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## SOUTH YORKSHIRE PENSIONS AUTHORITY AUDIT AND GOVERNANCE COMMITTEE

11 JULY 2024

PRESENT: Councillor Donna Sutton (Chair)

Councillors: James Church, David Fisher, David Nevett and Neil Wright

Trade Unions: Nicola Doolan-Hamer (Unison) and Garry Warwick (GMB)

Officers: Gillian Taberner (Assistant Director - Resources), Jo Stone (Head of Governance and Corporate Services), William Goddard (Head of Finance and Performance), Annie Palmer (Team Leader - Governance) and Gina Mulderrig (Governance Officer)

Richard Lee (KPMG) and Sharon Bradley (Head of Corporate Assurance, BMBC)

Apologies for absence were received from Councillor Simon Clement-Jones and Phil Boyes (Unite)

1 APOLOGIES

Apologies 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 7 MARCH 2024

**RESOLVED: That the minutes of the meeting held on 7 March 2024 be agreed as a true record.**

7 HEAD OF INTERNAL AUDIT'S ANNUAL REPORT 2023/24

## **SYPA Audit and Governance Committee: Thursday, 11 July 2024**

The Head of Corporate Assurance presented the report on the Corporate Assurance Team's completed assignments relating to the 2023/24 internal audit plan, agreed management actions and the Head of Corporate Assurance's (in her role as Head of Internal Audit for the Authority) assurance opinion based on the work undertaken.

The Head of Corporate Assurance praised SYPA's positive engagement with the audit plan and stated that there were no areas of high concern for immediate action.

Members questioned the number of revised deadline dates for certain management actions and asked whether this was of concern.

The Head of Corporate Assurance explained that any revisions of deadlines were valid and been fully explained and that interim controls were put in place where deadlines had had to be extended. The Assistant Director – Resources added that some of these revisions were as a result of actions from audits undertaken in previous years evolving and growing without being closed appropriately. Officers are now taking an approach that ensures actions agreed are kept more specific and with a realistic timeline that is managed proactively.

The Committee Chair asked how an overall opinion of Substantial Assurance could be achieved and it was explained that this level of assurance rating was very rare. The Head of Corporate Assurance went on to say that the achieved opinion of Reasonable Assurance is positive and what is expected in this type of organisation.

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

### 8 2024/25 QUARTER 1 INTERNAL AUDIT PROGRESS REPORT

The Head of Corporate Assurance presented the report giving a summary of the internal audit activity completed and the key issues arising from it for the period 1 April 2024 to 9 June 2024. The report also provided information regarding the performance of the Corporate Assurance Team during that period.

Members questioned the lack of contingency days listed in the plan days delivered position as at 9 June 2024 where there had been contingency days listed in the 2023-24 plan.

The Head of Corporate Assurance confirmed that the entry in the table did need to be altered to include contingency days and this would be updated accordingly.

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

### 9 EXTERNAL AUDITORS - PENSION FUND AUDIT PLAN - AUDIT OF YEAR ENDING 31 MARCH 2024

Richard Lee, the external auditor from KPMG, presented the report providing members of the Audit & Governance Committee with the external audit plan for the South Yorkshire Pensions Fund audit, for the audit of year ending 31 March 2024. The external auditor drew particular attention to the materiality levels explained in the plan report and to the explanation of the risk assessment and significant risks and other

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audit risks identified that inform the audit work planned. It was reported that KPMG were on target with the published timetable.

Members referenced the planned timeline noting the approval and finalisation of the accounts was scheduled for September 2024 and questioned whether this was too early and might lead to the accounts needing to be restated as occurred with the year ending 31 March 2023 accounts.

The Head of Finance and Performance explained the reasons for the prior year restatement of the 2023 accounts related to a change in the methodology agreed as most appropriate between actuary and audit firms that had only been confirmed in March 2024 and was therefore unrelated to the timing of when the 2023 accounts were approved. The external auditor confirmed that KPMG were working to the scheduled deadline of September 2024 for the Fund accounts and did not anticipate any issues that would put pressure on that deadline

The Committee asked for clarity on the meaning of audit risk 6 which stated Cash balances are not completely identified, accurately recorded or do not exist. The external auditor explained that this wording states what the risk is rather than making a statement of fact and that the details set out the work that will be carried out by the audit team to confirm the completeness, accuracy and existence of the cash balances.

It was also asked how KPMG would be selecting admitted bodies for re-performance checks on their employer and employee contributions and it was confirmed that samples would be selected using audit software tools.

**RESOLVED: Members reviewed and noted the external audit plan for the audit of the Pension Fund at Appendix A.**

### 10 EXTERNAL AUDITORS - PROGRESS UPDATE - AUDIT OF YEAR ENDING 31 MARCH 2024

Richard Lee, the external auditor from KPMG, gave a verbal progress update of work undertaken by the external auditors relating to South Yorkshire Pensions Authority to the year ending 31 March 2024. It was explained that the risk assessment and audit plan report regarding value for money had not been ready for publication on this agenda but that the majority of relevant information had now been collected and processed. The external auditor assured members that no areas of significant risk had been identified and that KPMG are on track with their audit plan for the Authority.

**RESOLVED: Members noted the verbal update.**

### 11 DRAFT STATEMENT OF ACCOUNTS 2023/24

The Head of Finance and Performance presented the draft Statement of Accounts 2023/24 to the Committee for review. It was confirmed that the Authority had met the deadline for publication of the draft accounts on 31 May 2024 in accordance with regulations 14 and 15 of Regulation 9 (2) of the Accounts and Audit Regulations 2015.

The Committee noted that many of the projects in the table of priorities relating to the SYPA Corporate Strategy had similar start dates and queried whether officers had

considered staggering their commencement dates to allow more focus on individual projects and actions.

The Assistant Director – Resources explained that the development of the priorities table came from a review of the Corporate Strategy meaning many projects and actions were ongoing when added to the table and that focus was placed on the finish date rather than the start date. It was explained that the next review of the Corporate Strategy would result in increased focus on setting carefully managed and realistic timescales for the objectives and plans.

**RESOLVED: Members noted the draft Statement of Accounts 2023/24 attached at Appendix A in the report, subject to audit currently in progress.**

12 PROGRESS ON AGREED MANAGEMENT ACTIONS

The Team Leader - Governance presented the report to update Members on the actions being taken in response to the audit review findings during the current financial year and in previous financial years.

It was explained that the Budget Management and Monitoring - Documented Procedures and Training actions were mostly completed but that the Head of Finance and Performance extended the target completion date because further tasks had been added to the project to ensure the robustness of the procedures. The Information Governance/Documentation Retention Policy actions had also had a target date extension due to the need for further development. It was explained that significant progress had been made as demonstrated by the completed projects in the appendix of the report.

Members asked about the HR Appraisals Process marked completed in June 2024, enquiring if there had been any feedback on the appraisal process.

The Assistant Director – Resources explained that the audit review on the Appraisals Process had been shared with Leadership Team and line managers and feedback on the process itself had been positive. The review identified the need to improve record keeping and this had now been developed as recorded in the progress update and communicated to the relevant officers.

**RESOLVED: Members noted the progress being made on implementing agreed management actions.**

CHAIR