

Terms of Reference

Client: Wiltshire Council
 Assignment: Pension Funds – Key Financial Controls
 Issued by: Paul Crandley, Principal Auditor
 Date: 19th February 2018

Purpose

The Terms of reference (ToR) sets out the scope and coverage of the audit of Wiltshire Pension fund. The brief described here should not be regarded as an exhaustive programme of work and the Auditor is expected to use initiative and discretion in completing the audit assignment.

The ToR is developed from our discussions risk identification meeting with management. We require management to sign a copy of the ToR as confirmation that the scope of the audit addresses the significant risks and covers the relevant areas.

Objective & Scope

The audit review will be undertaken using our Risk Based Audit (RBA) approach whereby the controls will be identified, documented and evaluated in relation to the risks that could impact on the business objectives.

Our findings, conclusions and recommendations will be discussed with management prior to being included in a formal report. It is planned at this stage to issue the draft report to Andrew Cunningham, Head of Pensions Administration and Relations and Nick Weaver, Interim Investments Manager

The objective of the service and risks that could impact on the achievement of this objective were discussed and are identified below.

Objective: To ensure that key financial system controls are operating effectively for the Wiltshire pension fund and that fraud, error, or corruption are minimised.

Risk	Inherent Risk Assessment	Manager's Initial Assessment	Include in Scope
1. Pensions contributions and pensions payroll are incorrect.	Medium	Low	Yes
2. Council accounts are misrepresented due to inadequate accounting practices relating to the administration of the pension fund.	Medium	Low	Yes
3. The council is exposed to greater risk because previous audit recommendations have not been implemented.	Medium	Low	Yes

The audit will require interviews with service staff and access to the complete range of records and documents they maintain. Every endeavour will be made to minimise disruption to service staff.

Timescale & Resources

Role	Auditor
Principal Auditor	Paul Crandley
Auditor	Andrew Adlam

It is expected that the audit will commence by 19th February 2018. The target dates for completion of the audit work are as follows

Milestone	Target Date	Notes
Completion of fieldwork	5 th March 2018	
Close Out Meeting	9 th March 2018	TBC
Draft Report	12 th March 2018	
Final Report	19 th March 2018	

The above timescale requires commitment from management, as well as audit, to consider and respond promptly to any issues raised in the audit.

Client Agreement

Name & Position:

Signature:

Date: