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| Subject | Draft Annual Governance Statement 2024/25 | Status | For Publication |
| Report to | Local Pension Board | Date | 24 April 2025 |
| Report of | Director | | |
| Equality Impact Assessment | Not Required | Attached | No |
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1 Purpose of the Report

- 1.1 To provide the Local Pension Board with an opportunity to consider and comment upon the draft Annual Governance Statement 2024/25.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. **Review and comment on the draft Annual Governance Statement for 2024/25 and recommend for Authority approval.**
 - b. **Note that the draft is yet to be updated for the conclusion of the Head of Internal Audit for 2024/25 – this will be added when available.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

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

Reviewing and gaining assurance around the control environment and the effectiveness of the Authority's arrangements for securing good governance demonstrates an organisation that is self-aware and complying with the relevant legal requirements.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in the Annual Governance Statement address various identified risks and areas for improvement, some of which are directly referenced in the Corporate Risk register, while others are subsets of identified corporate risks.

5 Background and Options

- 5.1 The Accounts and Audit Regulations (2015) require the Authority to conduct an annual review of the effectiveness of its system of internal control and to produce an annual governance statement each year. The statement is considered and approved by the members of the Authority meeting as a whole; following which, it has to be signed by the Head of Paid Service and the Chair. The statement is included in the Statement of Accounts and relied upon by the external auditor as part of the evidence base for their value for money conclusion.
- 5.2 The Annual Governance Statement (AGS) assesses compliance with and performance against the standards set out in the Authority's Local Code of Corporate Governance (available through the link below in background papers).
- 5.3 The draft AGS is attached at Appendix A.
- 5.4 The AGS is produced through a process which involves a review of arrangements in each department by the relevant Assistant Director, who provides an assurance statement to the Director and the Head of Governance and Corporate Services for use as part of the evidence base in reviewing effectiveness and to assemble an overall statement. Other evidence considered in the process includes internal and external audit reports, external assessments – including the independent governance review in 2024, regular assessment of compliance with the Pensions Regulator's General Code of Practice, performance reporting and an exercise to identify areas where the standards set out in the local code are not being fully met, together with the annual reports of the Audit and Governance Committee and the Local Pension Board.
- 5.5 The Draft AGS will be updated prior to consideration by the Authority, with a summary of the assessment of the control environment from the Annual Report for 2024/25 of the Head of Internal Audit.
- 5.6 The review of the 2024/25 arrangements and progress against last year's action plan as detailed in the Draft AGS show that very good progress has been made over the course of the year. Six of the eight actions are already completed or are close to completion (by the end of June 2025). The two remaining actions, as outlined in the AGS, are significantly progressed but will be carried forward to the 2025/26 action plan to reflect that work will continue in these areas in the forthcoming year.
- 5.7 This year's review and action plan reflects an emphasis on meeting the challenges ahead from changes in the external environment and to ensure robust governance underpins the Authority's plans set out in the 2025 – 2028 Corporate Planning Framework. The areas identified for improvement and the actions to be taken are summarised in the action plan for 2025/26 set out in the final pages of the Draft AGS at Appendix A.
- 5.8 Board members are requested to consider and comment upon the draft Annual Governance Statement, particularly if the Board considers that there are any areas not adequately captured.

6 Implications

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

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| Financial | None directly. Individual actions may require specific resources which will be dealt with through the appropriate decision-making processes as required. |
| Human Resources | Individual actions, particularly in relation to succession plans for planned Director turnover, will require HR input. This will be factored into the relevant work plans. |

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| ICT | None directly. Individual actions will require ICT resources which is factored into relevant work plans. |
| Legal | None directly. |
| Procurement | None directly. The action plan includes further developments to strengthen contract and supplier management as part of the overall procurement arrangements in place. |

George Graham, Director

| Background Papers | |
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| Document | Place of Inspection |
| Local Code of Corporate Governance | Local Code of Corporate Governance (sympensions.org.uk) |