

SOUTH YORKSHIRE PENSIONS AUTHORITY AUDIT COMMITTEE

3 MARCH 2022

PRESENT: Councillor G Weatherall (Chair)

Councillors: D Fisher, D Nevett and N Wright

Trade Unions: N Doolan-Hamer (Unison) and G Warwick (GMB)

Officers: W Goddard, G Graham (Director), M McCarthy, G Richards, G Taberner (Head of Finance and Corporate Services) and R Winter (Head of Internal Audit, BMBC)

N Wright (Deloitte)

Apologies for absence were received from Councillor S Clement-Jones, Councillor C Rosling-Josephs and D Patterson

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**

RESOLVED – That item 13 ‘Annual Procurement Report’ be considered in the absence of the public and press.

5 **DECLARATIONS OF INTEREST**

None.

6 **MINUTES OF THE MEETING HELD ON 21 OCTOBER 2021**

RESOLVED – That the minutes of the meeting held on 21st October 2021 be agreed as a true record.

7 **INTERNAL AUDIT PROGRESS REPORT 2021/22**

A report was submitted that provided a summary of the Internal Audit activity completed, and the key issues arising from it, for the period 27th September 2021 to 13th February 2022.

Members noted that to date 57% of the planned days had been delivered. As in previous years the 2021/22 Plan was profiled more heavily towards the end of the year.

There had been two Plan changes during the period following consultation with management, with both pieces of work being deferred into 2022-23.:

- Pensions Administration Follow Up – delayed action plan agreement with supplier for new contract.
- Business Continuity Planning – delayed office move.

It was noted that the following reports had been issued during the period with all receiving reasonable or substantial assurance opinions and there were no areas for concern.

- Pensions Administration – Data Quality Improvement Plan.
- Finance – Fund Contributions & Rechargeable Pensions.
- Corporate Services – HR Governance.
- Finance – Staff Payroll.

The report also included details of other Internal Audit work undertaken during the period and a summary of the audits in progress at the time of writing the report.

RESOLVED – That the report be noted.

8 INTERNAL AUDIT PLAN 2022/23

A report was considered which presented the draft Internal Audit Plan for 2022/23.

It was noted that the number of planned days in the indicative Plan for 2022/23 was 277 (including 17 days to complete reviews that commenced in Quarter 4 of 2021/22). This was a slight reduction of 14 planned days from the previous Plan.

The Director, SMT and the Treasurer had been consulted in terms of the approach, risk assessment process and content of the Plan.

The Plan provided a degree of standard audit coverage e.g. the Annual Governance Statement, risk management and DPO audit assurance. It was noted that the core financial systems audit was subject to further discussions.

Following approval of the draft Audit Plan by the Audit Committee, it would be subject to ongoing review throughout the year to ensure that it remained relevant and linked to the Authority's strategic objectives.

Progress against the Plan would be frequently monitored and reported regularly to the Audit Committee. Any amendments to the Plan would be agreed with the Director and Treasurer and reported to the Audit Committee.

RESOLVED – That Members:

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- i) Approve the draft Internal Audit Plan for 2022/23 in principle, whilst acknowledging the need for the Head of Internal Audit, in consultation with the Director and Treasurer, to exercise his professional judgement during the year to apply the Plan flexibly according to priority, risk and resources available.
- ii) Agree to receive quarterly monitoring reports from the Head of Internal Audit, Anti-Fraud and Assurance to demonstrate progress against the Plan including information where the Plan had materially varied from the original Plan.

9 EXTERNAL AUDIT PLAN 2021-22

N Wright presented Deloitte's Planning Report for the 2021/22 audits of South Yorkshire Pensions Authority and South Yorkshire Pension Fund.

Members noted the timetable of the audits contained within the report and that although the deadline had again been moved back to November 2022 it was still planned to sign off the audit in August.

The Committee was informed that the approach to materiality was in line with previous years and any areas of concern would be shared with the Committee.

Significant risks had been identified as:

- Management override of controls – Fund and Authority
- Valuation of directly held commercial property

A number of external factors were considered when deciding on significant audit risks and it was acknowledged that the report had been written before the current situation in the Ukraine had emerged.

A new area of audit focus had been the completeness of transfer following migration of the accounting system to Cloud Financials. G Taberner explained the procurement process and benefits of the transfer to the new system.

RESOLVED – That Members agree the external Audit Plan for the audits of the Authority and Fund for 2021/22.

10 AUDIT COMMITTEE ANNUAL REPORT

A report was considered which sought approval for the Committee's Annual report 2021/22.

The report outlined the Committee's roles and responsibilities, membership and attendance and work programme and was produced to support the process of assurance gathering required to produce the Authority's Annual Governance Statement.

RESOLVED – That Members approve the Annual Report of the Committee for 2021/22 for publication subject to updates to reflect the attendance at and outcomes of this meeting being agreed by officers and the Chair.

11 PROGRESS ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN

A report was considered which provided an update on the delivery of the Action Plan included in the Annual Governance Statement (AGS).

Appendix A to the report set out the actions arising from the last AGS. It was noted that, although progress had been made in all cases, not as much had been made as planned for reasons detailed within the report and therefore a number of tasks would be carried over into the next AGS.

RESOLVED – That Members note the progress being made on delivering the Action Plan that formed part of the 2020/21 Annual Governance Statement.

12 PROGRESS UPDATE ON ACTIONS ARISING FROM AUDIT REVIEWS

The Committee considered a report which provided an update on the actions being taken in response to audit recommendations made by both internal and external audit during the current financial year and in previous financial years.

The appendix to the report showed the status and progress being made on the outstanding actions, as well as the actions that had been agreed with timescales for future completion. There were no areas for concern.

RESOLVED – That Members note the progress being made on implementing the agreed management actions.

Exclusion of the Public and Press

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest not to disclose information outweighs the public interest in disclosing it.

13 ANNUAL PROCUREMENT REPORT

A report was submitted which provided members with an annual update in relation to various procurement issues in line with the requirements of Contract Standing Orders.

Details of contracts awarded were contained in the appendix and the report contained details of the review of Contract Standing Orders, the move to the new host for the Yortender platform and a schedule of training for staff.

RESOLVED – That the report be noted.

CHAIR