaknesses
2 = Weak – important weaknesses	0	0	0	0	0	0	0	0	2 = Weak – important weaknesses
3 = Adequate – strengths just outweigh weaknesses	0	0	0	0	0	0	0	0	3 = Adequate – strengths just outweigh weaknesses
4 = Good – important strengths with areas for improvement	3	1	0	0	1	0	0	5	4 = Good – important strengths with areas for improvement
5 = Very Good – major strengths	0	2	2	3	1	5	3	16	5 = Very Good – major strengths
6 = Excellent – outstanding, sector leading	0	0	0	0	0	0	0	0	6 = Excellent – outstanding, sector leading