

SOUTH YORKSHIRE PENSIONS AUTHORITY AUDIT AND GOVERNANCE COMMITTEE

17 JULY 2025

PRESENT: Councillor Roy Bowser (Chair)

Councillors: Simon Clement-Jones, David Fisher, Ken Guest and Trevor Smith

Trade Unions: Phil Boyes (UNITE) and Garry Warwick (GMB)

Officers: George Graham (Director), Gillian Taberner (Director Designate), Debbie Sharp (Assistant Director - Pensions), Jo Stone (Head of Governance and Corporate Services), Sharon Bradley (Corporate Assurance), Caroline Hollins (Corporate Assurance), Annie Palmer (Team Leader - Governance) & Gina Mulderrig (Democratic Services Officer)

Emma Dawson – Independent Member

Richard Lee and Elizabeth Wharton (External Audit Partner KPMG)

Apologies for absence were received from Councillor Jason Charity and Nicola Doolan-Hamer

1 **WELCOME, INTRODUCTIONS AND APOLOGIES**

Apologies were 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 06/03/2025**

RESOLVED: The minutes of the meeting held on 6 March 2025 were agreed as a true record.

7 **INTERNAL AUDIT ANNUAL REPORT 2024/25**

The Head of Corporate Assurance presented the report on the Corporate Assurance Team's completed assignments relating to the 2024/25 internal audit plan, agreed management actions and the Head of Corporate Assurance's assurance opinion based on the work undertaken. The Head of Corporate Assurance explained that their Assurance Opinion was positive on the 15 reports undertaken and that overall a 'Reasonable' opinion was given.

Members asked why the overall opinion given was 'Reasonable' given that 12 of the 15 reports had received the higher 'Substantial' opinion.

The Head of Corporate Assurance explained that the overall opinion covers the whole of the Authority and given that most of the reports focussed on Finance & Resources while only 2 focussed on Pensions Administration (and that these 2 both received a 'Reasonable' opinion) they were unable to conclude with the higher opinion overall for the whole Authority.

Members asked whether the distribution of the focus of reports would be revised to more evenly represent all areas of the Authority and the Head of Corporate Assurance assured the Committee that resources would be attributed to adequately cover the breadth of the Authority.

Members queried whether there were any outstanding management actions and were assured that there were no management actions that remained outstanding six months after the original agreed implementation date. The Assistant Director-Resources added that increased consideration was given to developing detailed and realistic management actions and, as a result, the timeliness of when management implement their agreed actions has been satisfactory throughout the year and no actions were outstanding.

Members asked how days allocated to SYPA which had not been used had been utilised. The Head of Corporate Assurance explained that these days would have been reallocated to their other clients and gave assurance that SYPA were not charged for these days.

RESOLVED: Members considered and noted the report.

8 INTERNAL AUDIT PROGRESS REPORT - QUARTER 1

The Head of Corporate Assurance presented the report which provided a summary of the Corporate Assurance Team's internal audit activity, and the key issues arising from it, for the period 1 April 2025 to 29 June 2025.

Members noted that 6 of the planned 18 reports were in progress but that none had yet been completed, which is usual for the first quarter due to the way the audit plan is profiled.

The Corporate Assurance Manager explained that it was usual to have several reports underway at the same time and that the reports' progress depended on when resources were available and the timings of SYPA reports. It was explained that Corporate Assurance worked with SYPA and external auditors to spread the pressure

on SYPA officers meaning some reports took longer to complete but that timings and planned progress were set to meet the agreed targets.

RESOLVED: Members considered the report and requested further information from the Corporate Assurance Team as necessary.

9 INTERNAL AUDIT EFFECTIVENESS REPORT

The Head of Corporate Assurance presented the report which informed the Committee of the current position in terms of the self-assessment to measure compliance against the new Global Internal Audit Standards UK (GIAS) that became effective on 1st April 2025. The requirement to undertake an annual self-assessment, to have an external quality assessment (EQA) every 5 years and to maintain a Quality Assurance and Improvement Programme (QAIP) for the Corporate Assurance (Internal Audit) function is required by the GIAS (this was also a requirement of the previous standards). The Head of Corporate Assurance agreed to give further explanation on the new GIAS directly to members following the meeting in a training session.

Members asked for further detail on the 'Data Analytics' section of the QAIP. The Head of Corporate Assurance explained that the status of this section was 'ongoing' while the options for technology to assist with analysing data, including Power BI and Microsoft 365 Copilot were thoroughly considered.

RESOLVED: Members:

- a. **Considered and assessed the proposed QAIP Framework which detailed how it will meet the requirements set out in the GIAS.**
- b. **Received a mid-year update report to confirm progress made in the implementation of the QAIP.**

10 INTERNAL AUDIT CHARTER AND MANDATE 2024-2026

The Head of Corporate Assurance presented to the Committee the Corporate Assurance Mandate and Charter & Strategy for approval as required by the Global Internal Audit Standards UK (GIAS).

RESOLVED: Members considered and approved the Corporate Assurance Mandate and Charter & Strategy and were assured that the Corporate Assurance function operates in accordance with the relevant standards.

11 EXTERNAL AUDITORS - VFM RISK ASSESSMENT TO 31 MARCH 2025 AND VERBAL PROGRESS UPDATE

Representatives from the external auditor, KPMG presented the external auditor's Value for Money Risk Assessment for the year ended 31 March 2025 and gave a verbal update on the audit status for the 2024/25 audit.

Richard Lee, Director at KPMG and engagement lead, gave a positive overview explaining that there were no financial sustainability concerns and no significant risks identified regarding governance or risk and no significant risks regarding improving

economy, efficiency and effectiveness and that this position was not expected to change.

Members noted that the report doesn't identify any areas for cost saving and asked if this meant SYPA was unable improve efficiency.

Richard Lee explained that benchmarking showed that SYPA's administration costs were below those of peer administering authorities and so it does not have a risk associated with cost saving. It was explained that SYPA do identify areas to improve economy, efficiency and effectiveness but that it has limited opportunity to enact cost saving measures due to its size and nature.

The Director added that the Authority takes its responsibility to steward scheme member money seriously and it ensures it spends no more than necessary to run the scheme. He added that SYPA were always looking for ways to do things more effectively and efficiently, such as removing duplication of work, and will continue to look for opportunities to cost save while managing the increasing membership.

Members noted that the external auditors had identified that within the Q3 Corporate Risk Register there were 3 risks relevant to VFM considerations and asked whether any work had been done to look at these 3 risks (Local Pension Board and Authority members knowledge and understanding, high levels of staff vacancies and single person risk in specialist knowledge roles).

Richard Lee explained that the role of external audit was to assess risk by reviewing activity, reports and registers rather than investigating specific risks already identified by SYPA and added that arrangements to mitigate and reduce the risks to an appropriate level were already in place internally.

The Assistant Director - Resources added that it was a key strand of internal audit to look in detail at how the Authority was dealing with identified risks and the Head of Corporate Assurance explained that they do provide independent risk management assurance.

Richard Lee gave a verbal report on progress to the Authority and the Fund audits. It was explained that the vast majority of work had been completed on the Authority audit and that the Fund audit was progressing well with no significant issues or concerns identified as yet. He explained that it was the second year of KPMG working with SYPA and positive developments to fully understand and support SYPA continued.

Elizabeth Wharton, Senior Manager at KPMG, agreed that the Fund audit was progressing well and explained that they had a clear list of required information for the third party investment manager confirmations that are outstanding and that this work was going as expected.

RESOLVED: Members received and noted the external auditor's value for money risk assessment for the year ended 31 March 2025, attached at Appendix A and noted the verbal update on the audit status for the 2024/25 audit.

The Assistant Director – Resources presented the draft Statement of Accounts 2024/25 to the Committee for noting.

Members asked for more details on the consultancy budget underspend of £74k due to a lack of capacity from the consultants for development of the Pensions Administration system.

The Assistant Director – Resources explained that there had been staff vacancies in the systems team in 2024/25 and, that given the time and work needed to recruit, it had been decided at the time to put this budget aside to pay for consultants to undertake the work on the Pensions Administration System. However, due to a lack of capacity for the consultants to undertake the work due to other priorities such as the McCloud Implementation, this money was not spent. The Assistant Director - Resources explained that the underspend had been transferred to Reserves to be used for other consultancy costs on the myPension portal and the Employer Hub for 2025/26.

Members noted the 4.5% uplift in operational costs from 2024/25 and asked if there was a threshold for this budget that would constitute a risk.

The Assistant Director – Resources explained that the Authority (including the operational budget) was underwritten by the Fund and that no specific threshold had been set on these costs, however the Authority was always looking at cost savings to be an efficient and responsible steward for scheme member money and as such set this budget in line with inflation, minimising any spending beyond what was needed to effectively run the scheme.

RESOLVED: Members noted the draft Statement of Accounts 2024/25 at Appendix A of the report, subject to the audit currently in progress.

13 ANNUAL REVIEW OF REGISTER OF CONFLICTS OF INTEREST

The Head of Governance and Corporate Services presented the report to enable the Committee to review the Register of Conflicts of Interest for the year as required by the Constitution.

RESOLVED: Members noted the review undertaken of Conflicts of Interest for the 2024/25 Municipal Year.

14 ANNUAL PROCUREMENT REPORT

The Team Leader – Governance provided the Committee with an annual update in relation to procurements completed during 2024/2025 in line with the requirements of contract standing orders. It was explained that the Contracts Register is available on the SYPA website: [Selling to the Pensions Authority](#)

RESOLVED: Members noted the contents of the report.

CHAIR