

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

27 October 2022

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

#### Purpose of the Report

1. To update Board members on the progress made by officers against the actions log of the SWAP Key Financial Controls audit dated March 2022 (Appendix 1).
2. To update Board members on the progress of 2022/23 internal audits commissioned by the Pensions Committee.

#### Background

3. The programme of audits for 2022/23 is progressing as planned. Within this programme the two external audits covering the Annual Report & Accounts and Cyber Security, are considered separately to this report. In respect of the internal audits and self-assessments, this paper intends to update members on audits in current progress. These include:
  - a) Pension Payroll Reconciliation (Appendix 2 – included in Part II):
  - b) TPR self-assessment against the Code of Practice 14 (Appendix 3):
  - c) Statutory Returns self-assessment: and
  - d) Brunel cost savings.
4. **Pension Payroll Reconciliation** – The scope of SWAP’s audit covered the reconciliation’s brief, controls in relation to its peer review, signing off protocols and deadlines, as well as regular reporting arrangements on the project’s progress. In addition, the audit also focused on the Fund’s outsourcing plan to a 3<sup>rd</sup> party service provider who would complete the reconciliation.
5. **TPR self-assessment** – This assessment largely reflected the SWAP Key Financial Controls audit – March 2022, however, to avoid duplication only the recommendations identified in addition to the SWAP audit were included on the actions log. These recommendations are:
  - a) A review of the Fund’s tPR Breach policy:
  - b) A formalisation of the Fund’s Contract Management review arrangements: and
  - c) The introduction of regular reporting on the Fund’s system access controls.
6. **Statutory Returns self-assessment** – This is the first self-assessment of its kind undertaken by the Fund and its scope focuses on what is termed as the Fund’s tier 2 statutory returns. Tier 2 being defined as those statutory obligations which the Fund is required to fulfil, but which aren’t typically highlighted unlike the Fund’s tier 1 obligations. Tier 1 statutory obligations being items such as the Annual Report & Accounts, ABSs, PSSs, PI exercises & the other disclosures requirements communicated to members throughout the scheme year. The areas assessed as part of this review include the Fund’s:
  - a) GAD transaction reporting:
  - b) Accounting for Tax (AFT) Returns:
  - c) HMRC Event Reporting:
  - d) Payroll Real Time Information (RTI) returns:

- e) TPR Scheme Return: and
- f) SF3 Returns.

This self-assessment will be completed in a similar manner to tPR self-assessment, and it is anticipated that any findings will initially be presented to the Board at their next meeting.

7. **Brunel Cost Savings** – The Pension Fund Committee agreed to commission its own review of BPP cost savings (at its meeting on 5 September). Officers are now investigating potential organisations to conduct this review and will provide an update at the next Committee meeting on 17 November.

### **Considerations for the Board**

#### **SWAP Key Financial Control audit - March 2022**

8. A summary of progress made against key actions are highlighted below (Appendix 1):
- a) Progress relating to transfers into the Fund is still not as rapid as hoped. Prioritisation and resourcing constraints continue to impede progress in this area:
  - b) Regarding “Monitoring”, the Insights reporting tool has enabled significant progress, however areas of logistical limitation remain such as reporting on new starters, which by definition have no initial record on which to report. Consequently, a set of parameters are being prepared to qualify the production of reporting:
  - c) Spot checking arrangements have been increased as part of officers’ quality controls, in addition to the standard peer review arrangements:
  - d) Negotiations between the Fund and Council officers concerning the level of Wiltshire Council recharge and services for that charge continue: and
  - e) An agreed set of changes to the Fund’s data retention policy have been finalised and are included within this meeting pack for members consideration.

#### **Outcomes of commissioned audits and self-assessments during 2022/23**

9. **Pension Payroll Reconciliation** – Due to the confidential nature of the SWAP audit, the audit report has been included within Part II of this meeting pack.

In accepting the findings and recommendations stated, officers have recently appointed a 3<sup>rd</sup> party service provider to complete the reconciliation within an estimated 9 months. Arrangements are currently being made to hand the project over and set in place the appropriate monitoring and reporting arrangements to enable the oversight of its completion.

10. **TPR self-assessment** – Whilst progress can be demonstrated via the actions log it is recognised that the rate of progress has not been as rapid as officers would have liked. There are two key factors contributing to the present rate of progress of this review. These are:
- a) The prioritisation of work coupled with resource constraints: and
  - b) The delayed publication of national guidance relating to these actions.

However, officers consider the current timescales to be realistic and will aim to complete the outstanding items by those deadlines.

### **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. To note the progress being made by officers in relation to the various action logs & reports and the programme of audits during 2022/23.

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

Appendix 1 – SWAP Audit – March 2022 actions log

Appendix 2 – SWAP Pension Payroll Reconciliation Audit Report (Part II

Appendix 3 – TPR self-assessment actions log