



Corporate Governance

Date of meeting 1 June 2017

Date of report 18 May 2017

Report by Assistant Chief Executive (Business Support)/RTP Secretary

1. Object of Report

To inform members of SPT's Corporate Governance arrangements and to request a change to the Partnership's Standing Orders relating to Contracts.

2. Background

Corporate Governance is the system by which organisations direct and control their functions and relate to their communities. The fundamental principles of Corporate Governance are openness, inclusivity, integrity, accountability and effectiveness.

In order to ensure that its business is conducted in line with these principles, the Partnership has approved procedures and standing orders to regulate its internal processes and form the basis of an audited control framework.

The Governance Manual sets out the procedures that regulate the Partnership to ensure that its business is conducted with fairness, consistency and transparency. These include the delegation of specific functions to committees, sub-committees and officers, how contracts are awarded and money spent and how decisions are made. The Governance Manual can be found at <http://www.spt.co.uk/corporate/about/standards-responsibility/corporate-governance/> and includes:-

- **Standing Orders of the Strathclyde Partnership for Transport**
These regulate the business and procedures of the Partnership, its committees and sub-committees. They also include rules governing the appointment of members, the procedures to be followed at meetings and the production of minutes.
- **Committee Terms of Reference**
These specify the particular functions for which each committee is responsible and delegates relevant decision-making powers to committees.
- **Scheme of Delegated Functions**
SPT has a wide range of functions and it is not feasible for all decisions regarding these functions to be taken by the whole Partnership. The Partnership has therefore delegated powers to various committees, sub-committees, the Chief Executive, Assistant Chief Executives, directors and other officers. Only a limited number of powers have been reserved to the Partnership. The scheme details what powers have been delegated and how these have to be exercised.

- **Financial Regulations**

These regulations describe in general terms the arrangements the Partnership has made for the proper administration of its financial affairs. They deal with accounting arrangements, budgets, expenditure, income, audit and other related matters.

- **Standing Orders relating to Contract**

These regulate how the Partnership awards and administers contracts for the supply of goods and services and for building and other works.

The Governance Manual contains also various codes of conduct, policies and guidance viz:

- Code of Corporate Governance;
- Members' Code of Conduct;
- Code of Practice on Publicity;
- Anti-fraud Strategy/Whistleblowing Policy;
- Code of Conduct for Employees; and
- Guidance on the Register of Hospitality for Employees.

3. Outline of proposals

Members are advised that these documents are core to ensuring business is conducted effectively and complement the expectations of good governance. However, upon review it was noted that there is a requirement to re-align the approval thresholds between documents. One of the approval thresholds within the Partnership's Standing Orders relating to Contracts is £160,000. It is proposed that this is amended to £200,000 or European tendering limits, whichever is the greater, to align with the Scheme of Delegated functions to ensure consistency in the award of contracts.

4. Partnership action

The Partnership is recommended to:-

- (a) note SPT's Corporate Governance arrangements; and
- (b) approve the change to the Standing Orders relating to Contracts as outlined in the report.

5. Consequences

Policy consequences	<i>None</i>
Legal consequences	<i>None</i>
Financial consequences	<i>As outlined in the report</i>
Personnel consequences	<i>None</i>
Equalities consequences	<i>None</i>
Risk consequences	<i>None</i>

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