

Pension Fund Committee

06 December 2018

**Internal Audit Progress Report to 30
September 2018**



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

Electoral division(s) affected:

None.

Purpose of the Report

- 1 To outline progress made in delivering the 2018/19 internal audit plan relevant to the Pension Fund Committee, including:
 - (a) Providing a high level of assurance, or otherwise, on internal control systems operated in the areas that have been subject to audit;
 - (b) Advising 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) Advising of any unplanned work carried out or due to be carried out and any changes to the audit process.

Recommendation

- 2 Members are asked to note the work undertaken by Internal Audit during the period ending 30 September 2018.

Background

- 3 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.
- 4 The Annual Internal Audit Plan, covering the period 01 April 2018 to 31 March 2019, was approved by the Pension Fund Committee on 15 March 2018.

Progress against 2018/19 planned work:

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

Audit Title	Audit Type	Status	Opinion
Audits brought forward from 2017/18			
Payroll	Assurance	Final Report	Substantial
Bank Reconciliation	Assurance	Final Report	Substantial
2018/19 audits			
Pension System ICT Controls, Data Quality and Performance	Assurance	Preparation	
Transfers in/out	Assurance	In Progress	
Additional Voluntary Contributions	Follow Up	Final Report	N/A
Governance Arrangements	Assurance	Preparation	
Bank reconciliation	Assurance	Terms of Reference Issued	
Debt Recovery	Assurance	Draft Report	
National Fraud Initiative – Data matching to identify potential error/fraud	Counter Fraud	In Progress	N/A
Ad hoc advice & guidance	Advice/Consultancy	In Progress	N/A

- 6 The status shows that, of the eight reports planned to be completed in 2018/19, three final reports have been issued, one of which was issued in the second quarter.
- 7 A summary of the scope of the final report, issued in the quarter, is given below.

Audit Area	Brief Scope	Assurance Opinion
Additional Voluntary Contributions	Follow up review to determine whether the four agreed actions, from the report dated November 2017, had been implemented.	N/A: All actions now implemented.

Conclusion

- 8 Delivery of the 2018/19 Internal Audit Plan is progressing, and, from the work carried out during the period, there are no significant control issues to bring to Members' attention.

Background papers

- Specific Internal Audit reports issued and working papers.

Other useful documents

- None

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