

CAMBRIDGESHIRE PENSION FUND



Local Pension Board

Date: 3rd May 2019

Report by: Head of Pensions

Subject:	Cambridgeshire Pension Fund Internal Audit Report and External Audit Plan, Year ended 31 March 2019
Purpose of the Report	To present the Internal Audit Report and External Audit Plan to the Local Pension Board.
Recommendations	The Board is asked to note the report.
Enquiries to:	Mark Whitby mwhitby@northamptonshire.gov.uk

1. Background

- 1.1 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.2 In addition, Ernst & Young (EY) were appointed as Independent External Auditors to provide an audit opinion on:
 - whether the financial statements of Cambridgeshire Pension Fund (the Pension Fund) give a true and fair view of the financial transactions of the Pension Fund during the year ended 31st March 2019 and the amount and disposition of the Fund's assets and liabilities as at 31st March 2019; and
 - the consistency of the Pension Fund financial statements within the Pension Fund annual report with the published financial statements of Cambridgeshire County Council.

2. Audit Papers Presented

- 2.1 The internal audit report and external audit plan were presented to the Pension Fund Committee on 28th March 2019 for noting and can be found in the appendices to this report.

3. Relevant Fund objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.

4. Risk Management

- 4.1 This item is for the information of the Board and therefore does not give rise to identifiable risk. The audit process however, is required by regulation and it is therefore important that members are informed of the planned process and receive appropriate updates.
- 4.2 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Risk mitigated	Residual risk
8	Risk of fraud and error	Green
9	Failure to understand and monitor risk compliance	Green
16	Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making	Green

- 4.3 The Fund's full risk register can be found on the LGSS Pensions website at the following link: <https://pensions.cambridgeshire.gov.uk/app/uploads/2019/04/Cambridgeshire-Risk-Register.pdf>

5. Communication Implications

- 5.1 None

6. Legal Implications

- 6.1 None

7. Consultation with Key Advisers

- 7.1 The Audit Plan in Appendix 3 has been produced by the Fund's external auditors, EY.

8. Alternative Options Considered.

- 8.1 Not applicable.

9. Background Papers None

10. Appendices

- 10.1 Appendix 1 – Internal Audit Report 2018-19
- 10.2 Appendix 2 – Cover Report Cambridge Pension Fund Audit Plan Year ended 31 March 2019, dated 13th February 2019. Author: Ernst & Young (EY)
- 10.3 Appendix 3 - Cambridge Pension Fund Audit Plan Year ended 31 March 2019, dated 13th February 2019. Author: Ernst & Young (EY).

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 9 th April 2019