

Report to: Pension Committee

Date of meeting: 24 June 2019

By: Chief Operating Officer, Business Services Department

Title: Draft East Sussex Pension Fund Internal Audit Strategy

Purpose: To present for the Committee's consideration the draft Internal Audit Strategy for Pensions.

RECOMMENDATIONS

The Committee is recommended to:

- consider and comment on the Council's Internal Audit Strategy for Pensions, attached as Appendix 1;
 - note the Pension Fund Governance and Investments 2018/19 Internal Audit Report, attached as Appendix 2; and
 - note the Pension Fund External Control Assurance 2018/19 Internal Audit Report, attached as Appendix 3.
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1. Background

1.1 The Council's Internal Audit Strategy for Pensions 2019/20 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 the Chairs of both the Pension Board and the Pension Committee and their contributions have been fed into the draft Strategy.

2. Supporting Information

2.1 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).

2.2 The Strategy has been updated from the previous version to accommodate national changes, such as investment pooling arrangements, and the views of those with whom Internal Audit spoke, as well as the team's own experience of auditing the ESPF.

2.3 Internal Audit is also presenting two Internal Audit reports on the ESPF. These reports are provided as appendices 2 & 3 for the Committee's consideration:

- East Sussex Governance and Investments 2018/19 – audit opinion: Substantial Assurance
- Pension Fund External Control Assurance 2018/19 – audit opinion: Substantial Assurance.

3. Conclusions and Reasons for Recommendation

3.1 The Pension Committee is recommended to consider and comment on the Internal Audit Strategy for Pensions 2019/20, and to note the two Internal Audit Reports.

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BACKGROUND DOCUMENTS:

None