

Audit, Standards and Risk Committee

19 October 2022

Strengthening Corporate Governance

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:
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Executive Summary

This report provides an update on activity to strengthen corporate governance and increase oversight of the effectiveness of arrangements in place to control risk in key governance areas.

What does this mean for businesses, people and places in South Yorkshire?

Continually improving governance enables the Authority to pursue its ambitions and objectives in the most effective and efficient way, bringing about better outcomes for people and businesses in South Yorkshire

Recommendations

The Committee is asked to note and comment on the report.

Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

1. Background

- 1.1 The successful achievement of organisational objectives is reliant on robust governance, risk management and assurance processes. During the development of the target operating model for the integrated organisation an opportunity to strengthen the approach to corporate governance and assurance was recognised. This resulted in the establishment of a Corporate Governance function within the organisational structure.

Further to this, a number of other activities are underway including the implementation of the new Risk Management Framework and the implementation of a Corporate Documentation Management Process. Alongside this, work is in progress to re-procure Internal Audit services for financial year 2022/23 onwards.

- 1.2 In addition, recognising a shift in accountabilities as a result of the integration, Management Board is now in the process of establishing a forum to provide enhanced focus on governance and assurance.

2. Key Issues

2.1 Corporate Assurance Board

The purpose of the Corporate Assurance Board is to provide regular oversight of the effectiveness of arrangements in place to control risk in key governance areas and identify and address areas of concern and needing improvement.

The Board will take place on a quarterly basis in line with already established corporate reporting cycles. This will also allow regular weekly Management Board meetings to retain focus on strategic and operational issues.

Membership of the Board will be at officer level and will comprise the Management Team plus specialists from each of the governance areas as required.

The first meeting of the Board is scheduled for the 8th November. It is proposed that the Committee receive a post meeting briefing on key issues.

2.2 Assurance Mapping

To prepare for the first meeting of the Board, the Corporate Governance team have been working with leads in each of the key governance areas undertaking an assurance mapping exercise adopting a proportionate '3 Lines of Defence' approach. This is providing a structured means of identifying and mapping the main sources of assurance across key governance areas with the aim of providing a clearer picture of sources of assurance and establishing any gaps or overlaps.

This body of evidence will support the continual assessment of the effectiveness of our internal controls or, conversely, highlight that, certain controls are either not being applied correctly, are ineffective or there are gaps that need to be addressed.

This piece of work is particularly valuable following the integration of the MCA and PTE and the establishment of new functions, teams and ways of working. In

addition, gaining a better understanding our sources of assurance, their scope and any gaps will assist in focusing the 2022-23 Internal Audit Plan on riskier areas.

2.3 Key Governance Areas

The activity has **initially** been focussed on the following key areas of governance:

- Accessibility
- Business Continuity
- Estate and Assets
- Financial and Budget Management
- Health and Safety
- Human Resources
- Information Governance
- Information Technology
- Procurement
- Standards
- Transparency

Work has been undertaken to brigade information for each area establishing:

- The relevant legal/regulatory framework and any forthcoming changes that may impact on the organisation/operations
- The organisational policy framework and whether documentation is out of date, actively under review or up to date
- Assurance sources (1st, 2nd, 3rd line – including any scheduled internal or external audit activity) and any gaps or inadequacies
- Any open internal audit actions
- Any relevant governance improvement plan actions and progress against them
- The risk profile
- Any relevant Code of Corporate Governance commitments including evidence of compliance and any actions required
- Any particular activity required to be undertaken in preparation for the formal dissolution of the PTE
- Key metrics that are being measured or should be measured to monitor the effectiveness of controls

It is anticipated that over time the format of the reporting will develop, and dashboards will be established to support ongoing monitoring and oversight.

3. Options Considered and Recommended Proposal

3.1 Option 1 N/A

4. Consultation on Proposal:

4.1 N/A

5. Timetable and Accountability for Implementing this Decision

5.1 N/A

6. Financial and Procurement Implications and Advice

6.1 N/A

7. Legal Implications and Advice

7.1 N/A

8. Human Resources Implications and Advice

8.1 N/A

9. Equality and Diversity Implications and Advice

9.1 N/A

10. Climate Change Implications and Advice

10.1 N/A

11. Information and Communication Technology Implications and Advice

11.1 N/A

12. Communications and Marketing Implications and Advice

12.1 N/A

List of Appendices Included

A None

Background Papers

N/A