

<b>Report title</b>	Internal Audit Annual Report 2021 – 2022	
<b>Originating service</b>	Pensions Services	
<b>Accountable employee</b>	Amanda MacDonald	Audit Business Partner
	Tel	01902 55 0411
	Email	<a href="mailto:Amanda.macdonald@wolverhampton.gov.uk">Amanda.macdonald@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Rachel Brothwood	Director of Pensions
	Tel	01902 55 1715
	Email	<a href="mailto:Rachel.brothwood@wolverhampton.gov.uk">Rachel.brothwood@wolverhampton.gov.uk</a>

---

**Recommendations for action:**

The Pensions Board is asked to note:

1. The internal audit annual report for 2021 – 2022

## **1.0 Purpose**

- 1.1 To provide the Board with the outcome of the work programme for internal audit for 2021 – 2022.

## **2.0 Background**

- 2.1 The role of internal audit is to provide the Director of Pensions, Section 151 Officer, the Pensions Committee and the Local Pensions Board with an independent and objective opinion on the Fund's risk management, internal controls and governance and its effectiveness in achieving the Fund's agreed objectives. To provide this opinion, we are required to review the risk management and governance process.

## **3.0 Internal Audit Annual Report 2021 – 2022.**

- 3.1 A copy of the outcome report is attached at Appendix A.
- 3.2 The report confirms that no significant audit issues have arisen throughout the year and most importantly, where weaknesses / improvements have been identified during the course of audit work, management have agreed recommendations.
- 3.3 In presenting the report at high level, the Fund notes that the commentary is a snapshot of the work undertaken by the teams throughout the year in building controls and compliance which support key service delivery. Since the time of writing the report, actions undertaken by service areas have seen the majority of recommendations implemented, with others ongoing in light of wider Fund priorities (operational resilience (linked to business continuity), admin system transition (linked to automation of processes and performance reporting) and the valuation (linked to employer covenant)).
- 3.4 The Fund continues to develop its people strategy to support the development of its workforce, noting its priority to become a people development champion. In consideration of the specific and technical roles required to support the pension service, the Fund has developed its own approach to supporting and appraising its officers. While noted as distinct from the council approach, internal audit have acknowledged the robustness of the Fund's support for its people.
- 3.5 In relation to payroll and payment authorisations, the Fund has adopted internal delegations which set out limits for individual officer sign off on processes. Identifying where the responsibility sits for agreeing payments with no one individual officer having the ability or control to authorise single payments.
- 3.6 The Fund continues to develop its capabilities to monitor and report on employer performance with further enhancements being considered as part of the pensions administration system transition.

#### **4.0 Financial Implications**

4.1 Internal audit is a key part of the Fund's governance and financial control framework, and seeks to provide assurance that the Fund's systems, processes and controls are operating effectively and in support of the Fund's overall aims and objectives.

#### **5.0 Legal Implications**

5.1 This report contains no direct legal implications.

#### **6.0 Equalities Implications**

6.1 This report contains no equalities implications.

#### **7.0 Environmental Implications**

7.1 This report contains no environmental implications.

#### **8.0 All Other Implications**

8.1 This report contains no other implications to consider.

#### **9.0 Schedule of Background Papers**

9.1 None.

#### **10.0 Schedule of Appendices**

10.1 Appendix A – Internal Audit Annual Report 2021-22