

Subject	Independent Governance Review Report	Status	For Publication
Report to	Local Pension Board	Date	08 August 2024
Report of	Head of Governance & Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To present to the Local Pension Board members the Governance Review undertaken by Aon.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. Note the report and actions being taken.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objective:

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 Background and Options

- 5.1 Members will be aware that the Authority commissioned an independent governance review that was carried out by Aon between February and June 2024. This is

something that will be required for all LGPS funds to carry out every two years when the Scheme Advisory Board's good governance proposals are implemented.

- 5.2 Aon attended the member development morning held on 6 June to present the findings of their review to both Authority and Board members in attendance. Their full report is attached at Appendix A.
- 5.3 The review highlighted many positive findings and concluded that the governance in place is of an excellent standard in the vast majority of areas, meets nearly all legal requirements in scope of the review, and demonstrates best practice in a number of areas. It is noted that the review did not highlight any significant issues but includes some recommendations for improvements or further consideration.
- 5.4 Many of the areas highlighted for improvement had previously been identified from other work including the assurance process for the Annual Governance Statement, the Board's effectiveness review, the Audit & Governance Committee's effectiveness review and the assessment of compliance with the Pensions Regulator's new General Code of Practice that was undertaken alongside this review.
- 5.5 Aon's report refers to the General Code of Practice and the compliance assessment undertaken with officers, highlighting the key elements that relate to other aspects of their review. A separate report with further detail on the compliance assessment results for the Board is included elsewhere on this agenda.
- 5.6 Following the presentation on 6 June, it was agreed to establish a small, informal working group comprising both Board and Authority members alongside officers to collaborate on the creation of a draft action plan to address the findings and recommendations arising from the review report.
- 5.7 Members were asked to volunteer for the group, and it was established as follows.
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| <u>Authority and LPB Members:</u> | <u>Officers:</u> |
| Councillor James Church | Gillian Taberner, Assistant Director – Resources |
| Councillor David Fisher | |
| Councillor David Nevett | Jo Stone, Head of Governance & Corporate Services |
| Nicola Gregory | Annie Palmer, Governance Team Leader |
| David Webster | |
- 5.8 The aim is for the group to complete their task over the course of two meetings in July and August so that a proposed action plan will be drafted ready for Board consideration at their next meeting in November for comment and recommendation to the Authority.
- 5.9 The group met on 12 July and the second meeting is scheduled for 23 August.
- 5.10 Once approved, the action plan will be monitored and regular updates on progress will be presented to the Board and to the Authority.

6 Implications

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

Financial	There are no direct financial implications arising from this report. The costs of the Governance Review were included in the budget.
Human Resources	None.
ICT	None.
Legal	No direct implications.
Procurement	None.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection
None	