



## Pension Fund Committee

27 July 2020

<b>Title</b>	<b>Internal Audit Report – Pensions Follow up Review</b>
<b>Report of</b>	Director of Finance
<b>Wards</b>	N/A
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A – Internal Audit Report
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### Summary

Barnet's Internal Audit have undertaken a follow up review of controls within the Pension Fund focusing on the financial aspects. Their draft report is attached, with two remaining recommendation not fully resolved.

### 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 follow up review looking mainly at the controls concerning the monitoring of contributions. The summary finding is that “We identified that one of the 14 agreed actions reviewed had not been implemented and one of the 14 actions were partially implemented. The remaining actions were either fully implemented or superseded and closed.”
- 1.2 The action not implemented relates to six monthly reporting of contributions received and benefits paid to the Pension Fund Committee. It was agreed to expand the reporting of expenses to include contributions and benefits projections. This information has been disclosed at a high level as part of the annual accounts. Within this meeting papers a projection of the 12-month cashflow is provided.
- 1.3 The partially completed action relates to the outstanding work on admission agreements, cessations and bond renewals. Post the completion of the triennial valuation this work is being given priority. The current position is reported on a separate agenda item.
- 1.4 The recommendations either superseded or fully implemented covered:
  - Contribution collection and reporting,
  - The invoicing and collection of strain costs,
  - Information displayed on the pension fund web page, and
  - Interface between payroll and administration systems and the creation of duplicate membership records.
- 1.5 It is intended that the remaining actions will be fully implemented by end July 2020.

## **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 actions discussed in the paper are ongoing in that there will always be new admissions, cessations etc. It is important that these are promptly processed.

#### **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. The Council also has regard to the additional protected characteristic of marriage and civil partnership even though this does not apply to parts 2) and 3) (above) of the public-sector equality duty

## 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 See Internal Audit Report, agenda item 8, Pension Fund Committee 29 July 2019.

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=191&MId=9918&Ver=4>