

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Pensions Committee
<b>DATE</b>	23 June 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Internal Audit Annual Report 2022/23
<b>REPORT NUMBER</b>	IA/24/001
<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 provide the Committee with Internal Audit's Annual Report for the North East Scotland Pension Fund for 2022/23.

### 2. RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 Note the Annual Report for 2022/23;
- 2.2 Note that the Chief Internal Auditor has confirmed the organisational independence of Internal Audit;
- 2.3 Note that there has been no limitation to the scope of Internal Audit work during 2022/23; and
- 2.4 Note the progress that management has made with implementing recommendations agreed in Internal Audit reports.

### 3. CURRENT SITUATION

- 3.1 Public Sector Internal Audit Standards require that Internal Audit produce an annual report on the adequacy and effectiveness of NESPF's framework of governance, risk management and control. It is one of the functions of the Pensions Committee to review the activities of the Internal Audit function, including its annual work programme.
- 3.2 This report is designed to meet three objectives; to present to Pensions Committee, and through them, the Board:

- A formal opinion on the adequacy and effectiveness of the NESPF's arrangements for:
  - Governance
  - Risk management
  - Internal control
- A narrative over the key findings from the assurance work undertaken by IA during 2022/23, drawing out key lessons to be learned.
- An account of the assurance activities and resources of IA during the period 2022/23

3.3 This report covers the period from 1 April 2022 to 31 March 2023 and any work finalised during the 2022/23 assurance period. It also takes account of work undertaken up to the date of the issue of this report. The report is grounded in the whole activity and work of IA, whether in terms of formal audit evidence and work, management assurance and consultancy activity, or evidence gathered throughout wider engagement across the NESPF or the Council.

#### **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. ENVIRONMENTAL IMPLICATIONS**

6.1 There are no direct environmental implications arising from the recommendations of this report.

#### **7. MANAGEMENT OF RISK**

7.1 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. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

#### **8. OUTCOMES**

8.1 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.

8.2 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.

## 9. 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

## 10. APPENDICES

- 10.1 Appendix A – Internal Audit Annual Report for the year ended 31 March 2023.

## 11. REPORT AUTHOR DETAILS

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