

## **Pension Fund Committee**

**14 March 2022**



## **Internal Audit Plan 2021/22 - Progress Report to 31 December 2021**

---

### **Report of Tracy Henderson, 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 2021 to 31 December 2021 as part of the 2021/22 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 2021/22 up to 31 December 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 December 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 2021/22, covering the period 1 April 2021 to 31 March 2022, was approved by the Pension Fund Committee on 11 March 2021.

### Progress against 2021/22 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 2020/21</b>			
Additional Voluntary Contributions	Assurance	Final Report	Substantial
Admission Bodies / Funding Risks	Assurance	Terms of Reference Issued	
<b>2021/22 audits</b>			
Pension System ICT Controls	Assurance	Not yet started	
Investments	Assurance	Terms of Reference Issued	
Transfers In/Out	Assurance	Draft Report	
Debt Recovery	Assurance	Not yet started	
Compliance with Breach Policy	Assurance	Defer to 2022/23	
National Fraud Initiative – Data matching to identify potential error/fraud	Counter Fraud	In Progress	
Management time and ad hoc advice & guidance	Advice/Consultancy	In Progress	

- 7 The table above shows nine areas planned for completion in 2021/22. Of the seven assurance reviews, one final report has been issued, one draft report has been issued and one review is to be deferred to 2022/23. All other assurance reviews are scheduled to start in the final quarter of the year.

**Background papers**

- Specific Internal Audit reports issued and working papers.

**Other useful documents**

- None

---

**Contact:** Paul Monaghan**Tel:** 03000 269662

---

---

## **Appendix 1: Implications**

---

### **Legal Implications**

The Accounts and Audit Regulation 2015 (Part 2, Section 5) states a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance.

Furthermore, Internal Audit assists the Corporate Director of Resources in fulfilling their duties under Section 151 of the Local Government Act 1972 which requires each Local Authority to make arrangements for the proper administration of their financial affairs.

### **Finance**

There are no direct financial implications associated with this report.

Internal Audit work has clear and direct effects, through recommendations made, to assist in improving value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

### **Consultation**

Pensions Manager, Finance Manager and Corporate Director, Resources.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Climate Change**

There are no direct implications on climate change as a result of this report, however the Internal Audit Service ensures that it considers climate change and sustainability in the recommendations that are made.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

**Accommodation**

None.

**Risk**

The key risk is that actions agreed in audit reports to improve the control environment and assist the Pension Fund in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Pension Fund Committee.

**Procurement**

None.