

Internal Audit Work Conducted In 2014-15

Appendix 1

| Audit Title | PWC | Audit objective...to ensure... | Opinion |
|---|------------|---|----------------|
| Contribution Banding Changes | Yes | Pension contribution banding changes for a sample of LCC employees have been accurately applied with effect from 1st April 2014. | Substantial |
| Pensions Increase | Yes | The validity and accuracy of the annual Pensions Increase. | Full |
| Joint Audit – Contribution Calculations | Yes | Contributions to the pension fund have been correctly applied from April 2014 from the following: <ul style="list-style-type: none"> ○ Leicestershire County Council (LCC) ○ Other Employing Bodies, where LCC administers the payroll on their behalf ○ Other Employing Bodies, where LCC does not administer the payroll on their behalf | Full |
| Joint Audit – Investments | Yes | Reconciliations on the Pension Fund bank accounts and GL adjustment accounts are being promptly and accurately undertaken and that the Summary Valuation reports are being completed in accordance with supporting documentation. | Full |
| Pensions Creation | Yes | The accuracy of payments for new pensions, lump sums & death grants. (Bi-annual audit). Samples contained some Career Average Revalued Earnings (CARE) cases. No recommendations | Full |
| Investments | No | Robust appointment of Fund Managers and allocation of investments between them, and to ensure there is separation of the Custodian and Fund Manager functions. Other investment jobs completed on a rolling programme include the following: <ul style="list-style-type: none"> - Committees/Governance - Performance of Fund Managers - Asset/Property portfolio | Draft pending |

Internal Audit Work Conducted In 2014-15

Appendix 1

| | | | |
|---------------------------------|----|--|-------------|
| Upgrade to Altair System | No | Relevant ICT controls and project management disciplines are employed for the upgrade to the Pensions System. | Substantial |
| Governance | No | <p>There is appropriate and effective governance of the Leicestershire Pension Fund, i.e. Local Pensions Committee (LPC) and the Investment Sub-Committee fulfils its responsibilities and to ensure a Local Pension Board (LPB) has been established.</p> <p>This Internal Audit Service report contained a recommendation highlighting that there were potential conflicts of interest in using the same company for both actuarial and investment advice. Whilst the recommendation wasn't graded high importance, the CFO decided to report the finding to the Local Pensions Committee at its meeting on 29 May 2015. The Committee decided that 'market testing' be carried out, taking into account both the quality and costs of these services.</p> | Substantial |
| IDEA Work | No | Internal Audit Service has software which can quickly match and sort large amounts of data. Tasks commissioned by the Pensions Manager lead to Pensions Section efficiencies | N/A |
| National Fraud Initiative (NFI) | No | National Fraud Initiative (NFI), an exercise that matches data within and between public and private sector bodies in order to prevent and detect fraud. Includes co-ordination of data download, monitoring/progressing findings, investigating queries from other authorities and updating NFI website accordingly. The Pension's Manager is responsible for investigating matches and reporting on their conclusion | N/A |