

PSAA Audit Committee Annual Report 2016/17

1. The PSAA Audit Committee oversees the PSAA Board's financial reporting process on behalf of the Board. PSAA officers have the primary responsibility for producing the financial statements and for internal control.
2. The PSAA Audit Committee met in April, July and November of 2016 and in April and July of 2017. All members of the committee were present at all of those meetings with one exception. Clive Grace was not able to attend the April 2017 meeting.
3. The meetings of the Audit Committee are designed to facilitate and encourage communication among the Committee, PSAA's internal auditors and the appointed external auditor, UHY Hacker Young.
4. All members of the Committee are appraised in line with the PSAA Corporate Governance Framework.
5. The Committee discussed with the internal auditors and UHY Hacker Young the overall scope and plans for their respective audits. The Committee also met with the auditors with and without officers present, to discuss the results of their work and their evaluations of internal control and the overall quality of PSAA's financial reporting.
6. UHY Hacker Young had no matters of concern to raise with the Committee and are proposing an unqualified audit opinion on the financial statements. They confirmed the accounting policies remained appropriate following the work done in 2016 and the advice taken from Deloitte.
7. The internal auditors provided substantial assurance on all of the controls they considered with the exception of those on data security, where limited assurance was provided to the November 2016 meeting of the Committee. Officers took appropriate actions to address the weaknesses identified and reported on those actions to the April 2017 meeting.
8. In fulfilling its oversight responsibilities the Committee reviewed and discussed the annual report and accounts, including a discussion of the appropriateness of the accounting policies proposed, the reasonableness of significant judgements and the clarity of disclosures made.
9. The Committee has received assurances from the Chief Officer about the operation of internal controls, including those that inform the annual report and accounts. The Committee also oversaw PSAA's risk management arrangements, including those for the appointing person project.

10. The PSAA Audit Committee has recommended the annual report and accounts to the PSAA Board for approval.
11. The Committee has discussed with UHY Hacker Young the firm's independence from PSAA officers. The PSAA Board has a policy of not buying non-audit services from UHY Hacker Young, with the exception of work on 'tagging' the accounts for tax return purposes.
12. The Audit Committee believes that it is in the best interests of PSAA for UHY Hacker Young to continue to serve as PSAA's auditor.

Caroline Gardner
Audit Committee Chair PSAA
19 July 2017