

Report to: Pension Board

Date of meeting: 8 May 2018

By: Chief Operating Officer, Business Services Department

Title: Draft East Sussex Pension Fund Internal Audit Strategy and Internal Audit Reports

Purpose: To present for consideration the Draft East Sussex Pension Fund Pension Fund Internal Audit Strategy and two Internal Audit Reports on the Pension Fund

RECOMMENDATIONS

The Board is recommended to:

1. Consider and comment on the Council's Internal Audit Strategy for Pensions attached as Appendix 1;
 2. Note the East Sussex Pension Fund Administration 2016/17 Internal Audit Report attached as Appendix 2; and
 3. Note the Pension Fund External Control Assurance Internal Audit Report attached as Appendix 3.
-

1. Background

1.1 The Council's Internal Audit Strategy for Pensions 2018/19 sets out the approach Internal Audit takes when planning its assurance on the effectiveness of controls over the East Sussex Pension Fund (ESPF). In particular it sets out the risks inherent in administering a large and complex scheme so that audit resources may be focussed on areas where these risks are highest.

1.2 Input has been sought from officers involved in running the Scheme and their contributions have been fed into the draft Strategy.

2. Supporting Information

2.1 The Strategy is based on the most recent guidance available: '*Good Practice Guidance: Gaining Assurance Over the Governance and Administration of Pension Funds, and Pension Fund Investment Management – A Guide for The Internal Auditor*', published by the Local Authority Working Group on the Audit of Investment Managers [LAWGAIM].

2.2 The Strategy will provide a framework for the detailed annual plan, which will be delivered in line with proper internal audit practices as required by the Public Sector Internal Audit Standards (PSIAS).

2.3 The Board requested to consider recently completed Internal Audit Reports on the ESPF at future meetings on an ongoing basis. Two reports are provided as appendices 2 & 3 for the Board's consideration:

- East Sussex Pension Fund Administration 2016/17 – audit opinion: Reasonable Assurance
- Pension Fund External Control Assurance – audit opinion: Substantial Assurance.

3. Conclusions and Reasons for Recommendation

3.1 The Pension Board is recommended to consider and comment on the Internal Audit Strategy for Pensions 2018/19, and note the two Internal Audit Reports.

KEVIN FOSTER
Chief Operating Officer

Contact Officers: Russell Banks

Tel No. 01273 481447

BACKGROUND DOCUMENTS

None