

Bath & North East Somerset Council		
MEETING:	LOCAL PENSION BOARD - AVON PENSION FUND	
MEETING DATE:	15th February 2018	AGENDA ITEM NUMBER
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 2	Draft Internal Audit Report on Pension Governance (COP 14)	
Appendix 3	Draft Internal Audit Report on Pension Transfers & Aggregations	

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 Board to consider in the context of their understanding of the performance and management of the fund.

2 RECOMMENDATION

That the Board

- 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 2018/19.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct implications related to the Pension Board in connection with this report aside from any additional audit review costs requested by the Board.

4 REPORT

2017/18 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 five years is attached at Appendix 1 and Appendices 2 & 3 include the draft audit reports for the first two audits carried out in 2017/18.
- 4.4 In respect of the two areas reviewed in 2017/18 - Pensions Governance (COP 14) and Pensions Transfers & Aggregations - the audit opinions are positive (Level 4 – Good) and there are no significant risk areas to be brought to the board's attention. In addition this year we have used auditors from the Devon Audit Partnership to carry out the work as part of a test of our partnership arrangements with them and to ensure a fresh perspective was given to audit work.
- However there are specific recommendations made in relation to the Board in the Governance review that are pertinent to the later item on the agenda regarding training.
- 4.5 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.
- 4.6 As at the date of writing this report the following areas have been flagged up for potential inclusion in the 2018/19 plan connected to the Pension Fund –
- a) Pensions Investments – Focus on residual arrangements within the Pension Fund post Brunel implementation
 - b) Pensions Administration – Focus on Data Integrity issues
 - c) Pensions Governance (COP 14) – Annual Compliance Review.
 - d) Pensions Payroll – Deferred from 17/18 and not reviewed since 2013/14.
- 4.7 The Board is therefore asked to comment on any specific audit activity which they would like to be considered for 2018/19 prior to it being submitted to Senior Management and the Council's Audit Committee for approval.

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	