

Police Pension Fund – Internal Audit Coverage

From our records, it was established that the last audit of Pensions was undertaken in 2014/15 which covered the following areas:

- Examination of a sample of pension payments to ensure that these had been correctly calculated in accordance with the Government's Police Pension Scheme.
- That there is adequate separation of duties between the preparation of pension calculations and the checking of their accuracy.
- That a routine exercise is undertaken to ensure that pensions are only paid to those entitled i.e. that the Pensions Office has been informed of all pension recipients' deaths.

The audit concluded that:

- Sample testing of records and discussions with Pensions Office staff established that there are satisfactory controls over the calculation and payment of pensions.
- In addition, there are adequate supervisory checks performed on pension calculations, which are evidenced by signature.
- The Pensions Office receives monthly reports from a data matching bureau contracted to provide details of all pensioners registered deaths, which may not have been reported by executors.
- Life certificates are sent to overseas pensioners for completion, since details of registered deaths are not available from United Kingdom records.

While an assurance rating was not provided at this time, the assurance would have been Green - There is a sound control environment with risks to system objectives being reasonably managed. Any deficiencies identified are not cause for major concern. There were no recommendations made as a result of this audit.

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 2108/19 Plan.

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