



## Report of the Section 151 Officer

Pension Fund Committee – 20 March 2024

### Internal Audit Reports – Pension Fund Investments and Pension Fund Administration

<b>Purpose:</b>	To present the findings of the Internal Audit Reports on Pension Fund Investments and Pension Fund Administration
<b>Reason for Decision:</b>	To comply with governance guidelines.
<b>Consultation:</b>	Legal, and Finance
<b>Recommendation:</b>	It is recommended that the Pension Fund Committee note the findings of the Internal Audit Reports in relation to: -  1) Pension Fund Investments (Appendix 1). 2) Pension Fund Administration (Appendix 2).
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<b>Legal Officer:</b>	Stephanie Williams
<b>Access to Services Officer:</b>	N/A

#### 1 Introduction

- 1.1 The Pension Fund Committee annually receive the report of the findings of the statutory appointed external auditor ( Audit Wales) to the Pension Fund outlining their findings in relation to the financial statements and annual report of the fund.
- 1.2 As part of their audit work, Audit Wales reference and rely on to a greater or lesser extent on the audit and assurance findings and work undertaken by Swansea Council's ( as Administering Authority) Internal Audit Section who regularly review and test the systems of control in place.

#### 2 Internal Audit Reports

- 2.1 As part of the cyclical internal controls assurance and reporting, Swansea Council Internal Audit Section undertakes an internal control systems

audit covering Pension Fund Investments and Pensions Administration. Their work entails undertaking routine testing of the systems of financial and management control in these areas of work of the pension fund.

- 2.2 The levels of assurance arising from the work from both audits was ‘High’. The Internal Audit Report- Pension Fund Investments is attached at Appendix 1 and The Internal Audit Report – Pension Administration is attached at Appendix 2.

### **3 Legal Implications**

- 3.1 The current legislative framework for the pension fund investments carried out by Administering Authorities is set by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. The law governing pensions is a complex and specialist area. National Government guidance indicates that the pooling of LGPS assets is permissible under current law.
- 3.2 The Pension Fund Committee Terms of Reference and Scheme of Delegation sets out the Committees responsibility for the strategic governance of the Pension Fund.

### **4 Financial Implications**

- 4.1 There are no direct financial implications arising from this report.

### **5 Integrated Impact Assessment Implications**

- 5.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
  - Deliver better outcomes for those people who experience socio-economic disadvantage.
  - Consider opportunities for people to use the Welsh language.
  - Treat the Welsh language no less favourably than English.
  - Ensure that the needs of the present are met without compromising the ability of future generations to their own needs.
- 5.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.
- 5.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and

priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

5.4 There are no equality impact implications arising from this report.

**Background Papers:** None.

**Appendices:**

Appendix 1 – Internal Audit Report Pension Fund Investments

Appendix 2 – Internal Audit Report Pension Fund Administration