WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
18 August 2022

Fund Audit Plan – 2022/23 & Action Log Progress – 2021/22

Purpose of the Report

1. To update Board members on the progress of audits commissioned by the Pensions Committee in December 2021.

2. To update Board members on the progress of recommendations made within the SWAP Key Financial Controls audit dated March 2022.

Background

3. At the Committee meeting last December the following list of internal & external audits/reviews were commissioned, based on recommendations made by the Local Pension Board.

Audit	Auditor	Status/Timetable	Comments
Standard Annual Audits – 2022/23			
Annual Report & Accounts	Deloitte	In progress	Statutory deadline for 2021/22 - 30 Nov 2022
Key Financial Controls*	SWAP	Scheduled for Oct-Dec 2022	Reviews the Fund's internal controls
BPP Pension Transfers	n/a	Audit Cancelled	Covers the migration of Fund assets from IMs to BPP. Transfers all complete
BPP Cost Transparency	n/a	Scheduled for Jul-Sep 2022, but may be postponed	Independent appointment suggested via Client Group
tPR Code of Practice 14	Officer self-assessment	Completed May 2022	3 recommendations identified
Audits targeting Fund innovations, progress improvements & new regulations, based on a risk identification approach			
Payroll Reconciliation	SWAP	In progress	Scope determined by s151 Officer
Investment governance	n/a	Scope to be reviewed	Holistic review of investment governance arrangements
Cyber security	Aon Consulting	In progress	Specialist review to ensure the Fund's compliance with tPR guidance
Statutory returns	Officer self-assessment	Scheduled for Oct-Dec 2022	A process review based on officer assessment
Administering Authority internal arrangements	Officer self-assessment	In progress	To cover the re-charge & services between the AA & Fund

*A separate Treasury Management Financial Controls audit has been outlined with SWAP to be scheduled for Jan-Mar 2023.

4. However, during the process of setting the Fund's business plan objectives for 2022/23 it was determined that a number of the audits/reviews would need to be postponed, have their scopes reconfigured, or be added to enable alignment with the objectives approved by the Committee at their meeting in April 2022.

5. Based on that realigned audit programme highlighted in the table above members will be able to note that the Fund's audit programme is broadly speaking on schedule.

Considerations for the Board

Commissioned Audits 2022/23

6. In 2021/22 Members expressed concern at the delays in the completion of both internal and external audits. Whilst delays appear to be ongoing in relation to the Fund's external auditor Deloitte, improvements in the executions of audits commissioned by the Committee have been noted in other areas, particularly with regard to SWAP. As instructed, officers discussed SWAP's terms of reference with them and agreed a framework going forward. Consequently, officers have recommended a reduction to risk register risk PEN061: Failure of internal auditors to conduct audits commissioned by the Committee in accordance with an agreed terms of reference, from Amber to Green.

7. TPR self-assessment has been completed with 3 recommendations identified, progress of which will be submitted to the Board at their October meeting. In addition, it is anticipated that a report, including recommendations in connection with the cyber security review will be presented to the Committee at their meeting on 5 September. However, with regard to the realignment of audit requirements identified in April, specific deadlines for completion of other audit/reviews currently in progress are unspecified.

8. For information the 3 recommendations identified by tPR self-assessment review were;
    a) Review of the Fund's tPR Breach policy
    b) Formalisation of the Fund's Contract Management review arrangements
    c) Introduction of regular reporting on system access controls

SWAP Key Financial Control audit - March 2022

9. SWAP audit recommendations – March 2022 (Appendix 1):
    a) Substantial progress has been made in all areas with one exception. This relates to transfers into the Fund. To date, resourcing constraints have limited progress in this area, however this work has now been given high priority.
    b) Three of the 5 actions to be completed by 31 May, have made good progress with the transfers into the Fund and the operational backlogs falling a little behind target.
    c) Of the remaining four recommendations, "Monitoring", with a target date of 31 July has probably been the most noteworthy exercise which has not be completed by its target date. Whilst a number of actions have been taken, it is anticipated that the results of those actions will take several months to come to fruition.
    d) Consequently, revised target dates highlighted in blue, under the original target dates have been set in place on the actions log to reflect the long tail of work identified on some of SWAPs recommendations.

Environmental Impact of the Proposal

10. Not applicable.

Financial Considerations & Risk Assessment

11. There are no known implications at this time.

Legal Implications

12. There are no material legal implications from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

13. There are no known implications at this time.

Proposals

14. In conjunction with the risk register recommendation, the Board is asked to recommend to the Committee that risk PEN061 is reduced from Amber to Green.

15. To request that the Committee seek a timetable from SWAP/Wiltshire Council regarding the completion of "In progress" audits associated with them and listed above.

16. To note the progress by officers against the SWAP audit recommendations dated March 2022, as outlined on the actions log and to endorse the revised target dates recommended by officers.

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Unpublished documents relied upon in the production of this report: NONE

Appendix 1 – SWAP Audit – March 2022 actions log