

Subject	Governance Update Report	Status	For Publication
Report to	Authority	Date	09/02/2023
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 2023/24 Governance Calendar.
- 1.2 A report will be provided regularly to provide assurance and monitoring of Authority governance across many areas of the business.
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2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the current Authority governance position, including the outcome of the data breach previously reported to the ICO;**
 - b. **Welcome the progress made on training and development of Authority and LPB members; and**
 - c. **Approve the 2023/24 Governance Calendar.**
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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. As well as 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 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.
- 5.3 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.

Member Learning and Development

- 5.4 As previously reported, considerable activity has been completed to enhance Authority members' knowledge and skills in addition to that of the Local Pensions Board members. The requirement is that all LGPS on-line modules should be completed within the first six months of joining SYPA. In June 2022 a full training needs analysis activity was undertaken by all members and the following results recorded. At that time, only two members of the LPB had fully completed the mandatory training requirements and one member of the Authority.
- 5.5 The training needs analysis report showed an overall knowledge of 50.05% for Authority members and 40.21% for LPB members. The areas identified for urgent support of training were investment, actuarial and funding and administration matters. At the LGA conference on 19 and 20 January 2023, Hymans Robertson reported that

pensions funds completing the national training needs analysis assessment have an average of 55% knowledge overall. The highest scores nationally were 67.6% governance and 63% actuarial matters. The lowest scores currently 38% accounting and audit and 48% investment performance and risk management.

- 5.6 Members continuously worked with the Governance team, supported by a hybrid training model of on-line, face to face and Teams facilities to ensure training is supported and completed in a timely manner to provide the organisation and external bodies with assurance of full compliance. It is very pleasing to report therefore that all members of the Authority are now 100% compliant with mandatory training requirements.
- 5.7 LPB Members have also completed all six training modules and are 100% compliant against mandatory training requirements.
- 5.8 Training sessions were reported to members at the last meeting. Since October 2022 the following training has been delivered to all members in the following areas to increase knowledge and skills:
- 20 October – Risk Management training
 - 10 November 2022 – Hymans Robertson Online Training Module 2
 - 10 November 2022 – Climate Change Seminar
 - 06 December 2022 – Hymans Robertson Online Training Module 1 and 6
- 5.9 Bespoke training has also been delivered to members of the Audit Committee by the Authority's internal auditors to increase knowledge of roles and responsibilities regarding risk management. CIPFA will also deliver a bespoke session in February 2023 on the responsibilities of Local Authority Audit Committees to strengthen governance further.
- 5.10 A national training needs and analysis exercise will take place 13 to 27 February 2023 through Hymans Robertson, and it is hoped that this will show a marked increase in the percentage of knowledge and skills compared to the results in June 2022, reflecting the significant progress made since then and that is continuing over the next few months.
- 5.11 Moving forward, the Governance team will schedule and deliver training to each committee and board as per the Governance calendar 2023/24. There will be an additional emphasis where required to work with individual members on an annual basis to ensure knowledge and skills are kept up-to-date and enhanced.

Data Breach – Update

- 5.12 As previously reported in the Governance Update report at the December meeting, a data breach occurred in September 2022. Actions were taken in response to this at the time (as fully detailed in the previous report) and the breach was reported to the ICO.
- 5.13 Since the previous meeting, a response has been received from the ICO advising that no further action is required on this occasion. The ICO were content that all action had been taken and processes clearly followed. Three recommendations were suggested which were in line with the actions already planned and carried out, and that we had outlined in our report to the ICO. The ICO case is now closed.

Governance Calendar 2023/24

- 5.14 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 governance calendar 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	-