

SOUTH YORKSHIRE PENSIONS AUTHORITY

AUDIT COMMITTEE

5 MARCH 2020

PRESENT: Councillor J Mounsey
Councillors: A Atkin, S Cox, A Sangar and M Stowe

N Doolan-Hamer (Unison), D Patterson (UNITE) and
G Warwick (GMB)

Officers: S Bradley (Audit Manager), C Hollins (Principal
Auditor), G Graham (Fund Director), S Loach (Head of
Finance, BMBC), M McCarthy (Deputy Clerk), G Richards
(Senior Democratic Services Officer) and G Taberner (Head of
Finance and Corporate Services)

D Peuters (Deloitte)

Apologies for absence were received from Councillor A Law,
N Copley, A Frosdick and R Winter

1 APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS.

None.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS.

None.

5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE MEETING HELD ON 24 OCTOBER 2019

RESOLVED – That the minutes of the Meeting held on 24th October 2019 be agreed as a true record and signed by the Chair.

7 INTERNAL AUDIT PROGRESS REPORT 2019/20

A report was presented which provided a summary of the Internal Audit Activity completed and the key issues arising from it for the period 1st October 2019 to 16th February 2020. The report also provided information regarding the performance of the Internal Audit function during the period.

Members noted that 51.3% of the 2019/20 planned days had been delivered. The majority of work completed in the first two quarters had involved progressing and completing the carry forward reviews from 2018/19 as agreed with management. The 2019/20 plan was profiled more heavily towards the end of the financial year and Internal Audit had allocated its resources accordingly.

Members were informed that audits in respect of Journals and Purchase to Pay had been added to the plan whilst the Automation of Processes had been removed and would be revisited the following year.

The report also detailed the audit reports that had been issued during the period and the audits currently in progress.

Members also noted details of the follow-up of Internal Audit report management actions and were informed there were no concerns in this area.

RESOLVED – That the report be noted.

8 INTERNAL AUDIT PLAN 2020/21

A report was submitted which presented the Committee with the indicative Internal Audit Plan for 2020/21.

The Plan had been drawn up in consultation with the Fund Director, the Senior Management Team and the Treasurer.

Members were informed that the number of planned days in the indicative Plan was 241 compared to 240 in 2019/20. An allowance was made within the Plan to deal with requests for advice and unplanned audit work which arose throughout the year.

The Head of Internal Audit was comfortable that the spread of work across the functions and also across risk, control and governance themes would enable him to give an annual audit opinion.

RESOLVED – That:

- (i) The indicative Internal Audit Plan for 2020/21 is approved in principle whilst acknowledging the need for the Head of Internal Audit, in consultation with the Fund Director and Treasurer, to exercise his professional judgement during the year to apply the Plan flexibly according to priority, risk and resources available.

- (ii) The Audit Committee receive quarterly monitoring reports from the Head of Internal Audit to demonstrate progress against the Plan including information where the Plan has materially varied from the original Plan.

9 INTERNAL AUDIT CHARTER 2018/2020

A report and the Internal Audit Charter 2018-2020 was presented to remind the Committee of the key aspects of the internal audit function.

Members were informed that such a Charter was required by the Public Sector Internal Audit Standards. The key aspects of the Charter were to ensure clarity and understanding about the role and purpose of Internal Audit.

Officers had reviewed the Charter to ensure that it was still fit for purpose, there was a slight change in the details regarding clients.

RESOLVED – That the Committee are satisfied that the Charter meets the requirements of the Public Sector Internal Audit Standards and adequately represents and describes the required function to provide the Committee and senior management with a professional service.

10 EXTERNAL AUDIT PLAN AND FEE LETTER

Deloitte's External Audit Plan 2020 was presented for consideration.

The report detailed the scope of the audit, key developments, significant audit risks and other audit focus areas and also set out the planned timing of the audits.

The significant risks identified included the valuation of direct property, management override of controls and the valuation of pension liabilities.

Members noted that the audit fee for the year ended 31 March 2020 was £31,833 for the Fund and the Authority. It was further noted that, in line with recent PSAA correspondence, scale fees should be negotiated by individual s151 officers. Deloitte's would be looking to discuss with the Authority the current level of fees which they deemed to be too low given the size and complexity of the body.

The Committee recognised that an increase in fees was inevitable, but that any increase should be reasonable.

RESOLVED - That the External Audit Plan be agreed.

11 PROGRESS ON DELIVERING THE 2019/20 AGS ACTION PLAN

The Committee considered a report which provided an update on the delivery of the Action Plan included in the 2018/19 Annual Governance Statement. This was part of the Committee's function to maintain an overview of the processes concerned with the production of the Annual Governance Statement.

Members noted that the Plan was mainly complete or on track with the exception of some slippage on the review of the Agricultural Property portfolio. This would be subject to further discussions with the Investment Panel, and further independent advice would be taken for assurance.

It was intended to take a report to the September meeting of the Authority – a briefing session for Members would be held beforehand.

RESOLVED – That the Committee note the progress on delivering the Action Plan that formed part of the 2018/19 Annual Governance Statement.

12 ANNUAL PROCUREMENT REPORT

A report was submitted which provided an annual update in relation to various procurement issues.

The Authority's Contract Standing Orders require that an Annual report is provided to the Audit Committee setting out details of the contracts awarded in the financial year and details of any associated waivers. The relevant details were provided as an Appendix to the report.

RESOLVED – That the Committee note the Annual Procurement Report.

13 AUDIT COMMITTEE ANNUAL REPORT

A report was considered which sought approval for the Committee's Annual Report on its work as part of providing assurance underlying the preparation of the Annual Governance Statement.

The report detailed the Committee's work during the year and was intended to give the Authority assurance that the Audit Committee had undertaken their role as expected.

RESOLVED – That the Committee approve the Annual Report for 2019/20 for publication subject to updates to reflect the attendance and outcomes of today's meeting being agreed by officers and the Chair.

CHAIR