

Pension Fund Committee

15 December 2015

Internal Audit Progress Report to 30 September 2015



Report of Paul Bradley, Chief Internal Auditor & Corporate Fraud Manager

Purpose of the report

- 1 To outline progress made in delivering the 2015/16 internal audit plan relevant to the Pension Fund Committee including:
 - Provide a high level of assurance, or otherwise, on internal control systems operated in the areas that have been subject to audit;
 - Advise on any significant issues where controls need to improve in order to effectively manage risks;
 - Advise 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;
 - Advise of any unplanned work carried out or due to be carried out and any changes to the audit process.

Progress against 2015/16 planned work

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

Audit Title	Audit Type	Status	Opinion
Audits b/f from 2014/15			
Transfer payments into and out of the Pension Fund	Assurance	Final	Moderate
Governance arrangements around the Pension Fund Committee and Pension Fund Board	Assurance	Final	Moderate
2015/16 audits			
ICT controls, data quality & performance	Assurance	Final	Moderate
Payroll and Pensions	Assurance	Preparation	
Investments	Assurance	Preparation	
Accuracy and completeness of employer and employee contributions	Assurance	Preparation	
Bank Reconciliation	Assurance	Preparation	
Debt Recovery (Follow up to 2014/15 review)	Assurance	In Progress	
National Fraud Initiative – Data matching to identify potential error/fraud	Advice/Consultancy	In Progress	
Project Board – Phase two of implementation of Pension Management System (web based)	Advice/Consultancy	Not started	

- 3 The status shows that, of the eight assurance reviews planned to be completed in 2015/16, three final reports have been issued, of which two were issued in the quarter ending 30 September 2015.
- 4 A summary of the two final reports issued in the last quarter is given below:

Audit Area	Brief Scope	Assurance Opinion
Governance arrangements around the Pension Fund Committee and Pension Fund Board	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Governance failures lead to a financial underperformance or poor publicity - Pension Fund Board is not set up in accordance with legislation 	Moderate
ICT controls, data quality & performance	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Users have unauthorised access to system and data - Data/information is lost - Source data is input into the system incorrectly - Poor performance goes undetected and therefore is not addressed 	Moderate

Recommendation

- 5 Members are asked to note the work undertaken by Internal Audit during the period ending 30 September 2015 and the assurance on the control environment provided.

Contact: Paul Monaghan Tel: 03000 269662

Appendix 1: Implications

Finance

None

Staffing

None

Risk

None

Equality and Diversity/Public Sector Equality Duty

None

Accommodation

None

Crime and disorder

None

Human rights

None

Consultation

None

Procurement

None

Disability Issues

None

Legal Implications

None