



Audit Committee  
Annual Report  
2022/23  
March 2023

## **Foreword**

I am pleased to present the annual report of the Authority's Audit Committee covering the Committee's activity during the 2022/23 financial year. Reporting on the Committee's work in this way contributes to the process of assurance gathering which is used to produce the Authority's Annual Governance Statement and demonstrates the robustness of the overall governance arrangements that are in place.

Councillor Garry Weatherall

Chair

Audit Committee – South Yorkshire Pensions Authority

## **1. Introduction**

This report is produced in order to provide stakeholders with information on the work of the Committee over the 2022/23 Municipal Year and to support the process of assurance gathering required in order to produce the Authority's Annual Governance Statement.

It outlines the Committee's:

- Role and responsibilities.
- Membership and attendance; and
- Work programme.

## **2. Committee Information**

### ***Audit Committee Role and Responsibilities***

The Committee's terms of reference are set out in the Authority's constitution and are as follows:

To fulfil the following core audit committee functions:

- a) Consider the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- b) Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
- c) Be satisfied that the Authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
- d) Approve (but not direct) internal audit's Charter and annual plan.
- e) Monitor performance against internal audit's Charter and annual plan.
- f) Review summary internal audit reports and the main issues arising and seek assurance that action had been taken where necessary.
- g) Receive the annual report of the Head of Internal Audit.
- h) Consider the annual reports of external audit and inspection agencies.
- i) Ensure that there are effective relationships between internal audit and external audit, inspection agencies and other relevant bodies, and that the value of the process is actively promoted.
- j) Review financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- k) To oversee the production of and approve the Authority's Annual Governance Statement.
- l) To review and approve the annual Statement of Accounts and the Authority's Annual Report, focusing on:
  - i. The suitability of, and any changes in accounting policies.
  - ii. Major judgemental issues e.g. provisions.
- m) To receive and agree the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focusing on significant adjustments and material weaknesses in internal control reported by the external auditor.
- n) Monitor the Authority's risk register and annual governance action plan, reporting issues of concern to the full Authority.

## **Membership**

The Committee's membership at the end of March 2023 was:

Councillor Garry Weatherall (Chair)

Councillor Roy Bowser

Councillor Simon Clement-Jones

Councillor Steve Cox

Councillor Marnie Havard

Councillor David Nevett

In addition, the three observers nominated to the Authority by the recognised trade unions are entitled to attend and participate in meetings of the Committee. During the year these representatives were:

Nicola Doolan-Hamer (Unison)

Doug Patterson (Unite)

Garry Warwick (GMB)

## **Committee Meetings and Attendance**

The Committee held three meetings during the municipal year (July 2022, October 2022 and March 2023). The business conducted reflected the terms of reference and the pattern of work of the Authority's Internal and External Auditors. The schedule of Members' and Officers' attendance is attached as Appendix A.

Councillor Garry Weatherall was appointed by the Authority to Chair the Committee.

Good practice guidance suggests that the Chief Financial Officer should attend regularly, and that the Monitoring Officer and other senior officers should contribute as appropriate. The actual attendance recorded demonstrates that this was achieved.

Members of the Committee undertook a training session on the role of an Audit Committee member provided by CIPFA during February 2023 in support of their ongoing development and ongoing work to review and further develop the Committee's role.

## **3. Committee Work Programme and Outcomes**

The Committee maintains a broad programme of work for its main areas of activity. The reports received during 2022/23 are shown in *Appendix B*; the outcomes of the Committee's work in relation to these are summarised below. The "boxed" bullet points in *italics* are the core functions from the CIPFA guidance; the details below each box identify how the Committee has achieved its responsibilities.

### **Risk Management and Internal Control**

- *Considering the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements.*
- *Seeking assurances that action is being taken on risk-related issues identified by auditors and inspectors.*
- *Being satisfied that the Authority's assurance statements, including the Annual Governance Statement properly reflect the risk environment and any actions required to improve it.*

The Committee has:

- Completed the Annual Review of the Authority's Risk Management Framework in October 2022; no significant revisions were implemented.
- Received regular progress reports from the Head of Internal Audit on internal control matters.
- Received regular reports on progress against audit recommendations.
- Considered the results of the review of internal control and internal audit for 2021/22.

### **Internal Audit and External Audit**

- *Approving (but not directing) Internal Audit's strategy and plan, and monitoring performance.*
- *Reviewing summary Internal Audit reports and the main issues arising and seeking assurance that action has been taken where necessary.*
- *Receiving the annual report of the head of Internal Audit.*
- *Considering the reports of external audit and inspection agencies.*
- *Ensuring that there are effective relationships between Internal Audit and external audit, inspection agencies and other relevant bodies, and that the value of the process is actively promoted.*

In relation to Internal Audit, the Committee has:

- Agreed the Internal Audit Strategy and Annual Plan for 2022/23
- Received and considered the Head of Internal Audit's Annual Report for 2022/23, including the opinion on the Authority's internal control arrangements.
- Received and considered regular reports from the Head of Internal Audit on the Internal Audit Team's progress against the annual plan, including summaries of the reports issued and management's response.

The schedule of Internal Audit Review Results 2022/23 at Appendix C summarises the outcomes of Internal Audit Activity during the year.

In relation to External Audit, the Committee has:

- Received reports from Deloitte on their Audit Plans for the Authority and their Annual Report which was recommended to the Full Authority for consideration.
- Received regular progress reports from Deloitte
- Approved Deloitte's fee for the financial year 2022/23.

## **Statement of Accounts**

- *Reviewing the financial statements, the external auditor's opinion and reports to members, and monitoring management action in response to the issues raised by external audit.*
- *Overseeing the production of, and approving, the Authority's Annual Governance Statement.*
- *Overseeing the production of, and approving, the Authority's Annual Statement of Accounts, focussing on:*
  - *Suitability of, and any changes in, accounting policies;*
  - *Major judgemental issues e.g. provisions.*
- *Receiving and agreeing the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focussing on significant adjustments and material weaknesses in internal control reported by the external auditor.*

The Committee has:

- Overseen the production of, and approved the Authority's Annual Governance Statement 2021/22;
- Reviewed and approved the Authority's Statement of Accounts and Annual Report and letter of representation for 2021/22;
- Received and approved Deloitte's Report on the 2021/22 Audit, and their Annual Report 2021/22 which includes their findings and conclusion on the Authority's Value for Money arrangements. No recommendations were made in either report.

## **Working Arrangements**

Members considered and agreed the Committee's Annual Report for 2021/22 which was then published on the Authority's website.

As part of considering the Annual Report, members considered the extent to which its arrangements remained robust.

## **Appendix A**

### **Member and Officer Attendance at Audit Committee Meetings 2022/23**

<b>Member/Officer</b>	<b>28 July 2022</b>	<b>20 October 2022</b>	<b>02 March 2023</b>
Councillor Garry Weatherall	✓	Note 1	
Councillor Roy Bowser	Note 1	✓	
Councillor Simon Clement-Jones	✓	✓	
Councillor Steve Cox	✓	Note 1	
Councillor David Nevett	✓	Note 2	
Councillor Marnie Havard	✓	✓	
Nicola Doolan-Hamer	✓	✓	
Doug Patterson	✓	Note 1	
Garry Warwick	✓	✓	
Director – George Graham	✓	✓	
Assistant Director - Resources (Deputy Treasurer) Gillian Taberner	✓	✓	
Head of Governance (Monitoring Officer from 01/01/2023) – Jo Stone	✓	✓	
Financial Services Manager – Will Goddard	✓	✓	
Treasurer (s73 Officer) Neil Copley, Barnsley MBC	Note 1	Note 1	
Monitoring Officer to 31/12/2022 Jason Field, Barnsley MBC	Note 1	Note 1	N/a
External Audit (Deloitte)	✓	✓	
Internal Audit (Barnsley MBC)	✓	✓	

### **Notes**

1. Apologies
2. Acted as Chair for the meeting

## **Appendix B**

### **Committee Activity**

<b>Function/Issue</b>	<b>28 July 2022</b>	<b>20 October 2022</b>	<b>02 March 2023</b>
<b>Risk Management</b>			
Annual Review of the Risk Management Framework		Noted	
<b>Governance and Internal Control</b>			
Data Protection Officer's Annual Report			
Annual Review of the Governance Compliance Statement		Approved	
Progress on delivering the 2021/22 Annual Governance Statement Action Plan			
Progress on Implementation of Audit Recommendations	Noted	Noted	
Annual Procurement Report			
<b>Internal Audit</b>			
Progress Report	Noted	Noted	
External Quality Assessment			
Annual Report 2021/22	Noted		
Internal Audit Charter	Noted		
Internal Audit Plan 2023/24			
<b>External Audit</b>			
Auditor Appointment Process		Noted	
Status Report on the 2021/22 Audit	Noted		
Final Report on the 2021/22 Audit		Noted	
Annual Audit Report 2021/22	Noted and recommended to the Authority		
External Audit Plan 2022/23			
<b>Statement of Accounts</b>			
Audited Annual Report and Statement of Accounts 2021/22	Approved		
Letter of Representation	Approved		
<b>Committee Working Arrangements</b>			
Audit Committee Annual Report 2022/23			

(The term "Noted" is used to include resolutions to note and to receive reports).



## **Appendix C**

### ***Results of Internal Audit Reviews 2022/23***

<b>Review Topic</b>	<b>Assurance Level</b>	<b>Number and Priority of Findings</b>
Pensions Administration Online Retirement Tool C/fwd from 2021/22	Substantial	3 Low Priority
Finance Financial Management System Post Implementation Review C/fwd from 2021/22	Reasonable	1 Medium Priority
Finance Pensions Payroll C/fwd from 2021/22	Substantial	1 Medium Priority
Finance Transfer Values	Substantial	None
Finance Verification of Assets	Reasonable	1 Medium Priority
Finance Treasury Management	Reasonable	1 Medium Priority, 1 Low Priority
Finance Budget Management / Monitoring	Reasonable	3 Medium Priority
Authority Wide Risk Management	Reasonable	1 Medium Priority, 2 Low Priority
Pensions Administration Annual Benefits Statement Process	Reasonable	1 Medium Priority, 1 Low Priority