

Audit & Governance Committee Annual Report 2024/25

March 2025

Foreword

I am pleased to present the annual report of the Authority's Audit and Governance Committee covering the Committee's activity during the 2024/25 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 Donna Sutton

Chair

Audit and Governance Committee – South Yorkshire Pensions Authority



1. Introduction

This report is produced to provide stakeholders with information on the work of the Committee over the 2024/25 Municipal Year and to support the process of assurance gathering required to produce the Authority's Annual Governance Statement.

It outlines the Committee's

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

2. Committee Information

Audit and Governance 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 2025 was:

Councillor Donna Sutton (Chair)

Councillor James Church

Councillor Simon Clement-Jones

Councillor David Fisher

Councillor David Nevett

Councillor Neil Wright

Emma Dawson (Independent Member)

In addition, the three Non-Voting Co-Opted Members 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)

Phil Boyes (Unite)

Garry Warwick (GMB)

Committee Meetings and Attendance

The Committee held four meetings during the municipal year (July 2024, September 2024, December 2024 and March 2025). 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 at Appendix A.

Councillor Donna Sutton 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.

3. Committee Work Programme and Outcomes

The Committee maintains a broad programme of work for its main areas of activity. The reports received during 2024/25 are shown in Appendix B; the outcomes of the Committee's work in relation to these are summarised below. The bullet points in the boxes 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 September 2024. The implementation of a new risk management and performance software system has been embedded into the strategic reporting on risk throughout 2024/25.
- Received regular progress reports from the Head of Corporate Assurance on internal control matters.
- Received regular reports on progress against actions agreed in response to audit findings.
- Considered the results of the review of internal control and internal audit for 2023/24.

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 2024/25
- Received and considered the Head of Corporate Assurance's (as the Authority's Head of Internal Audit) Annual Report for 2023/24, including the opinion on the Authority's internal control arrangements.
- Received and considered regular reports from the Head of Corporate Assurance on their team's progress against the annual plan, including summaries of the reports issued and management's response.

The schedule of Internal Audit Review Results 2024/25 at Appendix C summarises the outcomes of Internal Audit Activity during the year.

In relation to External Audit, the Committee has:

- Received reports from the external auditor, KPMG, on their Audit Plans for the Authority and Fund relating to the audit of year ended 31 March 2024.
- Received regular progress reports and a final report on the audit of year ended 31 March 2024 from KPMG.
- Received an audit plan relating to the audit of year ended 31 March 2025 from KPMG.

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 recommended the Authority's Annual Governance Statement 2023/24 to the Authority;
- Reviewed and approved the Authority's Statement of Accounts and Annual Report and letter of representation for 2023/24;
- Received and approved KPMG's Report on the 2023/24 Audit, and their Annual Report 2023/24 which includes their findings and conclusion on the Authority's Value for Money arrangements.

Working Arrangements

Members considered and agreed the Committee's Annual Report for 2023/24 which was then published on the Authority's website and incorporated as part of the Authority's Annual Report for the year.

As part of considering the Committee's annual report, members considered the extent to which its arrangements remained robust.

Appendix A

Member and Officer Attendance at Audit & Governance Committee Meetings 2024/25

Member/Officer	11 July 2024	19 September 2024	5 December 2024	6 March 2025
Councillor Donna Sutton (Chair)	✓	✓	Note 1	✓
Councillor James Church	✓	✓	✓	✓
Councillor Simon Clement Jones	Note 1	✓	✓	✓
Councillor David Fisher	✓	✓	✓	Note 1
Councillor David Nevett	✓	✓	✓ Note 2	✓
Councillor Neil Wright	✓	Note 1	Note 1	Note 1
<u>Independent Member</u> Emma Dawson	✓	✓	✓	✓
<u>Co-opted Members:</u>				
Nicola Doolan-Hamer	✓	✓	✓	Note 1
Phil Boyes	Note 1	✓	✓	✓
Garry Warwick	✓	✓	✓	✓
Director – George Graham	Note 1	✓	✓	✓
Assistant Director - Resources (Chief Financial Officer) Gillian Taberner	✓	✓	✓	✓
Head of Governance & Corporate Services (Monitoring Officer) Jo Stone	✓	✓	✓	Note 1
Head of Finance & Performance (Deputy CFO) Will Goddard	✓	✓	✓	✓
External Audit (KPMG)	✓	✓	✓	✓
Internal Audit (Barnsley MBC)	✓	✓	✓	✓

Notes

1. Apologies
2. Acting Chair

Appendix B Committee Activity 2024/25

Function/Issue	11 July 2024	19 September 2024	05 December 2024	6 March 2025
Risk Management				
Annual Review of the Risk Management Framework			Approved	
Governance and Internal Control				
Annual Review of the Governance Compliance Statement				Approved
Progress on Annual Governance Statement Action Plan 2024/25				Noted
Progress on Agreed management Actions	Noted	Noted	Noted	Noted
Committee Effectiveness Review 2024/25				Agreed
Data Protection Policy Statement		Recommended to Authority		
Whistleblowing Policy			Recommended to Authority	
Antifraud, Bribery and Corruption Policy			Recommended to Authority	
Accounting Policies for the Year Ending 2025				Noted
Internal Audit				
Quarterly Progress Report	Noted	Noted	Noted	Noted
Annual Report 2023/24	Noted			
Internal Audit Charter		Approved		
Internal Audit Effectiveness Report		Noted		
Audit Plan Consultation paper 2025/26			Noted	
Internal Audit Plan 2025/26 (draft)				Approved
External Audit				
Pension Fund Audit Plan – Audit of Year Ending 31 March 2024	Noted			
Progress Update – Audit of Year Ending 31 March 2024	Noted			
Value for Money Risk Assessment 2023/24		Noted		
Final Report 2023/24 Audit – Authority		Noted		Noted
Final Report 2023/24 Audit – Fund		Noted		Noted
Annual Auditor's Report 2023/24		Noted		
Year End Report – Authority			Noted	
Year End Report – Fund			Noted	
Statement of Accounts				
Draft Statement of Accounts 2023/24	Noted			
Audited Statement of Accounts 2023/24		Approved		
Letter of Representation		Approved		
Annual Report of the Authority 2023/24		Approved		

Committee Working Arrangements				
Audit & Governance Committee Annual Report 2024/25				Approved

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

Appendix C

Results of Internal Audit Reviews 2024/25

Review Topic	Assurance Level	Number and Priority of Findings
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Review Topic	Assurance Level *	High Priority Findings	Medium Priority Findings	Low Priority Findings
Service Wide - Data Protection / UK GDPR - Data Breaches & DPIAs	Reasonable	0	0	2
Finance - Core Financial System Other Benefits (incl. Transfer Values / Lump Sums / Rechargeable Pensions)	Substantial	0	0	0
Finance - Core Financial System Treasury Management	Substantial	0	0	0
Finance - Core Financial System Fund Contributions	Substantial	0	0	0
Finance - Core Financial System Staff Payroll	Substantial	0	0	0
Pensions Administration Pensions Administration System Access Controls	Reasonable	0	1	2
Corporate Services Corporate Strategy / HR Strategy	Substantial	0	0	1
Investments Investment Strategy and Decision Making	Substantial	0	0	0
Finance - Core Financial System Valuation of Assets	Substantial	0	0	0
Service Wide - Pentana Risk System - Post Implementation Review	Substantial	0	0	1

Finance - Core Financial System - Main Accounting	Substantial	0	0	0
Finance - Core Financial System - Pensions Payroll	Substantial	0	0	0
Investments - Climate Change and Net Zero Carbon	Substantial	0	0	1
Totals	13 Opinions	0	1	7