

## Appendix D – Summaries of Completed Audit Reviews

### D2 – CS08-2021 – Access Pool

Audit Opinion	<b>Substantial</b>
Prospects for Improvement	<b>Very Good</b>

Internal Audit concluded that there are strong governance arrangements to monitor and manage pooled investments in line with the Kent Pension Fund Investment Strategy, and effective performance monitoring and reporting mechanisms are in place. The expected benefits and savings from participation in the Access Pool are being realised and effectively reported to stakeholders. Income is being distributed in a timely manner and in line with the agreed arrangements, and effective risk management arrangements are well embedded.

Several key strengths have been identified below. No significant weaknesses were identified.

Two low risk issues have been identified in relation to scoring on the Fund Risk Register and Superannuation Fund Committee risk appetite training. It is recognised that these issues do overlap with a previous internal audit review on Pension Fund Investment Governance, which was issued in December 2019. The issues from this previous review are still under follow up review.

#### Key Strengths

- The governance arrangements for pooled investments are adequate and in line with the Kent Business Fund Investment Strategy, and appropriate delegations of authority are in place.
- Governance and exit arrangements are appropriately accounted for in contract documents.
- Value for money has been considered prior to investing in ACCESS Pool, and there is a controlled implementation and review method for launching pooled funds to ensure these investments are the best course of action for the Fund.
- Meetings of the ACCESS Joint Committee and Officer Working Group took place as required throughout 2020, with appropriate Council representation.
- There are appropriate information sharing mechanisms between ACCESS Pool and the Fund's representatives, which were applied in practice.
- Appropriate performance monitoring information is submitted and reviewed by the members of the ACCESS Joint Committee and S151 Group.

- The designated ACCESS Support Unit Technical Leads and Contract Manager compile performance reports for the Joint Committee as required.
- Details of savings realised from pooled arrangements are reported to the Superannuation Fund Committee.
- Internal Audit is satisfied that the savings projections for the year were reasonable and appropriate and accurately reported in the Fund's 2019 and 2020 Annual Reports.
- The Fund's net fee savings during 2019/2020 were £1.596m, with a cumulative net saving of £4.024m since the beginning of the pooling project, as reported in their 2020 Annual Report.
- There are controls in place for the management of the Fund's risks.
- Sensible arrangements are in place to govern the distribution of the Fund's income from pooled investments.

#### Areas for Development

- Scoring within the Fund's Risk Register could be improved.
- Risk appetite training for Superannuation Fund Committee members is not yet captured in the Fund's Training & Development Plan for 2021/22.

#### Prospects for Improvement

Our overall opinion of **Very Good** for Prospects for Improvement is based on the following factors:

- Internal Audit is satisfied that the management actions provided address our findings in full.

#### Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	N/A	N/A
Med Risk	0	N/A	N/A
Low Risk	2	2	0