

## **Pension Fund Committee**

**24 June 2021**

**Internal Audit Progress Report to 31  
March 2021**



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## **Report of Stephen Carter, Chief Internal Auditor and Corporate Fraud Manager**

### **Electoral division(s) affected:**

Countywide.

### **Purpose of the Report**

- 1 To inform Members of the work that has been carried out by Internal Audit during the period 1 April 2020 to 31 March 2021 as part of the 2020/2021 Internal Audit Plan.

### **Executive Summary**

- 2 The report provides Members with the progress that has been made in achieving the Pension Fund Internal Audit Plan for 2020/2021 up to 31 March 2021 and aims to:
  - (a) Provide a high level of assurance, or otherwise, on internal control systems operated in the areas that have been subject to audit;
  - (b) Advise on any significant issues where controls need to improve in order to effectively manage risks;
  - (c) Advising of any other types of audit work carried out, such as consultancy reviews where an assurance opinion on the control environment may not be applicable;
  - (d) Advise of any unplanned work carried out or due to be carried out and any changes to the audit process.

### **Recommendation**

- 3 Members are asked to note the work undertaken by Internal Audit during the period ending 31 March 2021.

## Background

- 4 As an independent consultancy service, the Internal Audit Team strives to continue to add value and improve the organisation's operations as well as providing objective assurance to service managers and the Pension Fund Committee.
- 5 The Annual Internal Audit Plan, covering the period 01 April 2020 to 31 March 2021, was approved by the Pension Fund Committee on 12 March 2020.

## Progress against 2020/21 planned work:

- 6 A summary of the approved audit plan, with the status of each audit, is shown below:

Audit Title	Audit Type	Status	Opinion
<b>Audits brought forward from 2019/20</b>			
Governance Arrangements	Assurance	Final Report	Substantial
Contributions	Assurance	Final Report	Substantial
Benefits	Assurance	Final Report	Substantial
<b>2020/21 audits</b>			
Compliance with Breach Policy	Assurance	Defer to 2021/22	
Pensions Payroll	Assurance	Final Report	Substantial
Additional Voluntary Contributions	Assurance	In Progress	
Bank Reconciliation	Assurance	Final Report	Substantial
Debt Recovery	Assurance	Defer to 2021/22	
Admission Bodies / Funding Risks	Assurance	Preparation	
National Fraud Initiative – Data matching to identify potential error/fraud	Counter Fraud	Complete for 2020/21	
Management time and ad hoc advice & guidance	Advice/Consultancy	Complete for 2020/21	

- 7 The status shows that, of the nine assurance reviews planned to be completed, five final reports have been issued, two of which were during the period, with their scopes shown below. A further four reviews have either been brought forward or deferred into 2021/22.

<b>Audit Area</b>	<b>Brief Scope</b>	<b>Assurance Opinion</b>
Governance Arrangements	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"><li>- Governance failures lead to a financial underperformance or poor publicity;</li><li>- Pension Fund Board is not carried out in accordance with legislation;</li><li>- Inappropriate investment of funds.</li></ul>	Substantial
Contributions	Assurance review of the arrangements in place to mitigate against the risk of inaccurate contributions being paid into the pension fund.	Substantial

### **Background papers**

- Specific Internal Audit reports issued and working papers.

### **Other useful documents**

- None

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