

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

01 February 2023

Fund Audit Update

Purpose of the Report

1. To update the Board on the Fund's audit plan for 2023/24 approved by the Committee at their meeting on 10 January 2023.
2. To review the progress of the SWAP Key Financial Controls (KFC) and Brunel Cost Savings audit and actions for the Scheme Year 2022/23.

Background

Audit Plan 2023/24

3. The plan seeks to cover both the Fund's internal & external noting that the stated aims and objectives of the Fund's package of commissioned audits is to ensure independent assurance that all the laws, regulations & practice by which the Fund operates are being appropriately adhered to. In addition, it enables a dynamic audit strategy by which the oversight of new practices and innovations can be monitored.
4. For the Scheme Year 2023/24 the approved plan of audits were:

Audit	Proposed auditor	Proposed completion date	Comments
Standard Annual Audits – 2023/24			
Annual Report & Accounts	Council Appointment	31/07/2023	For sign off and publication by 1 st December 2023
Key Financial Controls	SWAP	30/09/2023	Review the Fund's internal controls, including outsourcing progress, McCloud & Dashboard readiness
BPP Cost Transparency	ClearGlass	02/03/2023	Considers the costs savings expected from the migration of assets
TPR Effective System of Governance	Self-assessment & SWAP	31/12/2023	Implementation of the requirements of the new Code of Practice.
Audits targeting Fund innovations, progress improvements & new regulations, based on a risk identification approach			
Payroll Migration	SWAP	31/03/2024	An audit on the project management and transition arrangements ultimately to Altair
Investment governance	Appointment tbc	30/09/2023	Holistic review of investment governance arrangements including TCFD

5. In approving the plan (Committee minute 7) two points were noted concerning Committee member feedback. Firstly, if possible, officers should negotiate with SWAP on an earlier completion date for the Key Financial Controls audit and secondly, that the scope of the payroll migration audit should receive further consideration. In particular, whether the audit could be conducted in two parts, namely a pre-migration audit covering the project planning and a post-migration audit reviewing the execution of the migration.

Audit update 2022/23

6. **SWAP KFC Audit** – Following SWAP’s KFC audit in March 2022 in which they recorded a “no assurance” rating, SWAP have undertaken their 2022/23 audit in November 2022 this time recording a “Limited assurance” rating. Members will note that during 2022 officers undertook a significant programme of work based on the actions identified by SWAP in March 2022, the outcomes of which has shown a general strengthening of the internal controls of the Fund.
7. However, whilst significant improvements have been made SWAP’s attached audit report for 2022/23 has made a number of recommendations identifying areas of further development. These include:
 - a) Aggregation processing and backlogs – To accurately establish the number of cases involved, develop, and execute a plan for their timely completion and further develop a plan for casework management going forward:
 - b) Pension payroll reconciliation project – To resolve the 35 outstanding cases still sat with the Fund, prior to the pension increase exercise:
 - c) New i-Connect enrolments – Encourage employers to join i-Connect, prioritising the largest remaining employers: and
 - d) Management of undecided leavers (Status 2) – To accurately establish the number of cases involved, develop, and execute a plan for their timely completion and further develop a plan for casework management going forward.
8. **Brunel Cost Savings Audit update** – ClearGlass were appointed as auditor in November 2022. At the time of writing this report officers have compiled all key documentation for ClearGlass and have provided them with the necessary background to undertake the audit. Officers are working with ClearGlass as they undertake their review. It is anticipated that the audit and fieldwork will be concluded by early February. A report will then be prepared, and it is anticipated that it can be presented to members in May 2023.

Considerations for the Board

Audit Plan 2023/24

9. Although the plan for 2023/24 has been approved by Committee, members are asked to consider whether the range of audits approved adequately covers all the laws, regulations & practice by which the Fund operates. In the event that a further audit area is identified by the Board, officers will present that recommendation to the Committee.

Auditing actions 2022/23

10. Based on the finding of the SWAP KFC audit, officers will prepare an actions log, which will include the agreed target dates set out in SWAP’s full report and provide regular updates on progress to the Board.

Environmental Impact of the Proposal

11. Not applicable.

Financial Considerations & Risk Assessment

12. There are no known implications at this time.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

14. There are no known implications at this time.

Proposals

15. For the Board to note the Committee's approval of the audits commissioned on 10 January 2023.

16. For the Board to endorse the recommendations made by SWAP in their 2022/23 audit report and that officers should prepare an actions log based on those recommendations.

Jennifer Devine
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Appendix 1 – SWAP Audit Report 2022/23 Summary

Appendix 2 – SWAP Audit Report 2022/23 Full