



Auditor's Annual Report for South Yorkshire Pensions Authority

Year-ended 31 March 2024

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20 November 2024

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This report is addressed to South Yorkshire Pensions Authority (the 'Authority'). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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01

Executive Summary

Executive Summary



Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2023-24 audit of South Yorkshire Pensions Authority (the ‘Authority’). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Authority alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:



Accounts - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Authority and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting (‘the Code’).



Narrative report - We assess whether the narrative report is consistent with our knowledge of the Authority.



Value for money - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Authority’s use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.



Other powers - We may exercise other powers we have under Local Audit and Accountability Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Accounts	<p>We issued an unqualified opinion on the Authority accounts on 20 November 2024. This means that we believe the accounts give a true and fair view of the financial performance and position of the Authority.</p> <p>We have provided further details of the key risks we identified and our response on page 8.</p>
Narrative report	<p>We did not identify any significant inconsistencies between the content of the narrative report and our knowledge of the Authority</p>
Value for money	<p>We are required to give an opinion as to whether the Authority has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources.</p> <p>Our opinion is that the Authority does have appropriate arrangements in place. We identified no significant weaknesses in respect of arrangements to secure economy, efficiency, and effectiveness in the use of resources. Further details are set out on page 10.</p>
Other powers	<p>See overleaf.</p>

Executive Summary



There are several actions we can take as part of our wider powers under the Local Audit and Accountability Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Authority is required to consider it and to bring it to the attention of the public.

We have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Authority is taking. We may also apply to the courts for a declaration that an item of expenditure the Authority has incurred is unlawful.

We have not applied to the courts this year.

Recommendations

We can make recommendations to the Authority. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Authority must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Authority does not need to take any action, however should the Authority provide us with a response, we will include it within this report.

We made no recommendations under Schedule 7 of the Local Audit and Accountability Act.

We have not raised any other recommendations under the Local Audit and Accountability Act.

Advisory notice

We may issue an advisory notice if we believe that the Authority has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Authority is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

We have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Authority. Where we raise observations we report these to management and the Audit and Governance Committee. The Authority is not required to take any action to these, however it is good practice to do so and we have included any responses that the Authority has given us.

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Audit of the financial statements

Audit of the financial statements



KPMG provides an independent opinion on whether the Authority's financial statements:

- Give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We conduct our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We also fulfil our ethical responsibilities under, and ensure we are independent of the Authority in accordance with, UK ethical requirements including the FRC Ethical Standard. We are required to ensure that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Our audit opinion on the financial statements

We have issued an unqualified opinion on the Authority financial statements on 20 November 2024.

The full audit report is included in the Authority's Annual Report and Accounts for 2023/24 which can be obtained from the Authority's website.

Further information on our audit of the financial statements is set out overleaf.

Audit of the financial statements



The table below summarises the key financial statement audit risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
<p>Management override of controls</p> <p>Professional standards require us to communicate the fraud risk from management override of controls as significant. Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>We evaluated the selection and application of accounting policies.</p> <p>In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.</p> <p>Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.</p> <p>We analysed all journals through the year and focussed our testing on those with a higher risk, such as journals posted by high risk users or unusual postings to the cash accounts.</p>	<p>We identified seven journal entries and other adjustments meeting our high-risk criteria – our examination did not identify unauthorised, unsupported or inappropriate entries.</p> <p>Our procedures did not identify any significant unusual transactions.</p> <p>Journal controls are now subject to enhanced scrutiny by auditors and must comply with a series of prescriptive criteria in order to be considered effective. We have determined that the SYPA control does not meet these criteria. We recommend management fully document the journals review process.</p>
<p>Valuation of post retirement defined benefit obligations (DBO)</p> <p>The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority’s pension liability could have a significant effect on the financial position of the Authority</p>	<p>We obtained an understanding of the pensions process for setting and approving the assumptions used in the DBO valuation.</p> <p>Evaluated the competency, objectivity of the Fund actuaries and confirmed their qualifications and the basis for their calculations.</p> <p>Performed inquiries of the Fund actuaries to assess the methodology and key assumptions used.</p> <p>Challenged, with the support of KPMG pensions actuarial specialists, the key assumptions applied, the discount rate, inflation rate and mortality/life expectancy against externally derived data.</p> <p>Vouched data provided by the audited entity to the Fund Administrator for use within the DBO accounting estimate calculation.</p>	<p>This funded scheme currently has a net surplus of £6.049 million. We have assessed the accounting treatment of the surplus for the scheme and noticed that the Authority has restated their position at PY to allow for the updated asset ceiling methodology agreed for the current year-end. This is in line with our expectation and we are satisfied that the accounting treatment is correct.</p> <p>Management reviews the assumptions and methodologies used in the calculation of the IAS 19 report. However, we identified that there is no criteria or threshold developed for investigation/identification of outliers for pension assumptions. Therefore, it does not allow for an objective criteria to perform their review on and therefore the control is ineffective. We recommend that management engages a third party independent expert to review and analyse the assumptions made by the actuaries.</p> <p>Based on our actuaries’ review, the overall assumptions adopted by SYPA are considered to be balanced, and within acceptable range.</p>

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Value for Money

Value for Money



Introduction

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Authority for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:



Financial sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services.



Governance: How the Authority ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We make performance improvement observations where we identify opportunities to improve in areas where we have not identified any weaknesses.

Summary of findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	11	13	17
Identified risks of significant weakness?	No	No	No
Actual significant weakness identified?	No	No	No
2022-23 Findings (work performed by Deloitte LLP)	No significant weakness identified.	No significant weakness identified.	No significant weakness identified.

Financial Sustainability



How the Authority plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Authority plans to bridge its funding gaps and identifies achievable savings;
- How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Authority ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Financial Planning

- Under the National Framework and CIPFA Code of Practice, South Yorkshire Pension Authority (the Authority) must produce an annual medium term financial strategy (MTFS) covering at least 3 years, aligned to the Corporate Strategy (CS). The MTFS sets out the framework for understanding the strategic, service and financial challenges the Authority faces. It is a key part of the Authority's Budget and Policy Framework, intended to ensure that financial resources are aligned towards the delivery of the Authority's future objectives and priorities, and ensuring its medium and longer term financial sustainability. We have evidenced that the MTFS for 2023-2026 was presented to the relevant committees for review and approval in a timely manner, with appropriate challenge and scrutiny being applied around assumptions on pay settlements and loss of external income.
- Finance meet regularly to monitor overall spend against agreed budget through the regular budget monitoring process. As part of these meetings, discussions in relation to required spend for the following year's budget will be incorporated, to inform the budget setting process. Budgets are then planned by taking account of the previous year's spend, financial pressures identified throughout the current year and inflation rates. Once this initial planning process was finalised, these figures were collated into a final MTFS which was reviewed by the Assistant Director for Resources and presented to the Authority.
- The MTFS is used as a base for the annual budget and was then refined up until February when it is approved by the Authority. All movements between the MTFS and the annual budget are scrutinised by SMT before being approved. The annual budget for 2024-25 was approved by the Authority on 8th February 2024.
- Key assumptions used to produce the MTFS and annual budgets are clearly included within the respective papers that are presented and discussed at the Authority meetings in November and February, allowing for challenge and scrutiny of these key budget assumptions - such as assumed pay awards and inflation.
- Risks in achieving the planned outturn are clearly communicated within the MTFS and annual budget setting process to ensure decision makers have the appropriate information to challenge and approve the plans. These risks to achieving the financial plan are also communicated to the Authority through the quarterly financial performance reports presented.

Assessing Risks to Financial Sustainability

- Through our review of the 2024-25 annual budget and revised MTFS for 2024-2027, we noted that the Authority is forecasting a balanced position in all periods. This because the Authority will recharge an amount to South Yorkshire Pension Fund (the 'Fund') to cover its in year expenditure less a contribution from/to reserves and a levy on the district councils. We have noted that the charge to the Fund is expected to increase each year due to inflation and changes in staff costs.

Financial Sustainability



How the Authority plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Authority plans to bridge its funding gaps and identifies achievable savings;
- How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Authority ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

- The forecasted change in financial position over the coming years results in useable reserves decreasing from a forecasted position of £137,540 at 31st March 2024 to £109,540 by 31st March 2025. This will however increase by 31st March 2027 to £389,540. The Authority has demonstrated that it will have in place adequate reserves and resources to fund its medium term financial plans and that it is effectively supported financially by the Fund by way of its ability to recharge its expenditure in year.

Managing Financial Sustainability Risks

- From our review of the Corporate Risk Register, we have confirmed that the Authority discuss strategic, financial and operational risks through their review and challenge of the Risk Register. We also identified that within the Q3 Corporate Risk there were two risks linked to financial sustainability that have been identified by management. These relate to staff skills and knowledge to deliver key projects. The risk register sets out mitigations and plans to reduce this risk to an appropriate level.

Conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with financial sustainability.

Governance



How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Risk Management

- The Authority's approach to risk management is outlined in its 'Risk Management Policy' and is used to help identify and assess risks to ensure a consistent methodology is used. As part of the Authority's process, these risks are identified through internal discussions and are considered across three main areas - External, New and Emerging Issues and Risk Topics – these are broken down further into sub-categories.
- The Corporate Risk Register shows that the Authority has considered the likelihood and impact of each risk with sufficient and appropriate rationale and details how the Authority intends to reduce each risk to an achievable score. Our review has demonstrated that these documents included sufficient detail and demonstrate strong and robust arrangements in place to help identify, assess and monitor both financial and operational risk.
- The Authority operates an effective risk monitoring and reporting system to ensure that there is clear ownership of risk and robust scrutiny and oversight of how risks are managed. The Corporate Risk Register is on the agenda of all SMT meeting that happen monthly with the updates presented to the Authority.
- The Authority is provided with an overview of risk management over the year. Each paper which is brought to the Authority will feature a section on the how this impacts the Corporate Risk Register which shows that it is considered at each decision making interval.

Decision Making

- There is an overarching committee structure in place in which policies and procedures are continually validated, refreshed and ratified. All relevant policies and procedures are communicated and made available to staff via the intranet. The Authority has a Code of Conduct for both members and employees, as well as the 'Authority Constitution'. Alongside the constitution sit a number of documents including the 'Scheme of Delegation', 'Contract Standing Orders' and 'Financial Regulations'. The 'Contract Standing Orders' and 'Scheme of Delegation' outline both financial limits in place for various processes within the Authority, as well as operational delegations to ensure both financial and non-financial authorisations and reviews are escalated appropriately.
- The Authority's management structure is outlined within the 'Organisation Structure' document and provides a clear and detailed overview of the roles and responsibilities of each decision making body within the management structure. With the size of the Authority and the number of staff this makes it clear to each individual who they report to. Ultimately the SMT report into the Authority Board and Audit and Governance committee.

Governance



How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Decision Making (cont.)

- We have reviewed relevant Committee and Authority minutes as well as the supporting papers throughout the financial year. We are satisfied that there is sufficient ability for Committee and Authority members to take informed decisions based upon the detail provided in the papers presented. These papers also demonstrate that with regard to financial risks reported and recommendations made, there are detailed discussions occurring to challenge and analyse the information being presented.
- Agenda items are accompanied by front sheets offering a summary of the paper and are tailored with a section outlining the relevance to the Authority's aspirations and to service improvement, as well as any delegations required and implications identified. The summaries included are appropriate and provide a concise high level overview of the paper so relevant committee members are able to identify the key messages discussed in the wider report.
- The Authority has a comprehensive business case process to make informed decisions. Business cases are supported by a relevant Service or Project Board before being reviewed and approved by the Authority. The business case process is supported by templates and guidance. For each business case, the preparer of the template must outline their proposed business case and include three possible solutions or quotes to complete the required actions. Alongside this they must present the consequences of the business case not being approved. Within each of these options they must provide an overview, objectives, timeframe, costs, benefits and risks. The business case must also include details of the proposed financial impacts and the split between capital and revenue.

Budget Monitoring

- We found that the budget monitoring and control processes were able to identify and incorporate pressures into the financial plan to ensure it was achievable and realistic. The budgets for 2023-24 and 2024-25 were constructed based on appropriate local and national developments and we saw evidence of appropriate review and sign off. The budgets for the years are approved in February of 2023 and February of 2024
- Finance team members review each budget on a quarterly basis, and any variance is discussed with the budget holder. The budget statement viewable by budget holders includes details of the annual budget allocated and the current month and year to date (YTD) budget compared to current month and YTD actuals. As part of this review, narrative such as agreed actions to resolve negative variances on budget and forecasts are documented and discussed where necessary at the meeting of the SMT held monthly.

Governance



How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

- Financial performance is reported directly to the Authority on a quarterly basis in the form of a 'Corporate Performance Report'. The quarterly 'Corporate Performance Report' includes an executive summary to provide an overview of financial performance from a revenue, capital and reserves perspective. The detailed report provides the Authority with an update on financial performance, including forecast outturn and variances to budget, as well as an update on reserves, efficiencies, and an overview of all adjustments to the budget since the original approval. The report also provides explanations of all variances in each relevant section.
- The Authority has been kept informed of the Funding arrangements in place for 2023-24. We have also confirmed through our review of the MTFs, annual budget and Q3 Corporate Performance Report that risks to the achievement of the financial targets are regularly monitored and reviewed throughout the year. The Quarterly Corporate Performance Reports provide an update to members on where progress is up to year to date and any significant risks that may impact the achievement of both the budget for the year in question, and monitor the MTFs from both a revenue, capital and reserves perspective.

Compliance with Laws and Regulations

- Through our review of the policies such as 'Scheme of Delegation', 'Codes and Protocols', and 'Contract Standing Orders', we are satisfied that these detail the roles, responsibilities and delegation of key officers and Committees / Groups, thus detailing appropriate processes to ensure officer compliance.
- As part of the Government's commitment to greater transparency, the Authority is required to regularly publish procurement information. This means the Authority publishes details of all contracts over £5,000. The 'Contracts Register' is updated on a quarterly basis and can be seen on the website YORtender.
- Codes of Conduct are in place for Authority Members and all Service staff that set out the behaviours expected of all employees and reinforce its values and standards. A range of policies, procedures and strategies, which staff are made aware of and adhere to through awareness and training, are available to be viewed on the Authority's website. The Authority and its clerk are equipped to deal with any breaches of ethics / behaviour through the arrangements set out in the relevant codes and protocols in the Constitution.
- Through inquiries of management, we have confirmed that there have been no reported significant or repeated departures from key regulatory or statutory requirements, as well as no departures from professional standards such as CIPFA Financial Management Code, Prudential Code or Treasury Management Code.

Governance



How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Compliance with Laws and Regulations (cont.)

- The 'Anti-Fraud and Corruption Strategy' includes reference to the Bribery Act and aligns itself with the relevant policies and procedures in place at the Authority, such as 'Anti-Fraud Policy', 'Anti-Bribery Policy', and 'Whistleblowing Policy'. These policies are all available online and provide useful knowledge for all staff with details of channels of communication and processes to follow for anyone who has concerns or suspicions of malpractice.

Conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with governance.

Improving economy, efficiency and effectiveness



How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Authority evaluates the services it provides to assess performance and identify areas for improvement;
- how the Authority ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Authority commissions or procures services, how it assesses whether it is realising the expected benefits.

Identification of Cost Savings.

- The Authority takes part in a benchmarking exercise during the year which provides comparative data for other Pension Funds in England such as total pension administration costs per member and 'business as usual' costs. These were then used to identify where the Fund and Authority could be performing better in line with other providers of the same services, with the January 2024 benchmarking demonstrating that the Authority's pension administration costs of £26.77 per member were £3.35 below the adjusted peer average of £30.12. There is no formal cost saving plan at the Authority but they maintain a vigilant attitude to cost savings.
- Due to its size and nature of the expenditure, the Authority has limited opportunity to enact significant cost saving measures in regards to its non-pay expenditure. Staff costs comprise the majority of expenditure are dictated by central government pay scales. The other costs within the Authority represent a small proportion of expenditure when considered with the larger costs incurred by the Fund and as such we are satisfied that the above is inline with expectations for a entity of this size.

Monitoring of Outsourced Services

- The Authority does not currently outsource any significant services, which is in line with expectations given the nature of the entity and its operation.

Conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with improving economy, efficiency and effectiveness.



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