



LOCAL PENSION BOARD

24 SEPTEMBER 2024

REPORT TITLE:	MERSEYSIDE PENSION FUND INTERNAL AUDIT ANNUAL REPORT 2023/24
REPORT OF:	CHIEF INTERNAL AUDITOR

REPORT SUMMARY

The Internal Audit Service plans and completes audits to review relevant areas of risk for the Fund.

Reports, including recommendations produced following audits, are presented to the Fund's management team. A summary report is produced annually by the Chief Internal Auditor and an overall opinion provided as to the effectiveness of the Fund's control environment.

This report presents the Chief Internal Auditors Annual Report for 2023/24 and will be presented at the meeting.

Appendix 1 to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

RECOMMENDATION/S

That the Local Pension Board be recommended to consider the presentation and note the report.

SUPPORTING INFORMATION

1. REASON FOR RECOMMENDATION

- 1.1 To provide the members of the Local Pension Board with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.
- 1.2 To ensure that risks to the Fund are managed effectively.

2. OTHER OPTIONS CONSIDERED

- 2.1 As the Board has requested an annual presentation on the Fund's annual audit report, the option not to provide a report was considered and rejected.

3. BACKGROUND INFORMATION

- 3.1 The Accounts and Audit Regulations require that a local authority "shall maintain an adequate and effective system of internal audit".
- 3.2 In order to meet the statutory requirements the Internal Audit Service has conducted audits to review the operation of the internal control systems. The work has been conducted in accordance with Public Sector Internal Auditing Standards set by the Audit Practices Board, Chartered Institute of Public Finance & Accountancy, and the Chartered Institute of Internal Auditors.

CHIEF INTERNAL AUDITORS ANNUAL REPORT 2022/23

- 3.3 The attached Chief Internal Auditor's Annual Report sets out; background to the Internal Audit Service provision; an opinion on the overall adequacy and effectiveness of the Merseyside Pension Fund's internal control environment; a review of work undertaken in 2023/24; and the outcomes of the internal audit planning process for 2024/25.
- 3.4 The Internal Audit Plan was compiled on a risk assessment basis that included consideration of the sensitivity and complexity of all risks identified. Client requests, systems being developed, and the availability of resources were other factors also considered during the year.
- 3.5 In respect to the 2024/25 programme of work for the Fund, following an assessment of the risks, a decision was made to maintain service delivery at 150 audit days. This level of input and the flexibility with plan delivery has enabled the full programme of work to be completed in accordance with the service level agreement.

4. FINANCIAL IMPLICATIONS

- 4.1 There are none arising from this report.

5. LEGAL IMPLICATIONS

- 5.1 There are none arising from this report. A failure to provide the Board with information on legislative changes and the Fund's activities could hinder the Board in the discharge of its duties.

6. RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are none arising from this report.

7. RELEVANT RISKS

- 7.1 Appropriate actions are not taken by officers in response to the identification of risks to the achievement of the Fund's objectives. This is mitigated by a robust system of follow up and escalation of audit matters.
- 7.2 Potential failure of governance arrangements to comply with best professional practice and for the Fund to function in an efficient and effective manner. This is mitigated by comprehensive governance and reporting systems developed and implemented in compliance with relevant professional standards.

8. ENGAGEMENT/CONSULTATION

- 8.1 The Fund Officer Group are consulted throughout the annual reporting process and future planning.

9. EQUALITY IMPLICATIONS

- 9.1 There are none arising from this report.

10 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 There are no environmental or climate implications arising from this report.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 There are none arising from this report.

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APPENDICES

Merseyside Pension Fund Internal Audit Annual Report 2023/24

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BACKGROUND PAPERS

Internal Audit Plan 2023/24

TERMS OF REFERENCE

This report is being considered by the Pension Board in accordance with Section 13.2 (a) of its Terms of Reference:

(b) Review regular compliance monitoring reports which shall include reports to, and decisions made under, the Regulations by the Committee.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Local Pensions Board	Annual Report