ITEM No …3………..

REPORT TO: CITY GOVERNANCE COMMITTEE – 8 JUNE 2026

REPORT ON: LOCAL CODE OF CORPORATE GOVERNANCE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 123-2026

1 PURPOSE OF REPORT

1.1 To present to Committee the Council's Local Code of Corporate Governance.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- approves the annual compliance review and updated Local Code of Corporate Governance as detailed in Appendix 1.
- notes the progress against the 2025/2026 improvement action plan in Appendix 2.
- approves the areas for improvements listed in Appendix 3 for 2026/2027.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from the agreement of this report.

4 BACKGROUND

4.1 In 2016, CIPFA extensively revised the Code in its publication "Delivering Good Governance in Local Government: Framework" and the accompanying Guidance notes for Scottish Authorities, 2016 edition. The contents of the attached arise because of consideration of the Code including the requirement to improve accountability to the public and stakeholders by explaining how the authority has resolved any governance issues raised in the previous year's statement. An Annual Governance Statement is included in the Council's Annual Accounts and is also reported separately to Scrutiny and Audit Committee.

4.2 The annual compliance review seeks to maintain a high standard of corporate governance and to ensure continuous improvement. Previous compliance reviews suggest a high level of compliance with the guidelines, although further areas for improvement have been identified and acted upon as required. In addition, national reports issued by relevant regulatory bodies are referred timeously to the Scrutiny and Audit Committee and/or the relevant service committee were considered appropriate.

5. CURRENT COMPLIANCE REVIEW

5.1 The current compliance review against existing guidance, to consider Corporate Governance arrangements and their implications for the authority, was carried out by senior council officers and agreed by the Council Leadership Team. Consistent use of the same scoring mechanism supports year on year monitoring of improvement and allows officers to assess the extent of its compliance with the guidelines. The scoring mechanism concludes that the Council is 99% (2024/2025: 99%) compliant with the guidelines which, given their wide ranging and significant scope, is considered very good.

5.2 The scoring mechanism was used to assist and prepare the Improvement Agenda in Appendix 3 whereby senior officers identified areas where compliance with the code could be improved during the year. This also helps inform the overall Improvement Agenda in the Council's Annual Governance Statement.

5.3 In addition, as part of the Annual Governance Statement, Executive Directors are required to complete a self-assessment checklist in conjunction with their senior management teams, of their own governance, risk management and internal control arrangements. This exercise involves the completion of a 78-point checklist covering eight key governance areas of Service Planning and Performance Management; Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; Partnerships; and Information Governance. That again indicated a very high level of compliance, with an overall score above 94% (2024/2025: 93%).

6 POLICY IMPLICATIONS

6.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

7 CONSULTATIONS

7.1 The Council Leadership Team were consulted in the preparation of this report.

8 BACKGROUND PAPERS

8.1 CIPFA’s Delivering Good Governance in Local Government: Framework (2016) and corresponding Guidance Notes for Scottish Local Authorities (2016).

PAUL THOMSON **18 MAY 2026**
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

Appendix 1

DUNDEE CITY COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE (2025/2026)

FOREWORD

Dundee City Council strives to meet the highest standards of corporate governance to help ensure that it meets its objectives. The Council is determined to ensure that it delivers the best possible services to city residents. It has developed a modern and effective local democracy that responds quickly and flexibly, delivering high quality services when and where people need them.

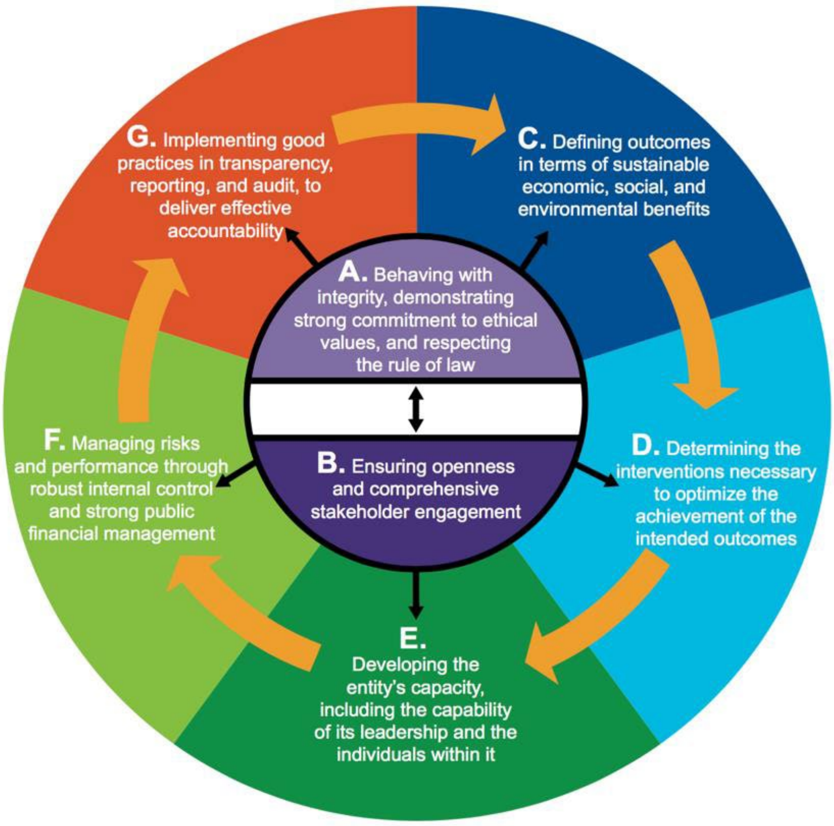
The Council is committed to effective decision-making that is transparent and open to genuine scrutiny. To support this, it provides on its website (www.dundeecity.gov.uk) details of its plans, policies, procedures and performance.

DEFINITION

Corporate Governance is the system by which Dundee City Council directs and controls its functions and relates to its community. An Annual Governance Statement is included in the Council's Annual Accounts each year and is also reported separately to Scrutiny and Audit Committee.

THE CODE

The Local Code of Corporate Governance for the Council consists of seven main principles of good governance derived from CIPFA's Delivering Good Governance in Local Government: Framework (2016):-



Delivering Good Governance in Local Government sets out seven core principles for good governance:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- *Arrangements to ensure ethical conduct for both members and officers, including codes of conduct, management of conflicts of interest, declarations of gift and hospitality, training and evaluation. Where appropriate, include how codes of ethics for the sector are implemented and supported.*
- *Arrangements covering the ethical behaviour of external service providers.*
- *Arrangements to support whistleblowing.*
- *How compliance with laws and regulations and internal policies and procedures is ensured and arrangements to ensure expenditure is lawful.*
- *How breaches of ethical arrangements, laws, regulations and procedures are addressed and learning adopted.*
- *How all those in governance roles and senior managers demonstrate their leadership of an ethical culture.*

B. Ensuring openness and comprehensive stakeholder engagement

- *How the authority ensures that decisions are made in the public interest and the rationale for decisions is recorded.*
- *How the authority achieves expected standards of openness and transparency, including a culture of internal challenge and self-assessment.*
- *The arrangements for consultation and engagement with citizens, service users and stakeholders and how these inform decision-making.*
- *The ways in which the authority communicates with the community and stakeholders.*

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

- *How the authority establishes its vision, target outcomes, and associated long-term plans to deliver sustainable outcomes.*
- *Its decision-making arrangements and how it ensures consideration and demonstration of value for money and best value.*
- *Arrangements to achieve fair access to services.*
- *The authority's strategic approach to commissioning across the entity and its partnerships and collaborations.*

D. Determining the interventions necessary to optimise the achievement of the intended outcomes.

- *The arrangements for medium and short-term service planning, supported by projects and programmes, to ensure alignment to the vision and objectives.*
- *How budgets and resource strategies align to the delivery of objectives.*
- *How the authority uses self-assessment and continuous improvement to achieve value for money.*
- *The authority's performance management arrangements to ensure continued alignment to its objectives.*
- *Arrangements for the achievement of social value in commissioning, procurement and contracting.*

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

- *Member and officer protocols and clarity over roles and responsibilities, including schemes of delegation.*
- *Application of the Code of Practice on Good Governance for Local Authority Statutory Officers.*
- *How financial management roles align with:*
  - *CIPFA Financial Management Code (FM Code).*
  - *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015),*
- *The arrangements in place for the discharge of the monitoring officer function.*
- *The arrangements in place for the discharge of the head of paid service function.*
- *Induction and development programmes to meet the needs of members and senior officers in relation to their strategic roles.*
- *Workforce planning and organisational development.*
- *Arrangements for learning and development, and health and wellbeing.*

F. Managing risks and performance through robust internal control and strong public financial management

- *Risk management policy, strategy and arrangements for review.*
- *How financial management arrangements align with the Financial Management Code.*
- *Internal control arrangements including:*
  - *Cyber, AI and information security arrangements*
  - *information governance*
  - *asset management*
  - *procurement and contract management.*
- *Assurance frameworks across the three lines. The framework should set out how the leadership team obtains its assurance, including from management, risk and compliance arrangements, and internal audit.*
- *Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector(GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit.*
- *Arrangements for formal overview and scrutiny (as applicable).*
- *Facilitation of internal and external challenge.*
- *Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022).*
- *Counter fraud and anti-corruption developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).*
- *Governance, risk and control arrangements across companies, partnerships, collaborations and arm’s length bodies.*

G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

- *Arrangements for the timely response and support to the work of external audit, internal audit and other inspection or regulatory action.*
- *Approach to welcoming external challenge and implementing recommendations.*
- *How learning and improvement are actioned.*
- *How transparency and accountability are maintained across collaborations and arm’s length bodies, such as trading companies and joint ventures.*
- *Accountability to the public and stakeholders is supported by clear assurance and ensures core areas are covered to enable better accountability in practice.*

Annual Review

Compliance with the seven core principles for good governance will be assessed on an annual basis by the Corporate Governance Assurance Statement Group (CGASG) on behalf of the Chief Executive.

The result of this assessment is reported to the Council's Corporate Leadership Team and the Scrutiny and Audit Committee. The report will incorporate recommendations for additions and/or improvements to the Council's governance arrangements, to reflect any changes in the way in which the Council does business or to address new legislation/ best practice.

The CGASG assessment of compliance will be reflected in an Annual Governance Statement which will be submitted to the June meeting to the Scrutiny and Audit Committee. The Annual Governance Statement will be signed by the Leader of the Council and the Chief Executive for inclusion in the Council's annual accounts.

The Annual Governance Statement will also be informed by the Service Leader Internal Audit's independent review of the Council's risk management processes, systems of internal control and corporate governance processes.

Evidence of Compliance with Core Principles

The following pages set out the evidence which demonstrate Dundee City Council's compliance with the core principles and compliance with the requirements of the framework. Hyperlinks are provided where available and the table highlights new evidence and any current evidence that has been updated in the last 12 months.

	Local Code of Corporate Governance Principles							
Evidence	A	B	C	D	E	F	G	Comments
Annual Accounts 2024/2025	✓	✓	✓	✓	✓	✓	✓	Completed under IFRS and audited within prescribed timelines.
Annual External Audit Report 2024/25	✓	✓	✓	✓	✓	✓	✓	Unqualified audit opinion with satisfactory conclusions.
Annual External Audit Report 2024/25 Response	✓	✓	✓	✓	✓	✓	✓	Confidence that the external auditor has undertaken a thorough and wide-ranging review of the financial statements. The Council can take encouragement from key findings.
Asset Management Plans – IT, Property, Housing and Roads			✓	✓	✓			Outlines priorities and strategies required to develop and support assets.
Annual Governance Statement (Forms part of the Annual Accounts)						✓		The annual review demonstrated sufficient evidence that the Code's principles of delivering good governance were met. The Council complies with the Local Code of Corporate Governance in all respects.
Best Value Audit Report	✓	✓	✓	✓	✓	✓	✓	Accounts Commission commended Dundee City for its performance.
Best Value Thematic Report	✓	✓	✓	✓	✓	✓	✓	The Council has robust officer-led governance arrangements in place to monitor transformation.
Budget Financial Outlook 2020-2030		✓	✓	✓		✓	✓	The Council takes a robust approach to long term financial planning.
Budget Strategy 2026/27		✓	✓	✓		✓	✓	The Council considers risks, changing demands and reviews assumptions when preparing its budget. The process is supported by a comprehensive consultation process.
Budget 2025-2026 Revenue		✓	✓	✓		✓	✓	Confirms the key factors, savings and expected budget outcomes and provides officers with the provisional budget volume.
Budget 2025-2026 Housing Revenue Account		✓	✓	✓		✓	✓	Confirms the rent consultation process and provides the provisional budget volume. Notes the provisional budgets and agrees rent levels.
Capital Plan				✓			✓	Notes the impact of the current financial environment and risks. Agrees the revised Capital Plan.
CIPFA Assurance Framework 2022	✓	✓	✓	✓	✓	✓	✓	CIPFA guide to effective assurance arrangements.
CIPFA Financial Management Code Self-Assessment	✓	✓						CIPFA guide to effective Financial Management Arrangements.

	Local Code of Corporate Governance Principles							
Evidence	A	B	C	D	E	F	G	Comments
Community Planning Partnership		✓	✓	✓	✓			Dundee City's Local Community Planning arrangements.
Community Planning 2022-2027		✓	✓	✓	✓			Confirms the legislative requirements and approves the Community Plans.
Council Respectful Engagement Policy	✓	✓		✓	✓	✓	✓	Policy Document outlining Respectful Engagement Policy.
Committee Structure Review		✓						Agreement of the new management structure.
Complaints Handling Procedure	✓	✓		✓				Commitment to valuing complaints.
Corporate Leadership Team Meetings					✓			Regular officer meetings covering all local authority business.
Risk Register						✓		The register of assessed risks and how these risks are managed.
Council Minutes, Meetings and Reports	✓	✓		✓		✓	✓	Dundee City Council's formal decision-making process.
City Plan for Dundee 2022-2032	✓		✓	✓			✓	The annual report detailing progress and associated performance indicators.
Council Plan Progress Report	✓		✓	✓			✓	Progress of the Council Plan.
Councillor's Code of Conduct	✓	✓						The conduct requirements of Dundee City Council elected members.
Councillor - Register of Interests		✓						Register of elected members interests.
Counter Fraud and Corruption Policy	✓					✓		The policy outlines the approach in dealing with Fraud and Corruption.
Dundee City IJB Committee Reports & Minutes		✓						Dundee City Integration Joint Board's formal decision-making process.
Dundee City IJB - Code of Conduct	✓							The conduct requirements of Dundee City Integration Joint Board members.
Net Zero Transition Plan 2024-2030		✓			✓			Dundee City council's approach to achieving net zero.

	Local Code of Corporate Governance Principles							
Evidence	A	B	C	D	E	F	G	Comments
Dundee City IJB - Delivery Pan 2024 to 2026				✓				Outlining delivery plan which supports ambition, strategic priorities and change management.
Dundee City IJB - Performance Report 2025-26				✓				Confirms the performance of Dundee City Integration Joint Board measured against indicators.
Dundee City IJB - Integration Scheme	✓	✓	✓	✓	✓	✓	✓	The terms of reference of the Dundee City Joint Board's delegated functions.
Digital Strategy 2023-2027	✓		✓			✓		Outlines the digital strategy and how it is designed to support the Council's priorities.
Dundee Partnership		✓	✓	✓	✓			The methodology in place for public agencies to work together to deliver better services.
Dundee Local Partnerships		✓	✓	✓	✓			Dundee Partnership membership.
Dundee City Strategic Review Leisure & Culture		✓	✓	✓	✓			To ensure Leisure and Culture Dundee (LACD) meets current and future demands.
Dundee City Community Wealth Building		✓	✓	✓	✓			The Councils approach to Community Wealth Building including an action plan and priorities.
Fair Work First	✓							Outlining investment in the Council's workforce.
IT Strategy	✓		✓			✓		The strategy for current and future IT delivery.
Internal Audit Reports						✓	✓	A summary of the Council's Internal Audit Reports.
Annual Internal Audit Report 2024-2025						✓	✓	The Chief Internal Auditors Report providing an independent opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control framework.
Internal Audit Plan Update and Progress Report						✓	✓	An update on the progress in delivering the Internal Audit Plan.
Leading Team Dundee		✓	✓	✓	✓	✓		A leadership development programme to assist in building confidence, compassion and capability in a changing council.
Local Government Benchmarking Framework				✓	✓	✓		To enable Dundee City Council to compare performance across Scotland.
Mentoring Pathways					✓			Developing young people in Dundee.
National Fraud Initiative						✓	✓	Outlining the current national approach to fraud with focus areas.

	Local Code of Corporate Governance Principles							
Evidence	A	B	C	D	E	F	G	Comments
Procurement - Policies and Strategy			✓					Dundee City's Council's medium and long-term approach to Procurement.
Performance Management Framework	✓	✓	✓	✓	✓	✓	✓	The revised Performance Management Framework with a view to respond to new Statutory Performance Indicators.
Performance - Dundee Performs	✓	✓	✓	✓	✓	✓	✓	As part of our Performance Management Framework the Council measure their performance and make this information available to the public.
Programme Governance & Project Management		✓	✓	✓	✓			The role of the Transformation Board and the Programme Management Office.
Record Management Policy						✓		The management of information to protect its integrity and to store efficiently and effectively.
Risk Management Policy and Strategy & Annual Report						✓		Review of the current risk management approach and performance.
Service Plans			✓	✓	✓			Outlining the panning and performance of each directorate.
Standing Orders & Financial Regulations	✓	✓	✓	✓	✓	✓	✓	Standing Order / Financial Regulations Updated September 2025.
Transformation & Improvement Programme			✓	✓	✓			The methodology being utilised by Dundee City Council to establish and maintain a modern Council.
Tayside Contracts		✓						The joint commercial trading arm of the Councils of Angus, Dundee City and Perth and Kinross
Treasury Management Strategy 2025-2026	✓		✓	✓		✓		Outlines the Treasury Management Strategy and in year investment strategy.
Treasury Management Policy 2025-2026	✓		✓	✓		✓		The Council's policies and procedures to deliver a robust Treasury Management provision.
Youtube Channel - Stakeholder Engagement		✓						Public access to Dundee City Council's decision making process.
Whistleblowing Policy	✓					✓		The purpose and scope of Dundee City Council's approach to whistleblowing.
Work Force of the Future		✓		✓	✓			Redesigning the workforce to reflect changing needs.
People Strategy 2022-27	✓	✓	✓	✓	✓		✓	The three-year cyclic strategy focussing on engagement, development, flexibility, digital skills to ensure enhance outcomes.

Appendix 2

DUNDEE CITY COUNCIL - CONTINUOUS IMPROVEMENT AGENDA FOR 2025/2026 – WITH PROGRESS UPDATES

The Council's Corporate Governance working group identified the following areas for improvement to be taken forward during 2025/2026. Full details are included in the Council's Local Code of Corporate Governance (168-2025) and the 2024/2025 Annual Governance Statement (181-2025) updated for final version in 2024/2025 Audited Accounts to Scrutiny and Audit Committee on 24 September 2025 (274-2025)

	Improvement	**Source**	**Details**	**Responsible Officer**	**Target Completion Date**
1	Continue to develop Business Continuity Strategy.	Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). Report 223-2017	Completed	Service Manager - Community Safety and Resilience.	31/03/2026
2	Replace Construction Services' Costing System.		Carried forward from 2024/2025. In progress.	Head of Construction and Head of Customer Services and IT.	30/06/2026
3	Implementation of Corporate Property Management system.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Carried forward from 2024/2025. In progress.	Head of Design and Property Services.	31/03/2027
4	Review the Council's Standing Orders.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Completed	Head of Democratic and Legal Services.	30/06/2025
5	Roll-out advanced risk management training module for senior officers.	Corporate Governance Assurance Statement Group.	Completed	Head of Corporate Finance	31/10/2025
6	Ensure basic financial ledger mandatory training for all budget holders	Annual Governance Statement 2024/2025. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section).	Completed	Head of Corporate Finance.	31/03/2026

7	Procurement Strategy, - Implementation of Sourcing Strategies in respect of procurement thresholds and any other changes includes in the review of Standing Orders.	Annual Governance Statement 2024/2025. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section).	Completed	Head of Corporate Finance.	31/03/2026

* Carried forward items have been included in Appendix 3 with new target completion dates

Appendix 3

DUNDEE CITY COUNCIL - CONTINUOUS IMPROVEMENT AGENDA FOR 2026/2027

The Council's Corporate Governance working group has identified the following areas for improvement, full details are included in the Council's Local Code of Corporate Governance, to be taken forward during 2026/2027:

	Improvement	**Source**	**Details**	**Responsible Officer**	**Target Completion Date**
1	Implementation of Corporate Property Management System.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Implementation of replacement asset management database to manage the council's physical property assets more effectively.	Head of Design and Property Services.	31/03/2027
2	Mandatory Training and Development	Corporate Governance Assurance Statement Group.	Improving the rates of completion of mandatory training and development courses for all council staff and elected members.	Head of People	31/03/2027
3	Freedom of Information Requests	Council Leadership Team	Undertake a review of the current FOISA process to ensure that services have appropriate arrangements in place to deal with these statutory requests on timeous basis. This review will be supported by the Head of Digital & Customer Services to consider how digital technology can be utilised to make improvements to how FOISAs are currently allocated, monitored and reported within the Council.	Head of Democratic and Legal Services	31/03/2027
4	Awareness / Compliance with statutory legislation	Corporate Governance Assurance Statement Group / Risk & Assurance Board	Review current process for providing updates on regulatory and legislative matters within the Council.	Head of Democratic and Legal Services	31/03/2027
5	Implementation of an Integrated Corporate Performance Dashboard	Council Leadership Team	Establish a consolidated digital portal to enable performance to be managed effectively. This single dashboard will include all relevant financial and non-financial corporate management data including budget outturns, absence, staff training and development, quality conversations etc. The dashboard will also interface with existing databases or systems to ensure data displayed within is updated on an automated basis within minimal manual intervention. In addition, it is also intended to enable managers to interrogate data through use of software tools such as Power BI.	Head of Digital and Customer Services	30/06/2027

This page is intentionally left blank