

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Pensions Committee
<b>DATE</b>	25 March 2022
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Internal Audit Plan 2022-25
<b>REPORT NUMBER</b>	IA/21/008
<b>DIRECTOR</b>	N/A
<b>CHIEF OFFICER</b>	Jamie Dale, Chief Internal Auditor
<b>REPORT AUTHOR</b>	Jamie Dale
<b>TERMS OF REFERENCE</b>	2.2

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval of the attached Internal Audit plan for 2022-25

### 2. RECOMMENDATION

- 2.1 It is recommended that the Committee approve the attached Internal Audit Plan for 2022-25.

### 3. BACKGROUND/MAIN ISSUES

- 3.1 It is one of the functions of the Pensions Committee to approve the Internal Audit plan relating to the North East of Scotland Pension Fund.
- 3.2 The Internal Audit plan for Aberdeen City Council for 2022-25, along with the methodology for determining the areas to be reviewed, was approved by the Audit, Risk and Scrutiny Committee on 22 February 2022. This followed consultation with management through the Risk Board.
- 3.3 In previous years a single-year Plan has been set out for the Committee's approval. This provided clarity over planned work during each financial year, as changes in the risk environment were often less pronounced over a shorter period. However, this provided less opportunity for the Committee to gain an understanding of the wider context or 'audit universe'.
- 3.4 There is therefore scope to develop and extend planning to provide a clearer picture of Internal Audit's work and priorities, and to provide flexibility in timing of elements of that work, over an extended period. Therefore, for 2022-2025, a three-year Plan has been set out in Appendix A.
- 3.5 The audits included in the attached plan, as well as those in previous and future plans, will help familiarise Internal Audit with the Pension Fund's control environment and governance arrangements, allowing assurance to

be provided regarding those arrangements. Where opportunities for improvement in controls and their application, or improvements in value for money, are identified these will be reported along with recommendations for management to consider. Where appropriate, Internal Audit will obtain assurance from other sources, for example external audit, based on their work and reported outcomes.

3.6 Internal Audit’s work will be undertaken in compliance with Public Sector Internal Audit Standards and Aberdeen City Council’s Internal Audit Charter as approved by the Audit, Risk and Scrutiny Committee on 22 February 2022.

**4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. The purpose of this report is to seek approval for the Internal Audit plan.

**7. OUTCOMES**

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council’s framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

**8. IMPACT ASSESSMENTS**

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	An assessment is not required because the reason for this report is for Committee to consider Internal Audit’s annual report. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.

<b>Data Protection Impact Assessment</b>	Not required
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**9. APPENDICES**

9.1 Appendix A – Internal Audit Plan 2022-25

**10. REPORT AUTHOR DETAILS**

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# Appendix A

## NORTH EAST SCOTLAND PENSION FUND INTERNAL AUDIT PLAN 2022-2025

2022/23						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Pension Fund Governance Arrangements Including Risk Management	To provide assurance over the governance arrangements and procedures in place including risk management and performance management.	Pension Fund	Medium	Key system	Operational	

  

2023/24						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Pensions Investment Strategy	To provide assurance over compliance with the pension fund investment strategy, and the adequacy of controls over management of investments.	Pension Fund	High	Risks of fraud and Best Value, High value transactions, previous audit findings	Strategic	Compliance

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Pension Fund Payroll	To consider whether arrangements are adequate to start and terminate payments from the pension fund payroll, and to ensure that payments are accurate.	Pension Fund	High	Key system	Financial	Operational