

Subject	Authority Governance Update Report	Status	For Publication
Report to	Local Pension Board	Date	03/11/2022
Report of	Corporate Manager - Governance		
Equality Impact Assessment	Not Required	Attached	Na
Contact Officer	Jo Stone Corporate Manager – Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide members with an update on current Authority governance related activity. To update Members on the actions being taken in response to audit findings by both internal audit and external audit during the current financial year and in previous financial years. Finally, to provide members with an update on recent decisions made by the Authority.
- 1.2 A report will be provided regularly to provide assurance and monitoring of Authority governance across many areas of the business.

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the current Authority governance position, including decisions made between meetings.**
 - b. **Note the progress on training and development of LPB and Authority members.**
 - c. **Note the external training session completed to increase knowledge and skills across SYPA members.**
 - d. **Note the progress being made on implementing agreed management actions.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance
- 3.2 To uphold effective governance always showing prudence and propriety.

- 3.3 The reporting of audit findings and agreed actions in response to these, is a key part of providing assurance on the adequacy of the Authority's corporate governance arrangements, particularly those relating to internal control and financial and risk management.

4 Implications for the Corporate Risk Register

- 4.1 The contents of this report set out the actions being taken in several areas that will contribute to addressing various risks in relation to operations and governance as detailed in the original audit reports.

5 Background and Options

- 5.1 Considerable activity has taken place to enhance the Authority's governance arrangements since May 2022. This has included monitoring and managing elected members' knowledge and skills to ensure mandatory training compliance and expertise across the organisation. The initiation of activities to implement a second layer of risk and audit assurance across the business to enhance governance processes and ensure middle management roles and responsibility for risk and a tier of escalation to SMT. This will require a revision the Risk Management Framework once implemented. To support this work, a software system has been identified and the governance team, working with the programmes and performance team are currently scoping a business case to present to SMT in December with the intention of embedding a system to enhance risk management arrangements and provide relevant tools and guidance for managers to be responsible for risk identified in their teams.
- 5.2 Work is underway with the transition of the Monitoring Officer role from an external to an internal function. An initial meeting took place with the current Monitoring Officer, Jason Field of Barnsley MBC and the Head of Finance and Corporate Services and Corporate Manager - Governance in early October to plan a managed handover between now and 1 April 2023.
- 5.3 Two activities have begun regarding legal requirements of the organisation. One area is to secure a contract with a firm of solicitors to act as a legal retainer in all matters on an ad hoc basis. The secondary requirement is to undertake a full review of the Constitution. This activity will include engagement with Members of the Authority, the Director and SMT, the Independent Adviser, Auditors and Monitoring Officer to review the document and ensure a current version is ready for approval by the Authority at the first meeting of the 2023/24 municipal year in June 2023.
- 5.4 Training and Development of members will be reported in a separate report later in the meeting but there is significant improvement to the mandatory training completed by members and an expectation that the Authority will be fully compliant by 06 December 2022.
- 5.5 There is a separate report on Information Governance and the large-scale programme of work that is underway to ensure SYPA is fully compliant to the Data Protection requirements under the ICO regulations. This area of work will continue into next year.

- 5.6 Two decisions have been required since the previous meeting of the Authority. Border to Coast have circulated several shareholder resolutions for approval at the forthcoming Annual Meeting of shareholders. These include:
1. The approval of the Annual Report and Accounts.
 2. The reappointment of KPMG as auditors.
 3. The approval of the annual review of conflicts of interest for Board members
 4. The reappointment of Andrew November as a Non-Executive Director.
 5. The making of provision for the appointment of an additional Non-Executive Director following the Board Effectiveness Review.
- 5.7 Having considered the advice of the Director, the Chair agreed that the Authority's vote should be cast in favour of all five resolutions.
- 5.8 The Director has, under delegated powers, approved the use of a market supplement to assist in recruiting to a vacant post in the Finance Team. Three attempts had been made to fill this key role with the support of specialist recruitment agencies who advised that the salary range for the role was significantly "off market". The market supplement is subject to review following the outcomes of the wider pay and benefits review which will be concluded later in the year.
- 5.9 Training sessions have been delivered to all members in the following areas to increase knowledge and skills:
- 28 July – Roles and responsibilities of the Audit Committee
 - 08 September – Investment Strategy Presentation (Hymans)
 - 15 September – Actuarial valuation results and issues (Hymans)
 - 20 October – Risk Management training
- 5.10 The Authority's Local Code of Corporate Governance sets out the framework in which the Authority complies with the seven principles of good governance; one of which is "*managing risks and performance through robust internal control and strong public financial management*". One aspect of achieving this is having arrangements for assurance and effective accountability in place and ensuring that findings and/or recommendations made by both external audit and internal audit are addressed and acted upon.
- 5.11 The Audit Committee receives reports of the external auditor and of the Head of Internal Audit at regular intervals throughout the financial year. On 20 October 2022, the Audit Committee reviewed the summary of actions taken, and progress being made on implementing the actions agreed in response to audit findings during the current and previous financial years. This included agreed timescales for future completion and is actively monitored.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	None
Human Resources	None
ICT	None

Legal	None
Procurement	None

Jo Stone

Corporate Manager - Governance

Background Papers	
Document	Place of Inspection
None	-