



Pension Fund Committee

29 July 2019

Title	Internal Audit Report - Pension Fund Finance and Investment
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Internal Audit Report
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Summary

Barnet's Internal Audit have undertaken a further review of the Pension Fund focusing on finance and investments. Their report is attached, with two high risk recommendations.

Officers Recommendations

1. That the Pension Fund Committee note the Internal Audit report.

1. WHY THIS REPORT IS NEEDED

- 1.1 Barnet Internal Audit have undertaken a review of the finance and investment related processes for the pension fund. Their conclusion (page two) is:

“We found that the Fund has a well-defined process for reviewing investment performance and recording transactions. However, we noted that there were weaknesses in monitoring the contributions due to the scheme. We also noted that the scheme has a number of outstanding agreements with admitted bodies, including 13 admission agreements, five cessation agreements and the renewal of 10 admission bonds.”

- 1.2 The two high risk recommendations are concerned with the monitoring of contributions received and reducing the number of outstanding admission agreements and bonds. The recommendations have been accepted with target dates of end July and September respectively.
- 1.3 The medium risk is concerned with the monitoring of strain costs invoices sent to employers and the provision of age analysis of debtors. Again, this has been agreed with end July as target date.
- 1.4 There is also one low risk recommendation relating to the provision of cashflow data to the Pension Fund Committee with a target date of December 2019.

2. REASONS FOR RECOMMENDATIONS

- 2.1 It is appropriate for the Committee to review the Internal Audit findings and managements planned actions.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None - statutory function

4. POST DECISION IMPLEMENTATION

- 4.1 The Committee will be informed of IA's follow up review of their recommendations.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 A positive Internal Audit report on the Pension Fund's activities plays a key role in providing assurance that the Pension Fund's financial risks are managed in an environment of sound stewardship and control.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 N/A.

5.3 Social Value

5.3.1 Contributing to the Pension Fund ensures that contributing members have a secured income on retirement.

5.4 Legal and Constitutional References

5.4.1 There is no specific mention in the Committee' terms of reference to the review of Internal Audit's Report, but the matters discussed in the report are considered relevant to the reports they receive on investment activity, participating employers, financial management and budgetary control.

5.5 Risk Management

5.5.1 The audit report attached highlights areas of good control and areas of weakness which need to be addressed. Failure to do so carries the risk of adverse financial and/or reputational consequences.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Not required.

5.8 Insight

5.8.1 N/A.

6. BACKGROUND PAPERS

6.1 N/A.