

Bath & North East Somerset Council			
MEETING:	AVON PENSION FUND COMMITTEE		
MEETING DATE:	23 rd June 2017	AGENDA ITEM NUMBER	13
TITLE:	Internal Audit Update		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 Summary of Pension Fund Internal Audit Work			
Appendix 1a...Audit Follow-Up Review			
Appendix 2 Internal Audit Report on Pension Governance			
Appendix 3 Internal Audit Report on Pension Administration			

1 THE ISSUE

- 1.1 The purpose of this report an update on Internal Audit activity.
- 1.2 The report and its appendices are important for the Pension Fund Committee to consider in the context of their understanding of the performance and management of the fund.

2 RECOMMENDATION

That the Pension Committee

- 2.1 Notes the report and outcomes from Internal Audit work and the proposed areas to be included in the Bath & North East Somerset Council Audit Plan for 2017/18.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct implications related to the Pensions Committee in connection with this report.

4 REPORT

2016/17 Internal Audit Work

- 4.1 Internal Audit reviews the fund as part of their overall plan across all activities within the Council and there is no specific audit plan for the Pension Fund as only 30 days review work takes place.
- 4.2 However risks connected to the Pension Fund are considered separately as part of the planning process and this results in normally one or two audit reviews occurring each year depending on the scope of works.

- 4.3 A summary of work undertaken in the last four years is attached at Appendix 1 and Appendices 2 & 3 include the final audit reports for the work carried out in 2016/17.
- 4.4 A summary of further recommended follow-up work identified and resultant actions undertaken is attached at Appendix 1a.
- 4.5 In respect of the two areas reviewed in 2016/17 - Pensions Administration & Pensions Governance - the audit opinions are positive and there are no significant risk areas to be brought to the committee's attention.
- 4.6 Looking forward the audit plan for the Pension Fund now also takes account of the Pension Board requirements and this will result in additional audit time from the 2017/18 year onwards to carry out work on behalf of the board.
- 4.7 The following areas have been flagged up for inclusion in the 2017/18 plan connected to the Pension Fund and Pension Board.
- a) **Pensions Investments** – This area is due for review however due to the current plans for Project Brunel and future management of Pensions Investments it would be prudent to set aside this audit and focus time specifically to support Project Brunel and ensure appropriate assurances are in place with regard to the proposals being made and risks to the Council.
 - b) **Pensions Administration** – System Calculations – Focus on assurance of a range of calculations to ensure integrity of data
 - c) **Pensions Administration** – Employer Contributions – Focus on reviewing monthly and annual data submissions and ensuring integrity of data
 - d) **Pensions Governance (COP 14)** - This area has been reviewed in full over the last 2 years however it is felt important to carry out an annual high level review to ensure compliance and standards are maintained on behalf of the Pension Board as it is a key requirement of the Board's terms of reference.
 - e) **Pensions Payroll** - This area is due for review based on our long term plan but is currently assessed as lower risk than the other proposed audit areas detailed above.

5 RISK MANAGEMENT

- 5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance and there are no significant or material risks to report.

6 EQUALITIES

- 6.1 A proportionate equalities impact assessment has been undertaken and there are no significant issues to report.

7 CONSULTATION

- 7.1 Report and Issues have been subject to consultation with the S151 Officer and Strategic Director of Resources.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	