

**North Yorkshire County Council**

**Pension Board**

**11 October 2018**

**Internal Audit update**

**Purpose of Report**

To provide the Pension Board with an update on internal audit activity

**Audit Plan 2017/18**

All work in the Internal Audit Plan for 2017/18 has been completed and reported to the Pensions Board. The implementation of agreed actions for 2017/18 audits is shown in summary in Appendix 1. This also includes details for the Expenditure 2016/17 audit that has not previously been reported to the pension board. Details for the individual audits are shown in Appendix 2

**Audit Plan 2018/19**

The audit plan for 2018/19 was approved by the Pensions Board on 19 July 2018. The current status of each audit is as shown below

	<u>Days</u>	<u>Status</u>
Pension Fund Investments	15	Held pending feedback from CIPFA Investments Workshop and Lincolnshire review
Pension Fund Income	15	
Pension Fund Expenditure	15	In Progress

**Recommendation**

Pension Board Members are asked to note this report

Ian Morton,

Audit Manager,

Veritau Ltd.

# Appendix 1

Audit	Finding	Agreed date	Responsible Officer	Name of Officer	Action completed?
Pension Fund Expenditure 16/17	1	31/03/2018	Head of Pensions	Phillipa Cockrill	Done 28/09
	2	31/03/2018	Head of Pensions	Phillipa Cockrill	To follow up from 2017/18 report
	3	31/03/2018	Head of Pensions	Phillipa Cockrill	To follow up from 2017/18 report
Pension Fund Expenditure 17/18	1	31/03/2019	Head of Pensions	Phillipa Cockrill	
	2	31/03/2019	Head of Pensions	Phillipa Cockrill	
	3	31/03/2019	Head of Pensions	Phillipa Cockrill	
	4	31/08/2018	Head of Pensions	Phillipa Cockrill	Done 28/09
	5	30/11/2018	Head of Pensions	Phillipa Cockrill	
	6	31/05/2018	Head of Pensions	Phillipa Cockrill	Done 28/09
	7	31/03/2019	Head of Pensions	Phillipa Cockrill	
	8				Completed at the time of audit
	9	31/03/2019	Head of Pensions	Phillipa Cockrill	
Pension Fund Income 17/18	1	30/09/2018	Head of Pensions/Senior Accountant	Phillipa Cockrill/Amanda Alderson	Done 24/09
	2	30/09/2018	Senior Accountant	Amanda Alderson	Done 24/09
	3	30/09/2018	Senior Accountant	Amanda Alderson	No due to resources
	4	31/07/2018	Head of Pensions	Phillipa Cockrill	Done 24/09
	5	31/03/2019	Head of Technical	John Raine	
	6	01/04/2020	Head of Pensions	Phillipa Cockrill	
	7	31/03/2019	Senior Accountant	Amanda Alderson	
	8	31/12/2018	Senior Accountant	Amanda Alderson	
	9	31/12/2018	Senior Accountant	Amanda Alderson	
Pension Fund Governance Arrangements 17/18	1	31/10/2018	Assistant Chief Executive (legal & democratic)	Barry Khan	
	2	31/10/2018	Senior Accountant	Amanda Alderson	
	3	31/10/2018	Head of Pensions	Phillipa Cockrill	
	4	31/08/2018	Head of Pensions	Phillipa Cockrill	Delayed to 31/03/19

**Pensions Fund Expenditure 16/17****Directorate : Central Services****Audit Area : Pension Fund Expenditure****Audit Opinion : Reasonable Assurance****Responsible Officer : Head of Pensions Administration****Date Final Report Issued : 9 October 2017**

Ref	Recommendations / Agreed Actions	Priority	Agreed Timescale for action	Responsible Officer	Actioned? Yes/No	Date Actioned	Summary of Action Taken
1	Agreed. The following will be implemented: 1. Ensure ESS Manager has implemented clear documented guidance detailing purpose of the exception reports and the checking required on each. 2. Establish process for provision of the monthly "Employee between 16 and 21 on an incorrect NI Category" exceptions to the Administration Team via the shared area.	2	31/03/2018	Head of Pensions Administration	Yes	31/03/2018	Have been reassured by ESS Manager that documented guidance exists and staff are aware of requirements of exception reports.
					Yes	31/03/2018	Monthly report now being provided

**Completed by: Phillippa Cockerill****Position: Head of Pensions Administration****Date: 20/09/2018**

**Pensions Fund Expenditure 17/18**

**Directorate : Central Services**

**Audit Area : Pension Fund Expenditure**

**Audit Opinion : Reasonable Assurance**

**Responsible Officer : Head of Pensions Administration**

**Date Final Report Issued : 27 June 2018**

Ref	Recommendations / Agreed Actions	Priority	Agreed Timescale for action	Responsible Officer	Actioned? Yes/No	Date Actioned	Summary of Action Taken
4	<ol style="list-style-type: none"> <li>1. A monthly report is now provided by ESS to enable reconciliation</li> <li>2. A process map and working instructions have been created</li> <li>3. Another member of the team will be trained and undertake the work with the team leader undertaking the checking</li> <li>4. ESS will be required to respond to the email requests</li> </ol>	3	31/08/18	Head of Pensions Administration	<p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p>	<p>31/03/2018</p> <p>31/03/2018</p> <p>30/09/2018</p>	<p>A monthly report is now provided by ESS to enable reconciliation</p> <p>A process map and working instructions have been created</p> <p>Not actioned due to workload and resource issues within the team. It is still on the action plan to happen.</p> <p>Requested Team Leader to ensure email requests are acknowledged by ESS.</p>
6	<ol style="list-style-type: none"> <li>1. Procedures changed to ensure one of first actions is to suspend</li> </ol>	3	31/05/2018	Head of Pensions Administration	Yes	31/05/2018	Procedures changed to ensure one of first actions is to suspend pensioners on Resourcelink

	pensioners on Resourcelink 2. Procedures changed to ensure one of first actions is to notify ESS				Yes	31/05/2018	Procedures changed to ensure one of first actions is to notify ESS
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**Completed by: Phillippa Cockerill**

**Position: Head of Pensions Administration**

**Date: 20/09/2018**

**Pensions Fund Income 17/18**

**Directorate : Central Services**

**Audit Area : Pension Fund Income**

**Audit Opinion : Reasonable Assurance**

**Responsible Officer : Head of Pensions Administration**

**Date Final Report Issued : 25 June 2018**

Ref	Recommendations / Agreed Actions	Priority	Agreed Timescale for action	Responsible Officer	Actioned? Yes/No	Date Actioned	Summary of Action Taken
1	There is a plan in place to review the charging for late payments and incorrect paperwork provided by Employers. The charging schedule will go into the Pension Administration Policy that will go to Pension Fund Committee for approval in the September meeting.	3	30/09/2018	Head of Pensions Administration/ Senior Accountant	Yes	13/09/2018	Paper presented to PFC at September meeting and approval given for re-introduction of charging wef 01/04/2019
4	<ol style="list-style-type: none"> <li>1. Process will be amended to incorporate a shared data transfer area where report will be exported and saved to and the Business Support Administrator will pick up and action.</li> <li>2. Reconciliation will not be undertaken as it was agreed it</li> </ol>	2	31/07/2018	Head of Pensions Administration	Yes  No	31/07/2018	Shared are created and files being managed via this process  No action required

	<p>is not our responsibility to manage other sections within NYCC.</p> <p>3. Nil returns are now provided already.</p>				Yes	31/07/2018	Nil returns already being provided
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**Completed by: Phillippa Cockerill**

**Position: Head of Pensions Administration**

**Date: 20/09/2018**

**Pensions Fund Income 17/18**

**Directorate : Central Services**

**Audit Area : Pension Fund Income**

**Audit Opinion : Reasonable Assurance**

**Responsible Officer : Senior Accountant**

**Date Final Report Issued : 25 June 2018**

<b>Ref</b>	<b>Recommendations / Agreed Actions</b>	<b>Priority</b>	<b>Agreed Timescale for action</b>	<b>Responsible Officer</b>	<b>Actioned? Yes/No</b>	<b>Date Actioned</b>	<b>Summary of Action Taken</b>
1	There is a plan in place to review the charging for late payments and incorrect paperwork provided by Employers. The charging schedule will go into the Pension Administration Policy that will go to Pension Fund Committee for approval in the September meeting.	3	30/09/2018	Head of Pensions Administration/ Senior Accountant	Yes	13/09/18	An employer charging policy and schedule was taken to the Pension Fund Committee on 13 <sup>th</sup> September where it was approved. Charging of employers, where necessary, will be implemented from April 2019. Alongside the re-introduction of charging employers from April 2019 we propose to re-engage with them and offer support and training to improve our relationship and engagement with all employers within the scheme.
2	There has been a new Employer Contributions spreadsheet produced for 2018/19 that addresses the points made above. On the point around presenting information on late payments to PFC, officers can suggest that this happens quarterly going forward and agree the criteria for presenting to PFC (e.g. a minimum monetary value, repeat offenders, number of days/weeks late).	3	30/09/2018	Senior Accountant	Yes		Now that there is a Charging Policy in place, repeat late payment offenders can be reported to the PFC on a quarterly basis within the Administration report.



3	Corrections to coding are currently carried out at year end only due to resourcing issues. The benefits of undertaking corrections at the time of reconciliation will be reviewed against the additional resource requirement.	3	30/09/2018	Senior Accountant	No		Due to resource issues this will continue to be carried out at year end. This will periodically be reviewed.
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Completed by: Amanda Alderson Position Senior Accountant Date: 21/09/2018

## **Pension Fund Governance**

**Directorate : Central Services**

**Audit Area : Pension Fund Governance Arrangements**

**Audit Opinion : Substantial Assurance**

**Responsible Officer : Head of Pensions Administration**

**Date Final Report Issued : 4 July 2018**

<b>Ref</b>	<b>Recommendations / Agreed Actions</b>	<b>Priority</b>	<b>Agreed Timescale for action</b>	<b>Responsible Officer</b>	<b>Actioned? Yes/No</b>	<b>Date Actioned</b>	<b>Summary of Action Taken</b>
4	<ol style="list-style-type: none"><li>1. The Pension Administration Strategy document will be circulated to employers for comment and feedback at each annual review wef 2018.</li><li>2. The final approved version will then be issued to employers and sent to the Secretary of State.</li></ol>	3	31/03/2018	Head of Pensions Administration	Yes  Yes	By 31/03/2019  By 31/03/2019	<p>The strategy document will be circulated along with the charging policy when we notify Ers of charging. It will be circulated annually thereafter.</p> <p>The final version will then be published on the website and Ers will be notified it's available.</p>

**Completed by: Phillippa Cockerill**

**Position: Head of Pensions Administration**

**Date: 20/09/2018**