

SOUTH YORKSHIRE PENSIONS AUTHORITY

9 June 2016

Report of the Clerk

COMPLIANCE WITH THE PRINCIPLES FOR INVESTMENT GOVERNANCE: SELF ASSESSMENT

1) Purpose of the report

To inform Members of the outcome of the self-assessment against the Principles for Investment Governance

2) Recommendations

- a) **That the Authority notes the contents of the report.**
 - b) **That the Authority agrees to review this process when the new Regulations are finalised.**
 - c) **That the Authority agree to any development needs arising from the results.**
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3) Background Information

- 3.1 Members adopted a system of self-assessment in October 2011 and agreed to use a template to gauge compliance.
- 3.2 Members received individual copies in January 2016 and were asked to retain them until the end of the financial year (March 2016) and return them, duly completed, to the Clerk.
- 3.3 Twelve forms were issued and ten were returned; this was the same as the previous year.
- 3.4 The self-assessment was divided into three separate forms and not all members were required to complete all three. The assessments were: assessment of Authority Members (Form 1); assessment of the Board Chair by Members of the Investment Board (Form 2, Part A); assessment of the Independent Investment Advisors by the Members of the Investment Board (Form 2, Part B); assessment of the Board Chair by the Members of the Corporate Planning and Governance Board (Form 3)
- 3.5 The scoring mechanism used is a range of 1-5 as follows:
1 Poor; 2 Satisfactory; 3 Good; 4 Very Good and 5 Excellent.

4) Results

- 4.1 In relation to the assessment of the Authority Members, scores ranged from Satisfactory to Excellent. In the main, scores were either Very Good or Excellent and therefore no areas of concern were raised and no development needs identified.

- 4.2 In relation to the assessment of the Board Chair by the Members of the Investment Board, scores ranged from Good to Excellent with the majority falling into the Very Good category.
- 4.3 In relation to the assessment of the Independent Investment Advisors by the Members of the Investment Board, scores again ranged from Good to Excellent with the majority falling into the Very Good category.
- 4.4 In relation to the assessment of the Board Chair by the Members of the Corporate Planning and Governance Board, scores again ranged from Satisfactory to Excellent, although it is fair to say that most criteria achieved a score of Very Good.

5. Development Needs

There appears to be no immediate development needs arising from the self-assessment.

6. Future Arrangements

Members will recall that the government consultation on the “Local Government Pension Scheme: Revoking and Replacing the Local Government Pension Scheme (Management and Investment of Funds) 2009” removed the need for self-assessment against the Principles for Investment Governance stating that “authorities should still have regard to the guidance”. The Authority will no doubt wish to maintain a process whereby they periodically self-assess against a check list to ensure they are maintaining high standards in the execution of their statutory responsibilities. It is suggested that when the new Regulations are published the Authority carries out a thorough review of the self-assessment process.

7. Implications

There are no direct financial, legal or diversity implications with this report.

There may be some reputational risk implications in relation to the quality of internal governance if results are not reported and acted on appropriately.

D Terris
Clerk

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Background papers used in the preparation of this report are available for inspection at the offices of South Yorkshire Pensions Authority, 18 Regent Street, Barnsley.