

SOUTH YORKSHIRE PENSIONS AUTHORITY AUDIT AND GOVERNANCE COMMITTEE

14 DECEMBER 2023

PRESENT: Councillor M Havard (Chair)

Councillors: S Clement-Jones (Sheffield City Council), S Cox (Sheffield City Council) and D Nevett (City of Doncaster Council), Cllr

Trade Unions: N Doolan-Hamer (Unison), R Bedford (UNITE), G Warwick (GMB)

Officers: G Graham (Director), G Taberner (Assistant Director Resources), W Goddard (Head of Finance).

R Lee (External Audit Partner KPMG)

R Winter (Internal Audit BMBC) S Bradley (Internal Audit BMBC) C Hollins (Internal Audit BMBC)

No apologies for absence were received

1 WELCOME, INTRODUCTIONS AND APOLOGIES

The Chair welcomed Richard Bedford (UNITE) as a new member.

2 ANNOUNCEMENTS

The Director informed members that this would be Rob Winter's last attendance at the Audit and Governance Committee as he is due to retire. He expressed great thanks to Rob acting in his role as both Head of Internal Audit and Data Protection Officer.

Members also expressed their thanks for his support and advice over the years.

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 21 SEPTEMBER 2023

RESOLVED: That the minutes of the meeting held on 21 September 2023 be agreed as a true record.

7 INTRODUCTION TO KPMG

The Chair welcomed Richard Lee (Director at KPMG) to the meeting who gave an overview of the process that will take place due to the appointment of KPMG as the Authority's external auditor. He gave a background to the initial groundwork carried out to date and explained to member the KPMG team structure, highlighted their experience in Local Government and Local Government Pension schemes.

Assurance was given that the transition process would not cause any delays in the audit schedule, with the planning and risk assessment work expected to be completed by the end of the financial year. KPMG are working closely with Deloitte to ensure a smooth transition.

Members questioned if there was anyone in the team that had previous experience of the SYPA scheme and also what transitional risks, if any, had been identified. Richard confirmed that this was the case and detailed the experience within the team of this scheme. He explained that the risk assessment phase was currently in progress but in terms of the transition the key risk is around ensuring timescales are met.

An outline plan will be submitted to the next Audit and Governance Committee and further assurance was given in terms of close liaison with internal and external auditors.

RESOLVED: Members thanked R Lee for the introduction and noted the areas covered.

8 2023/24 QUARTER 3 INTERNAL AUDIT PROGRESS REPORT

C Hollins delivered the report on Internal Audit Progress 2023/24 Quarter 3.

She confirmed at the time of the report 49% of the total plan days had been delivered. The majority of quarter 3 reviews have commenced, and quarter 4 reviews will be agreed with SMT early January.

Members were assured that internal audit have no concerns around the agreed management actions process and that regular updates are provided. Particular attention was drawn to the quarterly performance indicators and sickness percentages and it was stressed that this had not impacted negatively on the delivery of the SYPA plan.

RESOLVED: Members received and noted the report.

9 INTERNAL AUDIT TRANSFORMATION - PRESENTATION

S Bradley delivered a presentation to update members on the review of the current service and explain the new structure and changes to be put in place. She explained that the terminology of internal audit and anti-fraud will be replaced by the terminology of a Corporate Assurance Team.

Members were advised that one of the key changes will be a greater focus on strategic objectives and risks, but still with an opportunity to review operational areas if issues are highlighted as part of the strategic reviews.

Members questioned if there should be any concern that previous reviews hadn't been carried out correctly. S Bradley explained that the reviews have been completed in line with the strategy but there has traditionally been a focus on discreet functional areas whereas the new approach will see a shift towards a more overarching review from a risk and governance perspective.

Members also commented on the reduction in staff and questioned the future capacity of the team. It was confirmed that there would be no reduction in the service provided to SYPA and much of the resourcing issues linked to other external bodies.

RESOLVED: Members received and noted the presentation.

10 LOCAL CODE OF CORPORATE GOVERNANCE

The Assistant Director – Resources presented the updated Local Code of Corporate Governance for members to review.

It was explained to members the update stemmed from an action agreed following the review of the Annual Governance Statement and that the Local Code sets out the arrangements and evidence to show how we evidence the seven principles set out in the Good Governance Framework.

Members were asked to note that once approved the code will form the basis of what compliance is assessed against when the next Annual Governance Statement is carried out.

RESOLVED: Members approved the updated Local Code of Corporate Governance for publication.

11 ANNUAL REVIEW OF RISK MANAGEMENT FRAMEWORK 2023/24

The Assistant Director – Resources presented the updated Risk Management Framework. The Framework has undergone a robust review this year to capture the next levels of assurance at operational level.

Members were asked to note the additional measures that have been put in place to enhance and strengthen the risk management process including external training for SMT and Middle Managers, risk workshops to review in more detail the current strategic risks and the revised format of the risk register.

RESOLVED:

- a. Members noted the contents of this report
- b. Members approved the updated Risk Management Framework for publication

12 PROGRESS ON AGREED MANAGEMENT ACTIONS

The Team Leader - Governance presented the progress on agreed management actions report.

Particular attention was drawn to actions that had target dates extended and also new actions that have been added in relation to the review of procurement processes. Members were asked to note that a number of the new actions were already close to completion and these will be captured in the next report.

RESOLVED: Members received the report and noted the progress being made on implementing agreed management actions.

Chair