

CYNGOR SIR POWYS COUNTY COUNCIL.

**PENSIONS AND INVESTMENT COMMITTEE
25th November 2010**

REPORT AUTHOR: Strategic Director for Finance and Infrastructure

SUBJECT: Criteria for assurance required from the audits of the internal controls of the pension fund managers

REPORT FOR: Decision

1.0 Introduction

1.1 Each of the Pension Fund managers is required by financial regulations to have an annual independent auditors report on the adequacy of the internal controls in place.

1.2 The purpose of this report is to set in place a mechanism to monitor and if necessary act, upon each audit report.

2.0 Minimum Criteria

2.1 For each report the following criteria is suggested as a minimum requirement:

- there must be no adverse audit opinion;
- the report should cover at least 6 months of the Powys CC Pension Fund's annual financial accounts;
- the audit must test the design of internal controls;
- the audit must test the effectiveness of the internal controls.

2.2 Should any of the minimum criteria not be met the appropriate manager should be asked to present to the Pension and Investment Committee in order to reassure members that sufficient internal controls are in place to safeguard the pension funds assets.

2.3 In addition, it is suggested that members are advised if any report excludes testing an element of the pension fund managers organisation.

Recommendation:	Reason for Recommendation:
That the minimum requirement of each report should be as stated in 2.1	
Managers are asked to appear before Committee Should the minimum criteria not be met or other reassurance gained. Members should be advised if any part of a managers organisation is not covered by an audit opinion.	

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Relevant Policy (ies):			
Within Policy:	n/a	Within Budget:	n/a

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Carl Leah
Date By When Decision To Be Implemented:	Immediate

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Background Papers used to prepare Report:

Pension managers SAS70 Reports