

FALKIRK COUNCIL

Subject: FALKIRK COUNCIL PENSION FUND - AUDIT 2012/13
Meeting: PENSIONS COMMITTEE
Date: 6 JUNE 2013
Author: CHIEF FINANCE OFFICER

1. INTRODUCTION

- 1.1 This report brings the recent Audit Scotland “Systems of Internal Control” letter of 7th May, 2013 to the attention of the Pensions Committee.

2. REVIEW OF SYSTEMS OF INTERNAL CONTROL

- 2.1 As part of the annual audit process, the auditor undertakes a review of the internal controls put in place by management to address various elements of risk.
- 2.2 This includes ensuring that:
- financial statements are based on adequate and reliable underlying systems
 - proper systems of internal control are in place to detect and prevent error, fraud, etc
 - fund operations comply with policies, procedures, laws and regulations
- 2.3 A review in respect of 2012/13 activities has recently been undertaken by Audit Scotland and concludes that the key controls within the Fund’s main financial systems are operating satisfactorily. A copy of the letter outlining the findings of the review is attached as an Appendix to this report.
- 2.4 Two action points were recommended, namely that:
- Internal audit testing should be scheduled to enable external audit to place reliance upon it
 - there should be a proposed timetable for the re-tendering of professional services (e.g. custodian services)

3. CONCLUSION

- 3.1 In accordance with the annual audit process, a review of the Fund’s systems of internal control has been completed by the Fund’s auditor, Audit Scotland.
- 3.2 An action plan will be formulated in response to the points raised by the auditors.

4. RECOMMENDATION

- 4.1 The Committee is asked to note the contents of the Audit Scotland letter dated 7th May, 2013 and invited to comment.**

Chief Finance Officer

Date: 24 May 2013

Contact Officer: Alastair McGirr

LIST OF BACKGROUND PAPERS

NIL