

## **Pension Fund Committee**

Meeting to be held on 25 May 2012

Electoral Division affected: 'All'
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### **Internal audit annual report 2011/2012, including the audit plan 2012/13**

(Appendix 'A' refers)

Contact for further information:

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#### **Executive Summary**

A copy of the internal audit annual report for the Lancashire County Pension Fund is attached at Appendix 'A'. Based on the internal audit work undertaken during the year we are able to provide substantial assurance over the internal control environment for the pension fund and pension administration.

The report also sets out the plan of work to be undertaken by the county council's internal audit service for the coming financial year in respect of the pension fund. The plan amounts to a total planned resource of 75 days.

#### **Recommendation**

The Committee is requested

1. to consider and note the annual report 2011/12.
2. to consider and approve the audit plan for 2012/13.

#### **Background and Advice**

The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 requires the Internal Audit Service to provide a written report to those charged with governance which includes an opinion on the overall adequacy and effectiveness of the organisation's control environment. This report presents our opinion based upon the work we have performed during 2011/12 for the Lancashire County Pension Fund.

The audit plan is intended to provide assurance to the Pension Fund Committee and to the chief executive and leader of the council who are jointly required to sign an annual governance statement (AGS), incorporating a statement of internal control. As the county council is responsible for the administration of the pension fund, including the provision of systems, controls and governance, the AGS also embraces the activities of the pension fund.

## **Consultations**

In deriving the audit plan the internal audit team has:

- Discussed with senior management the risks and related controls associated with the pension fund and
- Made its own assessment of the risks facing the pension fund.

The information derived from these consultations has been incorporated into the audit plan.

## **Implications:**

### **Risk Management**

As set out in the report.

### **Local Government (Access to Information) Act 1985 List of Background Papers**

Paper	Date	Contact/Directorate/Ext
CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom	2006	Rachel Tanner County Treasurer's Department X 34904

Reason for inclusion in Part II, if appropriate:

N/a