



## Committee report

Committee	<b>ISLE OF WIGHT PENSION FUND COMMITTEE</b>
Date	<b>20 MAY 2016</b>
Title	<b>INTERNAL AUDIT REPORT: PENSION GOVERNANCE</b>
Report of	<b>TECHNICAL FINANCE MANAGER</b>

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### EXECUTIVE SUMMARY

1. This report introduces the executive summary of the recent internal audit review of pension governance for members to note.
2. The full report will be presented to the pension board at their meeting on 9 June 2016.

### BACKGROUND

3. The pension governance review was undertaken in January 2016, under the terms of reference attached as Appendix A to this report.
4. The report was determined to be 'medium' risk, and as such the executive summary (as attached as Appendix B) was presented to audit committee in May 2016.
5. There were five findings from the report, two of which were classed as 'medium', one 'low' and two 'advisory'. Actions are in place to address these findings, with due dates between May and July 2016.
6. A progress report on these actions will be presented to the pension board at the June 2016 meeting.

### STRATEGIC CONTEXT

7. The reviews undertaken by internal audit are an important part of the council's governance arrangements and are directed at ensuring that the council's system of control is effective in helping to deliver the council's objectives.

### CONSULTATION

8. All internal audit reports are considered in draft by those who have been involved in the review, giving them the opportunity to correct any factual errors

and to comment on the practicality of any recommendations. All findings and recommendations can therefore be described as 'agreed'.

#### FINANCIAL / BUDGET IMPLICATIONS

9. There are no direct financial implications of this report. Some of internal audit's recommendations may require additional resources which will be part of the consideration when implementing recommendations. Unless the recommendations are significant, services are expected to meet the cost from existing budgets. The report is concerned with the performance of the internal audit provider and members will be aware that the cost of the internal audit service continues to appear competitive. Indeed the contract for the provision of internal audit services was re-let in May 2015 which resulted in savings compared to the previous annual cost.

#### LEGAL IMPLICATIONS

10. The Accounts and Audit Regulations 2015 require that local authorities undertake an adequate and effective internal audit of their accounts and internal control.

#### EQUALITY AND DIVERSITY

11. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

#### RECOMMENDATION

12. To receive the internal report of the council's internal audit provider.

#### APPENDICES ATTACHED

13. [Appendix A](#) – Internal audit report: Pensions Governance – Terms of reference.
14. [Appendix B](#) – Internal audit report: Pensions Governance – executive summary

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