

Mid-Year Progress on Delivery of the Internal Audit Annual Plan 2023/24 for Scottish Borders Council Pension Fund

Ref	Category	Audit	Commentary	Status on Progress of Delivery at Mid-Year 2023/24
1.	Assurance	Internal Control, Governance and Risk Management	<p>Assess the Pension Fund's corporate governance arrangements in place to deliver its objectives set out in its Business Plan. Use the Governance Policy and Compliance Statement as an integrated toolkit to test key elements to determine whether these are operating as described. Assess compliance with the Stewardship Code, including progress with implementation of agreed improvements.</p> <p>Specific review of the Pension Fund's risk management arrangements including the planned refocus of the risk register to reflect current objectives.</p>	<p>Continuous audit approach to read and assess the content of reports presented to joint meetings of the Committee and Board on a quarterly basis.</p> <p>Periodic engagement as a critical friend with consultant who has carried out a Governance Review on compliance with the Stewardship Code and has prepared an Action Plan.</p> <p>Continuous audit approach to keep apprised on the refresh of the Pension Fund Risk Register aligned to Business Plan objectives and priorities.</p>
2.	Assurance	Business plan improvements and developments	<p>Assess whether the Business Plan is aligned to Pension Fund priorities and objectives, and specifically review progress with the key tasks and actions that are due to be completed during 2023/24.</p>	<p>Continuous audit approach relevant to the cycle of joint meetings of Committee and Board to approve Business Plan and monitor progress on planned actions.</p>
3.	Assurance	Investment practices	<p>Check a sample of Investment transactions to test key controls including segregation of duties, documentation, and compliance with the Pension Fund's Responsible Investment Policy and procedures.</p> <p>Assess progress with implementation of actions in response to the Investment Oversight recommendations within The Pensions Regulator Single Code Review report.</p>	<p>Specific focus audit work on Investment transactions and governance has been completed, with extract Internal Audit report issued to SBC Director of Finance & Procurement. Conclusion: Guiding principles and an appropriate strategy are in place, supplemented by external professional advice, which ensure effective governance over investment decisions. No recommendations – findings and conclusion to be included alongside all other work within Internal Audit Annual Assurance Report 2023/24 in June 2024.</p>

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4.	Other	Recommendations Follow Up Review	Follow-up progress by Management with implementation of Audit Actions and areas of improvement by the agreed date recommended in 2022/23 audit assurance work and check on the adequacy of new internal controls.	No Internal Audit recommendations in 2022/23. Follow-up scheduled 4 th Qtr on governance and risk management areas of improvement, as referred to in 1. Above.
5.	Other	Advice and Consultancy	As a 'critical friend' to Management, provide advice and internal challenge on projects involving major change and systems implementation.	Periodic engagement as a critical friend with consultant who has carried out a Governance Review on compliance with the Stewardship Code (as stated in 1. Above).
6.	Other	Administration of National Reports	Monitor publication of national reports relevant to Pension Fund and co-ordinate submission by Management of these reports to the Committee / Board that give rise to introducing best practice arrangements or lessons learned from other Pension Funds.	Monthly check on publications to consider relevance for sharing.
7.	Other	Attendance at Boards / Committees	Prepare for and attend Committee / Board meetings and other relevant forums to observe planning, approval, monitoring and review activity of business and performance.	COA&R joined the June and September 2023 Joint Meetings of Pension Fund Committee and Board.
8.	Other	Audit Planning for 2024/25	Review strategic risks and audit universe, develop and consult on proposed coverage within the Internal Audit Annual Plan 2024/25 for the SBC Pension Fund.	Scheduled 4 th Qtr
		Total 20 days		