

Pension Fund – Internal Audit Coverage

From our records, it was established that the last audit of Pensions was undertaken in 2011/12 which covered the following areas:

- The City's pension administration, ensuring it complies with legislative requirements;
- Records maintenance and compliance with Data Protection;
- Safeguarding of the Pension Fund, and
- Value for Money in terms of administering the service is being achieved.

The audit concluded that:

- The pension administration was in accordance with the legislative requirements of the Local Government Pension Scheme Regulations 2007/08. Consideration should be given to producing some procedures on the discretionary areas of the administration for example the approval process for the death in service grants.
- There were robust controls in place to administer starters, leavers, transfers and pensioners.
- The financial reporting and administration of the scheme was in accordance to the Local Government Pension Scheme Regulations 2007/08.
- There were some minor issues that needed addressing to ensure the controls for creating starters on the AXIS system are robust.

While an assurance rating was not provided at this time, the assurance would have been Amber - an adequate control framework is in place but there are weaknesses and/or a lack of compliance which may put some system objectives at risk.

Payroll audits have included sample checking of deductions including pension deductions. Our latest report (still in draft) does not highlight any specific issues in relation to pension deductions.

At this time, Pensions is not included in the current risk-focussed one year Audit Plan for 2017/18. Audit areas have been identified from the corporate, departmental and institutional business plans and risk registers, together with other sources of assurance and then risk assessed using a similar approach as that defined in the Risk Management methodology. Chief Officers and their senior management teams have then been consulted on the draft Audit Plan prior to prioritisation of the audits to establish the final Audit Plan, which is agreed by Summit Group and the Audit & Risk Management Committee. The Plan can take account of time since previous audit coverage as well as risk-focus and therefore some coverage of Pensions is likely to be highlighted as part of the 2018/19 Plan.

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