

# Pension Fund Committee

08 September 2016



## Internal Audit Progress Report to 30 June 2016

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

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#### Purpose of the report

- 1 To outline progress made in delivering the 2016/17 internal audit plan relevant to the Pension Fund Committee, including:
  - Providing a high level of assurance, or otherwise, on internal control systems operated in the areas that have been subject to audit;
  - Advising on any significant issues where controls need to improve in order to effectively manage risks;
  - 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;
  - Advising of any unplanned work carried out or due to be carried out and any changes to the audit process.

#### Progress against 2016/17 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
<b>Audits b/f from 2015/16</b>			
Payroll and Pensions	Assurance	Final	Substantial
<b>2016/17 audits</b>			
Transfers in/out	Assurance	TOR issued – Planned for Q2	
Benefit Calculations	Assurance	TOR issued – Planned for Q2	
Bank Reconciliation	Assurance	Not yet started – Planned for Q3	
Debt Recovery	Assurance	Not yet started – Planned for Q4	
National Fraud Initiative – Data matching to identify potential error/fraud	Advice/Consultancy	Not yet started – Planned for Q3	
Ad hoc advice & guidance	Advice/Consultancy	In Progress	

3 A summary of the final report issued in the first quarter is given below:

<b>Audit Area</b>	<b>Brief Scope</b>	<b>Assurance Opinion</b>
Payroll and Pensions	Assurance review of the arrangements in place to mitigate against the risks of;  - The identity of employees and appropriateness for the posts not being confirmed - Ex-employees continuing to receive payments or final payments being incorrectly calculated - Payments made which are not authorised, have been incorrectly calculated or incorrectly input - Salary payments not being made	Substantial

4 There were no significant control issues raised within the Payroll and Pensions final report.

#### **Recommendation**

5 Members are asked to note the work undertaken by Internal Audit during the period ending 30 June 2016 and the updated assurance on the control environment provided within the Pensions Service.

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