

# Annual Governance Statement

2023/24

## Scope of Responsibility

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

The Authority's Local Code of Corporate Governance, available on our website at: [Local Code of Corporate Governance \(sypensions.org.uk\)](https://www.sypensions.org.uk) complies with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government Framework 2016.

The Local Code and this statement are also supported by the Governance Compliance Statement which the Authority is required to produce under s 55(1) of the Local Government Pension Scheme Regulations 2013, which is also available on our website: [here](#).

This statement explains how the Authority has complied with the Local Code and meets the requirements of regulation 6(1) of the Accounts and Audit (England) Regulations 2015 relating to the preparation and approval of an annual governance statement.

## The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture, and values by which the Authority is directed and controlled, and the activities through which it accounts to and engages with employing bodies, pensioners, contributors, and other stakeholders. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk: it can only provide a reasonable and not absolute assurance of effectiveness. The system of internal control is designed to identify risks to the achievement of the Authority's policies, aims and objectives. The system attempts to evaluate the likelihood of those risks being realised and the impact should they be realised and how to manage them efficiently, effectively, and economically.

The governance framework has been in place during the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts.

## Outline of the Governance Framework

The Authority's framework of governance continues to evolve in line with best practice and is based upon the 7 Core Principles set out in the 2016 CIPFA/SOLACE guidance, Delivering Good Governance in Local Government: Framework. More details about the Authority's arrangements for ensuring compliance with each of the 7 Core Principles are set out in the Authority's Local Code of Corporate Governance.

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

#### Arrangements in Place

Codes of conduct covering the behaviour of both members and officers, form part of the Constitution, with appropriate mechanisms for ensuring that action can be taken where transgressions are reported. For officers these are reinforced through a framework of values and behaviours, including specific management behaviours, which are reflected upon at individual level as part of the appraisal system.

A comprehensive review of the Constitution was undertaken in the last year and the revised document, approved in June 2023, is available here: [Constitution \(sypensions.org.uk\)](https://sypensions.org.uk)

An Independent Governance Review has been carried out from February 2024 to April 2024 which recommended that the Authority consider its terms of reference regarding co-opted members and duplication of their membership between Authority and the Local Pension Board. This will be considered in the action plan to be developed arising from the final report on this review, due to be presented to Authority and Local Pension Board members in June 2024.

As required under local government law, elected members are required to complete declarations of interest which are publicly available and to declare any conflicts which might arise in discussion of specific matters at meetings of the Authority and its committees. Similar arrangements apply to members of the Local Pension Board, under requirements governed by the Local Government Pension Scheme regulations and the Public Service Pensions Act 2013.

Registers of potential conflicts, including personal relationships, for staff and a register of gifts and hospitality for both staff and officers.

A comprehensive policy framework exists in relation to issues such as fraud and corruption and a Whistleblowing Policy should any individual wish to make a confidential disclosure. Some of these policies are now overdue for review and will be updated in the forthcoming year. The Authority also participates in the National Fraud Initiative.

The Authority has a formal policy on the reporting of material breaches of the relevant pension regulations and any breaches which occur are reviewed by the Local Pension Board (LPB) at each of its meetings. A need to improve the monitoring, identifying and recording of breaches not deemed to be material has been identified and an appropriate policy and procedure for this will be developed in the forthcoming year.

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

Complaints policies in relation to quality of service, and statutory appeals processes in relation to decisions made under the Pensions Regulations.

Procurement arrangements are in place to comply with legislative requirements, good practice, achieve value for money and demonstrate accountability. Following internal audit review early in the year, improvements have been made to ensure that the procedures in place are fully compliant with regulations and to introduce a gateway approval document that guides staff through the process and ensures all stages are appropriately documented. A training course on procurement was delivered by CIPFA for all staff involved in procurement activity. These procedures as well as the Contract Standing Orders that form part of the Constitution will also be updated during the forthcoming year to reflect changes in new procurement legislation and regulations that are expected to come into force from October 2024.

The Authority operates with an extremely strong value base in relation to ethical standards and values reflecting the seriousness of its responsibility as steward of the pension savings of a very large number of individual scheme members. The values and behaviours framework is central to both the Corporate Strategy and the appraisal process and the wider policy and constitutional framework covering issues such as recruitment and selection and procurement. The Authority also seeks to bring its commitment to these values into the role it plays within any partnership in which it participates, particularly the Border to Coast Pensions Partnership which is central to the delivery of its corporate objectives. The Authority ensures that it is aware, through the employment of specialist officers and advisers, of the statutory requirements which are placed upon it and takes steps to ensure that it complies with them in an open and transparent way. This includes the maintenance of an up-to-date Constitution which is regularly reviewed and includes definitions of both the Corporate Planning Framework and Pensions Policy Framework, together with terms of reference for committees and an appropriate scheme of delegation to officers.

The Authority maintains up to date role profiles for all posts within the organisation and ensures that it has appropriately qualified statutory officers in post who are able to operate in a way which complies with the relevant professional codes.

Formal records are kept of decisions taken by both officers and members together with the advice considered in making such decisions.

The Authority has a Governance team to oversee and manage democratic services, governance and assurance, and compliance with regulations.

### Areas for Improvement

- Whilst reporting of material breaches is well embedded, further work is required to ensure appropriate monitoring and recording of breaches not deemed to be material.
- Policies in relation to counter-fraud and whistleblowing are overdue for review and will therefore be reviewed and updated in the forthcoming year.

## Principle B: Ensuring openness and comprehensive stakeholder engagement

### Arrangements in Place

The Authority seeks to be as open as possible with stakeholders, conscious that it is the steward of the savings of around 180,000 individuals, working for close to 600 different employers. To this end it complies with its obligations under the Freedom of Information Act and makes a considerable volume of information automatically and freely available through its website. The Freedom of Information Act Publication Scheme, which specifies the information published by the Authority and how to access this, is used as one means of signposting information electronically.

This includes a range of information on investment holdings, performance, the policy frameworks, and responsible investment issues such as how shares have been voted. In addition, meeting agendas and papers for the Authority, the various committees and the Local Pension Board are published online a week before each meeting and all meetings are open to the public, and webcast.

Key decisions made by officers are formally recorded and details published on the website.

To promote clarity in the information provided to support decision making, reports for decision making bodies follow a standard format which ensures that, for example, implications for the financial position of the Authority of a decision are clearly explained. In addition, all reports for decision are required to outline relevant risk considerations, so that these can be understood by decision makers. All reports must be reviewed and cleared by the relevant statutory officers prior to submission for decision to Authority / Committee / Local Pension Board meeting agendas.

The Authority has in place clear protocols regarding its participation as a Partner Fund in the Border to Coast Pensions Partnership. Clearly defined roles are set out for each participant in the Partnership in its Governance Charter and the relevant legal agreements. Regular reports are provided to the Authority by officers on the activity and performance of the Partnership, including a comprehensive annual review which considers the achievement of both the Authority's and the Partnership's objectives.

To ensure the views of stakeholders are considered in a systematic way by decision makers when relevant, the Authority has adopted a Communications and Consultation Strategy which provides a standard framework for engaging with stakeholders.

Resources are specifically allocated to support engagement with employers to support the maintenance of a productive and supportive relationship between them and the Authority. All engagement with employers takes place within the context of the Communications and Consultation Strategy which requires the results of any consultation process to be reported back alongside the actions proposed following the consultation.

Emphasis is placed on increasing the volume and improving the quality of interaction with employers and an employer forum session and surveys have been undertaken during the year. The Authority's website includes an area for employers and an employer newsletter is sent to all employers quarterly with updates on relevant information, training, and events.

## Principle B: Ensuring openness and comprehensive stakeholder engagement

There is a current focus on monitoring the performance of employers in relation to data submission; including quality, timeliness and resolving queries; and reporting on this to the Local Pension Board.

The processes for engaging with and understanding the views of scheme members are also set out in the Communications and Consultation Strategy.

Interaction with scheme members includes offering appointments to meet with staff either through online / virtual sessions or in-person appointments at our office in Barnsley.

The Authority's complaints and appeals processes are available to scheme members in relation either to quality of service, or specific decisions made under the LGPS regulations. Information from the complaints and appeals processes forms part of the Authority's performance management framework and influences the development of policy, practice, and processes, including specific projects reflected in the Corporate Strategy.

As part of its assurance and scrutiny role, the Local Pension Board receives a quarterly report outlining the nature of all appeals and complaints and the subsequent actions and learning as well as quarterly information on the results of various rolling customer satisfaction surveys which examine specific aspects of the service to scheme members, which also include information on learning and actions from this feedback

## Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

### Arrangements in Place

The Authority sets out a clear vision supported by specific objectives for achieving that vision within its Corporate Strategy which is at the heart of its corporate planning framework. Delivery against these objectives and key quality of service standards is reported quarterly to members of the Authority within a comprehensive report, allowing action to be taken to address any variations if required. All activity is undertaken within a risk management framework which covers all aspects of the Authority's work.

The Authority's Responsible Investment Policy sets out how it reflects the balance between economic, social, environmental and governance issues within its investment decision making process and the areas where it seeks to move partners within the Border to Coast Pensions Partnership to a shared position. Responsible investment is central to the Authority's approach to the management of the funds for which it is responsible, and it is an active participant in a range of initiatives which seek to support the achievement of its objectives in this area. Work has

### Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

continued during the year to develop new approaches to reporting the impact of various investments and the results of this will be reflected in future annual reports.

The Authority's decision making on key issues of this sort is transparent with appropriate decisions either taken in public meetings or published and supporting information placed in the public domain whenever possible. (Exceptions to this are limited and would include, for example, commercially sensitive market information that cannot be made public).

The Authority actively engages with groups seeking to influence its policies in different ways and uses its Communication and Consultation Strategy to seek views on issues where appropriate and to consider differing views when making decisions.

Beyond the investment sphere, the Authority maintains an Equality and Diversity Scheme to guide its approach to the delivery of fair access to its services for any individual with a protected characteristic. This scheme is due for review and further work on the detail in terms of application and measurement will be required in the year ahead.

#### Areas for Improvement

- A comprehensive review and update of the Equality, Diversity and Inclusion Scheme is required.

### Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

#### Arrangements in Place

The Authority's officers ensure that when making decisions, elected members have access to as much objective information as possible, as well as to the views of appropriately skilled and experienced independent advisers where specialist areas such as investment strategy are under consideration. Where members require additional information, officers agree specific timescales for its provision. The corporate planning process and the medium-term financial strategy are how the Authority agrees the relative priority and resource requirements of specific interventions.

The Authority's discretions policy statement (as administering authority of the South Yorkshire Pension Fund) was reviewed and updated during the year, setting out clearly how the Fund will exercise discretions in relation to the LGPS regulations, including detail of the level to which decisions on each item are delegated and how applied.

## Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

The Authority has a well-defined and robust corporate planning framework with the review cycle linked at a high level to the major cyclical events impacting its operations (principally the triennial actuarial valuation of the Pension Fund). This framework is supported by well-established consultation arrangements ensuring that stakeholder views can influence plans where appropriate.

A risk management framework is in place that ensures that both risks to service delivery and risks impacting the assets and liabilities of the Pension Fund can be addressed holistically.

A framework for monitoring the delivery of all the various plans and strategies is in place with a comprehensive report including both financial and performance information presented to the Authority on a quarterly basis with more detailed reports covering pension administration presented quarterly to the Local Pension Board and on investment performance to the Authority. These reports highlight deviations from plans and identify and assess the risks relevant to the achievement of objectives as well as including information around feedback received and how it has been acted on.

The Authority's medium-term financial strategy and corporate strategy draw on inputs from both stakeholder feedback mechanisms, the views of elected members and the Senior Management Team's assessment of developments in the wider external environment to direct resources to address priority areas. The medium-term financial strategy examines both the Authority's operating budget and the financial position of the Pension Fund ensuring that all areas of cost and income are fully considered. Strong budgetary control is evident, and managers are conscious of the need to demonstrate financial probity.

In addition, given the centrality of being a responsible investor to the way in which the Authority invests the Pension Fund, regular publicly available reports are provided to the Authority detailing responsible investment activity undertaken and the outcomes achieved through this activity. These include summaries of the Fund's votes at company annual meetings. As part of this approach the Authority subscribes to the principles set out in the FRC's Stewardship Code which requires investors to report to stakeholders in a clear way on how they have managed the funds for which they are responsible.

During 2023/24 the Authority commissioned an external provider to undertake an Independent Governance Review, the results of which will be reported in June 2024 and an action plan developed as required in response to any recommendations.

### Areas for Improvement

- Independent Governance Review to be reported to Authority and Local Pension Board members in June and an action plan developed in response to recommendations.



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

### Arrangements in Place

The Authority's statutory role holders – the Director as Head of Paid Service, the Assistant Director – Resources as Chief Finance Officer and the Head of Governance & Corporate Services as Monitoring Officer, meet along with the Deputy Clerk on a quarterly basis.

Independent Advisers with suitable skills and experience are employed to support both the Local Pension Board and the Authority. Steps have also been taken during 2023/24 to increase training for members of the Audit and Governance Committee to enable them to provide more effective challenge. These have included briefing sessions on relevant topics before each meeting. The frequency of meetings has been increased to four per year. In line with recommended practice, an independent member will be appointed to the Committee in the forthcoming year.

Both the Audit & Governance Committee and the Local Pension Board conduct annual effectiveness reviews to assess their own effectiveness and impact, identifying areas for improvement.

Joint meetings of the Authority Chair and Vice Chair and the Local Pension Board Chair and Vice Chair are held regularly throughout the year. A need to support further improvements to the effectiveness of the relationship between the Local Pension Board and the Authority was identified by the Board in their most recent review and has also been highlighted from the Independent Governance Review undertaken this year. Actions to address this will form part of the action plans in response to these reviews.

A Learning and Development Strategy is in place for elected members supported by the allocation of specific time within the overall programme of meetings. This strategy is set within the context of the CIPFA Knowledge and Skills Framework and has regard to the requirements of the Pensions Regulator. The Governance team apply a strong focus to ensure all mandatory training is completed.

To further strengthen elected members' knowledge and collaboration across the Authority and Local Pension Board, a joint member development away day was delivered for the first time in November 2023 with training provided on investments, ethical standards, the corporate strategy, and risk appetite. This will continue as an annual event. The continued development and maintenance of knowledge, skills and understanding for Authority and Local Pension Board members is an ongoing challenge due to external factors leading to turnover and risks to continuity of membership. This will be subject to further work in the year ahead, when more ways to achieve greater continuity of membership (particularly of the LPB) will be considered. The Governance team will also enhance the learning and development arrangements in place by introducing individual training plans and encouraging increased attendance of members at external conferences and events. These actions will form part of the action plan arising from the Independent Governance Review.

For staff of the Authority, an appraisal system is used to manage individual performance, plan learning and development, and support the succession planning process which is in place in key risk areas. Over the last two years, the Authority have approved and implemented an organisational resilience and sustainability plan, a staffing and capacity plan for pensions administration and a comprehensive review of pay and benefits – these plans have included the establishment of a range of additional resources and changes to reporting lines across the

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

organisation, to be implemented over the course of the period to March 2025, designed to strengthen capacity, enhance capability, and increase sustainability.

Work also continues to reduce the risk of single points of failure, and this is identified in the strategic risk register. The risks relating to changes due to take place this year in key investment roles (officers and advisers) will be considered as part of this.

Ongoing learning and development plans for the Authority's workforce are devised annually to support the goals set out in individual appraisals and are kept under review throughout the year. In addition to competency-based progression through the pension administration career grade, this can include professional qualification training, external training courses, and internally provided technical updates and system specific training.

The policy and detailed procedures relating to career grade progression in teams across the organisation requires review in the coming year.

Learning and development activity is further supported through access to online resources through a range of systems such as online reading rooms, SharePoint, and LinkedIn Learning. In the last year, the focus in this area has been further strengthened with the addition of a new post in the HR team for supporting organisational learning and development.

The Director has an annual appraisal with the Chair and Vice Chair of the Authority and the Clerk to review performance against objectives and set objectives for the next year. This process was enhanced for 2023/24 with the addition of 360-degree feedback from a range of internal and external stakeholders, inclusion of learning and development considerations as relevant to this role, and the appraisal process is now supported and facilitated by the Head of HR from Barnsley MBC.

Health, Safety and Wellbeing arrangements are prominent and embedded across the organisation. An external Health & Safety adviser is retained, and the range of additional health and wellbeing support continues to grow each year, including workplace health checks and a range of webinars and other activities which target a variety of key physical, emotional, and mental health and wellbeing topics.

A new post of Operations Management Officer was appointed to during the last year, providing a suitably experienced and knowledgeable resource to ensure effective facilities management and health and safety arrangements.

### Areas for Improvement

- Actions in relation to improvements to Authority and LPB membership, knowledge, and inter-relationship to form part of the Independent Governance Review action plan.
- The career grade scheme requires review and update to ensure there is a suitable corporate scheme providing consistency across the organisation, supplemented by appropriately tailored and effective progression schemes for different roles / service areas incorporating accredited training / professional qualifications alongside development and assessment of workplace experience and skills.

## Principle F: Managing risks and performance through robust internal control and strong public financial management

### Arrangements in Place

#### Managing Risk

A risk management policy framework is in place reviewed annually by the Audit and Governance Committee. Specialist risk management training was delivered to relevant managers and officers during the year, and this resulted in improvements being identified and incorporated in the latest update to this framework. This also sets out clearly the responsibilities for managing the risks facing the organisation, how they should be assessed and reported. The strategic risk register is reviewed monthly by the Senior Management Team with reporting on a quarterly basis to meetings of the Authority as part of the overall performance management framework, together with review and challenge by the Local Pension Board.

During the coming year, additional, operational level risk registers for each service will be introduced to help further embed the culture of risk management throughout the organisation as well as to support and inform the strategic risk register. This will be supported by use of the integrated risk management and performance software system, enabling more efficient recording and reporting of risk and performance and with input from various levels of management throughout the organisation.

#### Managing Performance

Arrangements for the reporting and monitoring of performance are in place, including clearly defined timetables for the reporting of information across the full range of activity, integrated with financial monitoring. Wherever possible, data is placed in the public domain and statutory reporting timescales are adhered to.

The Authority undertakes benchmarking of its cost base and performance across both the main streams of operational activity, pensions administration and investment.

A small team supports and co-ordinates the management of programmes and performance across the organisation. The use of an agreed project management methodology and central oversight and reporting of projects has been implemented during the year and will continue to be embedded. The team are now working on review and enhancement of the Authority's performance management framework with changes and improvements to be implemented in the 2024/25 year. These will incorporate ensuring that there is consistency across the reporting formats used for the Authority and the Local Pension Board.

Progress has continued in relation to the analysis and development of plans to address backlogs and deliver improvements in pensions administration processing performance. The Corporate Strategy for 2024 to 2027 includes the Administration Improvement Plan with a series of actions to be completed over 2024 to 2026.

## Principle F: Managing risks and performance through robust internal control and strong public financial management

High quality data is central to the effectiveness of the organisation in its core function as a pension administrator. The Authority has a policy framework in place to ensure both the security and integrity of the large quantities of data which it holds.

The Authority's Head of Governance and Corporate Services is the Senior Information Risk Owner (SIRO). In addition, resourcing is provided through the Governance team to provide a focus on compliance and continued development of the Authority's information governance framework.

The Service Director for Customer Information and Digital Services at Barnsley MBC acts as the Authority's Data Protection Officer and his work is supported by an annual programme of internal audit review activity to ensure compliance with the policy framework.

The Authority has received the Cyber Essentials + accreditation from government in relation to its arrangements for information security. The controls in relation to cyber security are well embedded, and continually being developed and enhanced, making use of specialist tools, awareness training and with support available from external specialists on retainer. Plans are in place to review and update the suite of ICT policy documentation, including cyber security, during 2024. From the Independent Governance Review and reviewing compliance against the Pensions Regulator's new General Code of Practice, a need has also been identified to carry out ongoing specialist assessments of third party service providers' arrangements. This will be addressed in the relevant action plans.

An annual assessment of the quality of data held for pension administration purposes is undertaken and a data improvement plan is produced to ensure that any issues identified are addressed. Progress with delivering the data improvement plan is overseen by the Local Pension Board.

### **Robust Internal Control**

The Authority has an Audit and Governance Committee in place whose terms of reference are consistent with the relevant professional standards. The Committee has produced its own Annual report, available within the Governance section of the Authority's website, which sets out the work it has undertaken during the year.

The Committee is responsible for overseeing the work of Internal Audit, provided by Barnsley MBC's Corporate Assurance Service, and in particular ensuring that the Internal Audit plan addresses key control risks facing the Authority. The Head of Internal Audit is required under the relevant professional standards to produce an annual opinion on the adequacy of the control environment. For 2023/24 this opinion is that "based on the systems reviewed and reported on by Internal Audit during the year to date, together with management's response to issues raised, I am able to give a reasonable (positive) assurance opinion regarding the effectiveness of the control, risk and governance environment."

Progress made in implementing actions agreed following audit reviews is reported to every meeting of the Committee and this helps to ensure that the control environment continues to be strengthened through the audit process.

## Principle F: Managing risks and performance through robust internal control and strong public financial management

The importance of internal control is well-embedded across the organisation and officers ensure a strong and effective working relationship is maintained with both Internal and External Audit, including regular liaison meetings, and ensuring independent access is available to the Audit and Governance Committee Chair and members.

### Strong Public Financial Management

The Authority is steward of a very large pension fund and therefore strong financial management is crucial to its effective operation. A strong framework of budgetary control is in place and monitoring against the operational budget, along with monitoring of investment performance, is reported quarterly to the Authority. Key projects are required to operate within defined budgets which receive approval through the appropriate decision-making processes.

The Authority's Medium Term Financial Strategy defines various fiscal rules which constrain the growth in expenditure, mirroring to some extent, the constraints which apply to conventional local authorities through the council tax capping regime.

### Areas for Improvement

- Performance Management Framework - There is a need to make better use of management information in reporting on and managing performance through the development of a new performance management framework. This should achieve outcomes of enhancing the robustness of the process, ensuring consistency in how different areas are reported upon and freeing up the time-of-service managers so that they can focus on interpreting the results and taking appropriate action in response.
- Continue to build on the progress being made to achieve the elements of the pensions administration improvement plan and clearance of backlogs in processing work.

## Principle G: Implementing good practices in transparency and audit to deliver effective accountability

### Arrangements in Place

The Authority seeks to be open and transparent in all its activities, seeking to minimise the amount of information that must remain confidential.

A substantial amount of information about the Authority's services and activities is published on its website: [www.sypensions.org.uk](http://www.sypensions.org.uk) including, for example, details of investment holdings and voting records. The agendas and public reports for all meetings of the Authority, its committees and the Local Pension Board are published and the public parts of meetings of the Authority, its committees and the Local Pension Board are webcast. The Authority's annual report also contains a significant amount of information on its activities in a more user-friendly format.

## Principle G: Implementing good practices in transparency and audit to deliver effective accountability

The Freedom of Information Publication Scheme provides clear signposting to the information which is publicly available and where it can be found.

The Authority regards telling its story as a key activity, to report and demonstrate its performance, achievement of value for money and effective stewardship of scheme members' savings. For key documents such as the Annual Report and Accounts, the Authority follows the relevant professional codes in terms of the provision of information and seeks to go beyond them where possible, particularly in terms of presenting the information in a way which allows the reader to set information in the context of the Authority's work and easily understand it.

The Authority has continued to publish its audited accounts and annual report in advance of the statutory publication deadlines every year, ensuring that information for stakeholders is provided on a timely basis to promote effective accountability.

The Authority uses the governance framework set out in the Local Code of Corporate Governance to ensure that the information provided in reporting is accurate and consistent and that the same standards are met by key partnerships such as the Border to Coast Pensions Partnership.

The Internal Audit function operates under a charter which conforms to the relevant public sector internal audit standards ensuring that the Authority complies with the relevant professional standards.

The Audit and Governance Committee reviews progress on implementation of actions agreed following audit reviews carried out by both internal and external audit and potentially other review agencies when the Scheme Advisory Board's Good Governance reforms are introduced.

All these arrangements also apply to the way in which the Authority engages with various partners and a comprehensive process of gathering assurance from those managing money on behalf of the Authority is undertaken each year. The Authority seeks to ensure that the activity undertaken on its behalf by the Border to Coast Pensions Partnership reflects the agreed Governance Charter which applies similar standards to the Authority's arrangements in the Partnership's unique context.

## Governance Action Plan 2022/23 – Progress Update

The table below sets out the actions identified for improvement and development in last year’s Annual Governance Statement and the progress made against these during 2023/24.

Action Plan 2022/23	Responsible Officer	Target Date	Progress Update 2023/24
<p>Complete process mapping and implement fully updated procedures for appeals processing with clearly defined roles and responsibilities.</p> <p>Provide guidance, training and support for relevant staff to support the above.</p>	Head of Governance and Corporate Services	July 2023	<p><b>Completed</b></p> <p>A full review of the appeals process has been completed which identified clearly defined roles and responsibilities.</p> <p>Training on the new process was delivered to all relevant staff in October 2023.</p>
<p>Transfer online processes for annual appraisals to a new HR System and continue to embed the consistency and quality requirements by providing training for both line managers and employees.</p> <p>Recruit to new Business Support Officer role in the HR team to support Learning and Development strategy and provision across the organisation.</p>	Assistant Director – Resources & HR Business Partner	Mar 2024	<p><b>Partially Completed</b></p> <p>Work continued on embedding consistency and quality in annual appraisals and training was delivered for both line managers and employees.</p> <p>New Business Support Officer – Learning and Development was appointed and commenced in post in October 2023.</p> <p>Only action remaining is to implement the new HR system in 2024/25.</p>
<p>Undertake a review of the Director Appraisal process and consider and commission appropriate external support arrangements that will seek to enhance the independence of the process and introduce the gathering of 360-degree feedback to inform the appraisal. Aim to implement new arrangements for the 2023/24 appraisal.</p>	Assistant Director – Resources and Head of Governance and Corporate Services	Oct 2023	<p><b>Completed</b></p> <p>New arrangements for the Director Appraisal process were developed and implemented in March 2024 for the appraisal relating to the 2023/24 year.</p>

Action Plan 2022/23	Responsible Officer	Target Date	Progress Update 2023/24
<p>Complete a full review and refresh of business continuity procedures and documentation, with support from external experts as required.</p>	<p>Head of ICT</p>	<p>Jan 2024</p>	<p><b>Carried Forward</b>            Due to other workload priorities, particularly in relation to focus on improvements required on the pensions administration software system, this action has been deferred and is now expected to be completed in the first half of 2024/25.</p>
<p>Introduce arrangements for the centralised production of performance information allowing managers to focus on interpretation and follow-up action.</p> <p>Implement new risk and performance management software system.</p>	<p>Head of Governance &amp; Corporate Services and Service Manager – Programmes &amp; Performance</p>	<p>Oct 2023</p>	<p><b>Partially Completed, Partially Carried Forward</b>            Following a period of vacancy in the role of Service Manager – Programmes and Performance, there has been a delay in full completion. The role has been filled since December 2023 and work to develop the performance management framework is now in progress, to be completed in 2024/25.</p> <p>The new Risk Management and Performance Software system was implemented in August 2023 with work completed so far to input the strategic risk register on the system. Work remaining to be completed in 2024/25 will be to add the operational risk registers and incorporate performance metrics and reporting.</p>
<p>Complete thorough analysis of backlogs and the root causes of these.</p> <p>Complete comprehensive capacity planning exercises in Benefits Team and Customer Services.</p> <p>Based on the above, develop and implement a detailed action plan to tackle the existing backlogs and to put arrangements in place designed to prevent such backlogs building up going forward.</p> <p>This will require a significant amount of work over several months.</p>	<p>Assistant Director – Pensions</p>	<p>Ongoing throughout the year. Progress to be reviewed on a regular basis</p>	<p><b>Partially Completed, Partially Carried Forward</b>            A thorough analysis of backlogs and capacity planning was completed. A revised structure was approved by the Authority in October 2023. The revised structure will be recruited to in 2024/25.</p> <p>A plan to clear the Backlogs was put in place in January 2024. The reduction is being tracked and reported to the Director, the Authority and the Local Pension Board.</p>



Action Plan 2022/23	Responsible Officer	Target Date	Progress Update 2023/24
Complete a review and update of the Local Code of Corporate Governance.	Head of Governance and Corporate Services	Jan 2024	<b>Completed</b> The Local Code of Corporate Governance was updated and published in December 2023.

## Review of Governance 2023/24 – Areas for Improvement and Action Plan

The table below sets out the actions planned to be undertaken during the forthcoming year to address the areas for improvement identified from this year's review of governance effectiveness, along with any actions carried forward from last year as outlined in the progress update above.

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
<p>A: Behaving with integrity, demonstrating strong commitment to ethical values, respecting the rule of law.</p> <p><b>Recording of Regulatory Breaches</b></p>	Develop and implement a dedicated recording mechanism for regulatory breaches, supported by training for staff and a decision-making process for reporting material breaches.	Assistant Director – Pensions and Head of Governance & Corporate Services	September 2024
<p>A: Behaving with integrity, demonstrating strong commitment to ethical values, respecting the rule of law.</p> <p><b>Review of Counter-Fraud and Whistleblowing Policies</b></p>	Complete a review and update of the Anti-Fraud, Bribery and Corruption Policy Statement and the Whistleblowing Policy.	Head of Governance & Corporate Services	December 2024

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p> <p><b>Equality, Diversity and Inclusion (EDI)</b></p>	<p>Undertake a thorough review of the EDI scheme – prioritising a series of agreed specific actions.</p>	<p>SMT</p>	<p>February 2025</p>
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <p><b>Complete Independent Governance Review</b></p>	<p>Independent Governance Review to be completed in June 2024 and an action plan to be developed to address any recommendations.</p>	<p>Head of Governance &amp; Corporate Services</p>	<p>December 2024</p>
<p>E: Developing capacity, including the capability of leadership and individuals</p> <p><b>Career Grade Scheme</b></p>	<p>Develop an Authority Career Grade Scheme that provides a central policy applicable across the organisation supplemented by appropriately tailored schemes for individual roles that include assessment procedures and incorporate relevant accredited training / professional qualifications alongside development of workplace experience and skills.</p>	<p>Assistant Director – Resources and HR Business Partner</p>	<p>March 2025</p>
<p>F: Managing risks and performance</p> <p><b>Business Continuity</b></p>	<p>Complete a full review and refresh of business continuity procedures and documentation, with support from external experts as required.</p>	<p>Head of ICT</p>	<p>Oct 2024</p>
<p>F: Managing risks and performance</p> <p><b>Performance Management</b></p>	<p>Develop and implement a new Performance Management Framework which will include central production of performance information that will ensure improved reporting and enable service managers and heads to focus on interpretation and taking remedial actions as necessary.</p>	<p>Head of Finance &amp; Performance and Service Manager – Programmes &amp; Performance</p>	<p>In stages over the course of the year to March 2025</p>

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
F: Managing risks and performance  <b>Pensions Administration Improvement and Backlog Clearance Plan</b>	Deliver the elements of the Pensions Administration Improvement Plan.	Assistant Director – Pensions	In stages to March 2026. Progress will be reported on quarterly to Authority and Local Pension Board.

## Conclusion

To the best of our knowledge, the governance arrangements as defined above have operated effectively during the 2023/24 year. We propose over the coming year to take steps to address the areas identified for improvement to further enhance our governance arrangements. Progress in implementing these improvement actions will be monitored by officers and Internal Audit and through regular reports to the Authority and its committees.

We are satisfied that these steps will address the issues identified in our review of effectiveness and will assess their implementation and operation as part of our next annual review.

Signed:          Chair South Yorkshire Pensions Authority	Signed:          Director South Yorkshire Pensions Authority
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