

Subject	Governance Update Report	Status	For Publication
Report to	Local Pension Board	Date	02/02/2023
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	Na
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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. To provide members with an update on recent decisions made by the Authority. Finally, to review and approve the LPB meeting cycle for 2023/24.
- 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. Approve the LPB meeting cycle for 2023/24**

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 As previously reported, considerable activity continues in order to enhance the Authority's governance arrangements. This has included monitoring and managing elected and Board 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 now been procured, *Pentana*, which is a risk and performance management software application (formerly known as Covalent). The Governance team, working with the Programmes and Performance team, are currently scoping a plan and timescale for the implementation.

General Governance Arrangements

- 5.2 The appointment of the Head of Governance to be the Monitoring Officer with effect from 1 January 2023 was approved by the Authority on 08 December 2022. The Treasurer role will be transferred to the Assistant Director – Resources from 01 April 2023.
- 5.3 Solicitors have been appointed to undertake a comprehensive review of the Constitution. This work commenced in January 2023 and will be completed by May to ensure the updated Constitution can be presented to the June 2023 Authority meeting. LPB members will be updated on the progress of the review at the next LPB meeting in April.
- 5.4 The Governance team are now undertaking work to procure (through a suitable procurement framework) a legal retainer contract for the Authority to provide legal advice and services in all matters required on an *ad hoc* basis. This will include legal oversight for the Pensions Dashboard, which is a legal requirement for September 2024, with a particular focus on data protection legislation.
- 5.5 Training and Development of members will be reported in a separate report later in the meeting.
- 5.6 There is also 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.
- 5.7 There have been no decisions between meetings since the previous meeting of the Authority.
- 5.8 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.

- 5.7 The Audit Committee receives reports of the external auditor and of the Head of Internal Audit at regular intervals throughout the financial year. The agreed management actions arising from Internal Audit reviews are reviewed and updated monthly and progress is reported to all meetings of the Audit Committee. The draft Internal Audit Plan for 2023/24 will be presented to the March Audit Committee.
- 5.8 A new Governance Calendar for the 2023/24 municipal year has been created to improve visibility and attendance to all scheduled meetings, seminars and training. Members are asked to review and approve the LBP meeting cycle for 2023/24 shown at Appendix 1. A central team inbox (governanceteam@sypa.org.uk) has been created to improve the Governance team's service to support members during 2023/24.

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

Head of Governance

Background Papers	
Document	Place of Inspection
None	-