

# **SOUTH YORKSHIRE PENSIONS AUTHORITY AUDIT & GOVERNANCE COMMITTEE**

**27 JULY 2023**

PRESENT: Councillor Marnie Havard (Chair)

Councillors: S Clement-Jones, S Cox and D Nevett

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

Officers: G Graham (Director), G Taberner (Assistant Director - Resources and Chief Finance Officer), J Stone (Head of Governance and Monitoring Officer), W Goddard (Head of Finance)  
A Palmer (Team Leader - Governance)

Dina Peuters ( Deloitte)  
Lizzie Ferdani (Deloitte)

R Winter (Head of Internal Audit, Anti-Fraud and Assurance BMBC)  
C Hollins (Principal Auditor BMBC)

Apologies for absence were received from:  
Councillor R Bowser

## 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 2ND MARCH 2023**

The Head of Governance confirmed that the agreed action agenda item 13 from the previous minutes had been completed and the TOR updated accordingly.

**RESOLVED: That the minutes of the meeting held on 2 March 2023 be agreed as a true record.**

7 EXTERNAL AUDITORS - PROGRESS REPORT

D Peuters presented the external audit status report. She confirmed that there were no major concerns. The audit is still ongoing with an expected completion date in September 2023.

Significant audit risks and their current position were highlighted, with no major concerns being raised. Particular focus was given to the valuation of pension liability, and it was noted that at the year end the Authority would have a pension asset.

Members questioned what implications that this has for the Authority. Officers confirmed that after referring to guidance and consulting with external auditors they are comfortable to include this as an asset on the balance sheet with a capped asset ceiling.

External Audit focus areas were also summarised and no major concerns have been raised as a result of the audit in these areas.

**RESOLVED: Members received and noted the report.**

8 STATEMENT OF ACCOUNTS

The Head of Finance presented the Statement of Accounts for 2022/23 and confirmed that the statutory deadline for publication had been met. It was also reported that no material changes to the current draft were anticipated.

**RESLOVED:**

**a) Members noted the Statement of Accounts 2022/23**

**b) Members authorised the Chair of the Audit & Governance Committee to sign the final, audited Statement of Accounts on behalf of the Authority if there are no substantive changes required following completion of the audit.**

9 INTERNAL AUDIT ANNUAL REPORT 2022/23

The Head of Internal Audit presented the 2022/23 Internal Audit annual report and confirmed a positive assurance opinion for the period. They highlighted that all pieces of work carried out during the year had received a substantial or reasonable assurance opinion.

They also added that an additional piece of work had been completed since the report was produced. This was the actuarial transition and received a positive assurance.

Members welcomed the positive assurance and queried if there were any negative outcomes from the reviews. They also commented that report showed the variances in

the original audit plan and changes to the number of days allocated in particular areas. They questioned if Covid had any impact on the days allocated.

It was explained that the general outcomes were more around looking at improvements rather than significant negative findings. It is also important to focus and challenge to ensure areas are not over managed with excessive layers of bureaucracy. The agreed actions resulting from audits are monitored and where dates have been extended Internal Audit are assured that these have been done so on a reasonable basis.

The Head of Internal Audit also set out how the annual plan was agreed and explained that this was an indicative schedule agreed with management at the start of each year. Any necessary changes to the plan are agreed with management throughout the year, these could be due to things like to staff resourcing, additional information being requested etc. but charges are only made for actual days delivered. The overall view is that the pandemic has not materially affected the planning and scheduling of the various audits and any impact has been neutral.

10 INTERNAL AUDIT CHARTER 2022 TO 2025

The Head of Internal Audit presented the Internal Audit Charter and confirmed that there had been no changes to this since the last review.

**RESOLVED: Members considered and approved the Internal Audit Charter**

11 INTERNAL AUDIT PROGRESS REPORT 2023/24 Q1

The Principal Auditor presented the report providing a summary of the Internal Audit activity completed, and the key issues arising from it for the period. They drew members attention to the KPI relating to staff sickness highlighting two instances, one long term and one short, and confirmed that these had had no impact on the delivery of the audit plan.

Members questioned if Audit staff were office based or homeworking. It was confirmed that a hybrid system was in place with three days in the office and two days working from home.

A discussion took place about the benefits of face-to-face audits compared to Teams meetings and all agreed that in person was a better approach. The Principal Auditor confirmed that the majority of SYPA audits take place at the Oakwell House Offices.

**RESOLVED: Members considered and accepted the report.**

12 AUDIT AND GOVERNANCE COMMITTEE EFFECTIVENESS REVIEW

The Head of Governance presented the Audit and Governance Committee Effectiveness Review for 2022/23. They confirmed that this was the first effectiveness review to be conducted and will be scheduled into future workplans.

**RESOLVED: Members received and agreed the report and the recommended actions.**

13 PROGRESS ON AGREED MANAGEMENT ACTIONS REPORT

The Head of Governance presented the report to update Members on the Management Actions agreed with Internal Audit.

In considering the report, members raised concerns around certain actions that had been on the plan for an extended period without full resolution.

The Assistant Director - Resources responded and agreed that whilst some actions were taking time to fully resolve they reminded members of the Head of Internal Audit's previous comments confirming that any revisions to target completion dates were reviewed and considered reasonable. It was also noted that although the overall action may not have been completed and signed off, work has taken place over the last 18 months to progress individual actions within the area. The newly established Governance Team will provide the resource to focus on these particular areas to fully resolve in reasonable timescales.

The Head of Internal Audit also supported the need to have realistic timescales to ensure that the action plan is achievable.

Members commented that they were assured that these areas were being managed and progressed and recognised that actions had the potential to develop into bigger pieces of work, resulting in extended deadlines.

Members also questioned the implications of the lack of an accurate record of property holdings within the Authority's Portfolio for the verification of assets. They asked if the deadline of December 2023 was achievable, given the backlog that the Land Registry are currently having to manage.

The Service Manager Finance explained that this item potentially could have been completed however was left as in progress to ensure a focus on the final detail required. External Audit have also reviewed this area without any major concerns which supports officers' confidence in the records held. The Director also highlighted the detailed due diligence asset verification process currently taking place as a requirement of Project Chip which furthers strengthens assurance in this area.

**RESOLVED: Members noted the progress being made on implementing agreed management actions and sought further clarification from Officers.**

CHAIR