



Scottish Public  
Pensions Agency  
Buidheann Peinnseanan  
Poblach na h-Alba

# Management Advisory Board Terms of Reference July 2022

## Purpose:

This document outlines the need for and objectives of the SPPA Management Advisory Board, its role in the governance of the Agency, the role of Board members, frequency and quorum of Board meetings.

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## 1. Background

The functions and responsibilities of the SPPA are set out in the publication '[Scottish Public Pensions Agency Framework Document](#)'. The Scottish Government publication [On Board: A Guide for Members of Management Advisory Boards](#) informs the arrangements at SPPA for its own Management Advisory Board (MAB).

## 2. Role of the Board

The main role of a MAB is set out in broad terms in Guidance Note 3 of the Scottish Government's' "On Board" guidance.

The main role of the Management Advisory Board is to assist the SPPA in the strategic planning and delivery of its functions and to offer advice, scrutiny and constructive challenge to the Chief Executive Officer and Executive Team; assisting SPPA to improve performance, promote good governance, and identify and manage risks.

The Agency also has an Audit and Risk Committee that provides assurance to the Accountable Officer regarding levels of internal control, including corporate governance, risk management and audit matters.

The Chief Executive Officer is solely responsible for operational matters. The MAB supports the Chief Executive Officer and their Executive Team in focusing on the corporate issues around strategy, risk, performance and corporate governance.

Board members are not appointed to hold the Chief Executive or Executive Team to account. Non-Executive Members should be encouraged by the Chief Executive Officer to offer advice and constructive challenge through frank and open discussion.

The Board provides support, advice and constructive challenge in respect of:

- the development of the strategic aims and objectives of the Agency within the policy, planning and resources framework determined by Scottish Ministers;
- changes which are likely to impact on the strategic direction of the Agency or on the attainability of its targets and gaining assurance that Scottish Ministers are kept informed as necessary;
- the development and review of strategic, business and budget plans;
- ensuring all requirements for the use of public funds by the Agency are complied with, taking into account relevant guidance issued by Scottish Ministers;
- the review of Agency financial and performance information;
- the existence of and implementation of suitable management controls;

- maintaining high standards of corporate governance and risk management at all times, including demonstrating openness and transparency in decision making;
- implementation of an independent Audit and Risk Committee (ARC), in accordance with the guidance on Audit Committees in the [Scottish Public Finance Manual](#),
- with the assistance of the ARC, providing assurance on risk management, governance and internal controls;
- systems that are in place to enable early notification to the Scottish Government of emerging issues impacting on the operation or reputation of the Agency;
- promoting the development of efficient, economic and effective use of staff and other resources and commitment to service quality consistent with the principles of Best Value;
- application of employment policies and procedures in compliance with Scottish Government;
- the signing of the statutory accounts of the Agency and of the NHS Scotland and Scottish Teachers' pension schemes by the Chief Executive as Accountable Officer.

The Board, through its level of guardianship and scrutiny, should help in the decision-making process, to ensure that the process and the reasons for decisions are transparent.

### 3. Membership

The MAB shall consist of between four and eight externally appointed members.

The appointment of Members to the MAB will be made by the Chief Executive via an open recruitment process that follows the SG public appointments recruitment guidelines. Appointments will be made on the basis of the Agency's specific business needs and to achieve as diverse a membership and skill set as possible.

Additionally, when recruiting and appointing new members to the MAB, SPPA will ensure compliance with Scottish Government and Agency equality and diversity requirements and commitments. The presiding interview panel will ordinarily comprise the Chief Executive Officer as Chair, an existing MAB member and a senior official, usually the SPPA Governance Manager. At the Chief Executive Officer's discretion, an additional independent panel member, for example a senior official from elsewhere in Scottish Government, may be invited to join.

The standard term of appointment is for a period of four years and the maximum number of full terms should be limited to two. Alternatively, depending on the originally agreed term of appointment, and where this departs from the standard, it is permissible for members to serve for the maximum period of eight years.

The Chief Executive Officer is responsible for all operational aspects of the MAB. Each meeting of the Board will be chaired by a MAB member on a rotational basis.

SPPA senior officials will be invited to attend to present issues for scrutiny and seek the Board's counsel. Chairs of Pension Boards may also be invited to attend meetings as observers at the Chief Executive Officer's discretion.

The Agency is striving to achieve diversity and inclusion across all of its Boards. To support the Agency in its strategic objectives, a broad range of skills, knowledge, backgrounds and experience is required from Board members. By offering different perspectives there is the likelihood of more constructive challenge and more open views on risks and decision-making.

## 4. Roles

The role of the Chief Executive Officer is to:

- lead the Board and ensure that the Board has the ability to carry out its functions effectively;
- lead the Board's approach to the establishment of committees;
- ensure that the Board considers reports issued from established committees;
- ensure that the work of the Board and its committee(s) is subject to annual self-assessment and annual reports;
- ensure that an appraisal of member performance is carried out annually;
- ensure that the MAB has the right mix of skills;
- ensure that the Board maintains and upholds the [SPPA Code of Conduct for Non-Executive Members](#);
- approve the Board meeting agenda.

The role of the (rotational) Meeting Chair is to:

- chair the Board meeting.

The role of all individual Board members is to:

- attend Board meetings on a regular basis in person, or remotely if necessary;
- understand the Agency's operational environment within the wider context of public service delivery;
- provide an external perspective to the work of the Agency;
- commit to keeping up to date with subjects relevant to the Agency's work;
- contribute to the work of committee(s) to which they are appointed;
- contribute to the work of the Board, in relation to the areas identified in its role/remit and predominantly in respect to issues of strategy, performance and resources;

- as far as is practical, support the work of the Agency through ad-hoc advice, working groups and other requests;
- comply at all times with the [SPPA Code of Conduct for Non-Executive Members](#); based upon the key principles outlined [in Model code of conduct for members of devolved public bodies](#);
- take part in the annual appraisal process and contribute to the Board self-assessment and annual report;
- prepare for all Board meetings by reading and engaging with papers.

Secretariat will be provided by the Agency's Corporate Governance Team.

## 5. Meetings

Meetings will take place a minimum of four times a year. Meetings will be at strategically important times of the year for the Agency and will be planned at least a year in advance. During the year, however, it may be determined that more frequent or longer meetings need to be convened to deal with urgent issues arising.

Board members will attend meetings either in person or online, depending on Agency working practices and guidelines.

Where additional or "extraordinary" meetings are arranged on a frequent basis to deal with a specific issue, it would be recommended that the Chair of the MAB should discuss arrangements for establishing a sub-committee to deal with the issue until a full resolution has been achieved. The sub-committee should be disbanded once the matter for which it has been established is resolved.

## 6. Remuneration

Non-Executive Members of the Board are entitled to remuneration. The rate is agreed on appointment in accordance with standard Scottish Government terms. Qualifying travel expenses will also be paid upon submission of valid claims and receipts in accordance with standard terms to all Non-Executive Members of the Board.

## 7. Quorum

A quorum will be achieved by the attendance (online or in person) of:

- four Non-Executive Members
- Chief Executive Officer or delegate.

## 8. Agenda Items

The standing agenda for the MAB is outlined in the Governance Business Calendar and is summarised as follows:

- Register of Interests
- Minutes of previous meeting and review of actions
- Audit and Risk Committee Report
- Finance, Procurement and Risk Report
- Agency Performance Update.

The agenda for the MAB will remain flexible to suit the strategic and operational demands of the Agency and Scottish Government, however the table below provides a basis for the discussions of the Board throughout the year. Non-Executive Members can request items be added to the agenda as necessary to ensure fulfilment of their role.

- Five Year Strategic Plan review
- Framework Document review
- Strategic Risk Register review
- Annual People Survey
- Review of Terms of Reference
- Consideration of Annual Business Plan
- Agency Annual Report and Accounts narrative
- Governance Statement
- Approval of Agency Annual Report and Accounts
- Annual Report from Audit and Risk Committee
- Results of Board Effectiveness Self-Assessment
- Strategic Plan review
- Annual Business Plan and Prioritisation
- Business Plan 6 month review
- Business Plan costings
- Approval of NHS Scotland and Scottish Teachers Scheme Accounts and Annual Report.

The following topics are not routinely on the agenda but will be scheduled for discussion as required:

- Updates or strategic decisions affecting systems relating to the efficient administration of pensions.
- Strategy Update outwith schedule above
- New policy and/or policy update (e.g. whistleblowing, fraud response, etc.)
- Progress reports on major projects
- Pension Scheme valuations progress report.