

# Internal Audit and Counter Fraud

## Surrey Pension Fund Internal Audit

### Progress Report for Quarter Four 2023-24

#### May 2024

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## 1. Summary of Completed Audits

### Pension Fund Administration – Transfers In

- 1.1 An audit of Administration – Transfers In within the Surrey Pension Fund was finalised in January 2024.
- 1.2 This audit, part of the agreed 2023/24 plan, set out to assess and provide assurance that the Surrey Pension Fund has sufficient controls in place in relation to transfers of contributions into the Fund.
- 1.3 We found that there was generally sufficient guidance in place to support officers in the administration of pension transfers in from both LGPS and Non LGPS funds. Alongside this our testing identified that appropriate checks were occurring and all transfers in our sample had been completed within the set service level agreement timeframe.
- 1.4 Overall, we concluded that the opinion in this area should be of **Reasonable Assurance**, and we agreed one action with management (one medium priority) to secure improvements in the documentation of process maps.

## 2. Action Tracking

- 2.1 We seek written confirmation from the Pensions team that all high priority actions due for implementation are complete. Where follow-up audits are undertaken, we reassess the progress of all agreed actions (low, medium, and high priority). Periodically we may also carry out random sample checks of all priority of actions.
- 2.2 All high-priority actions due to be implemented by management by the end of April have been implemented.

## 3. Pension Fund Audit Plan Update

- 3.1 In accordance with proper professional practice, the Internal Audit annual plan for Surrey Pension Fund is kept under regular review to ensure that we continue to focus our resources in the highest priority areas based on an assessment of risk.
- 3.2 Below is an overview including relevant updates of the Fund’s Internal Audit Plan for 2023/24:

Audit Name	Audit Status	Audit Opinion (If Applicable)
Cyber Security	Completed – Final Report Issued	Reasonable Assurance
i-Connect Application Control	Draft Report Issued	Reasonable Assurance anticipated at draft report stage

Administration Review – Transfers In	Completed – Final Report Issued	Reasonable Assurance
Pension Investments	Carried forward to 2024/25	
Admission Arrangements	Carried forward to 2024/25	
Follow Up of the LGPS Performance Management Review	Completed – Final Report Issued	Substantial Assurance
Follow up of the Banking Controls Review	Initial Review Completed as part of 22/23 audit plan - Interim Final Report issued in Q1 23/24. Further review work will now be carried out in 2024/25 due to the delays associated with the MySurrey implementation.	No opinion given at this stage - However, further follow up work will be completed in 2024/25.

## Audit Opinions and Definitions

Opinion	Definition
<b>Substantial Assurance</b>	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Reasonable Assurance</b>	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Partial Assurance</b>	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
<b>Minimal Assurance</b>	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.