

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

14 December 2023

Fund Audit Plan – 2024/25

Purpose of the Report

1. To present to Committee members a proposed Fund audit plan for 2024/25 which has been consulted on by the Local Pension Board.

Background

Audit proposal

2. The plan seeks to cover both the Fund's internal & external audits, giving consideration to the Administering Authority's core auditor appointments. Namely, Deloitte, for the completion of the Annual Report & Account's (AR&A) & the South-West Audit Partnership (SWAP) for the completion of internal audits such as the Fund's key financial controls.
3. The underlying 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, to enable a dynamic audit strategy by which the oversight of key operations, new practices and innovations can be monitored.
4. For the Scheme Year 2024/25 the proposed plan of audits recommended are:

| Audit | Proposed auditor | Proposed completion date | Comments |
|--|-------------------------|---------------------------------|---|
| Standard Annual Audits – 2024/25 | | | |
| Annual Report & Accounts | Deloitte | 30/09/2024 | For sign off and publication by 1 st December 2024 |
| Key Financial Controls* | SWAP | 30/06/2024 | Review of the Fund's internal controls |
| TPR's prevailing Code of Practice | SWAP | 31/07/2024 | This may either be an audit against tPR's Code of Practice 14, or the new single code of practice, which has been delayed since 2021. |
| Audits targeting Fund innovations, progress improvements & new regulations, based on a risk identification approach | | | |
| Payroll Migration Audit – Phase II | SWAP | 30/04/2024 | A migration audit covering the transfer of payroll data from Oracle to Altair |
| Payroll Migration Audit – Phase III | SWAP | 30/09/2024 | Scope to be determined, however it is likely to involve a post migration review of the payroll transfer. |
| Anti-fraud audit | tbc | 30/09/2024 | To determine whether exceptional circumstances exist for the Fund to adopt its own policy which supplements the Council's |

| | | | |
|--|--|--|--|
| | | | whistleblowing policy and arrangements** |
|--|--|--|--|

SWAP Key Financial Controls audit

- 5. *Please note that the current scheme year KFC audit conducted by SWAP will be a follow up audit to their November 2022 limited assurance audit, and not a full audit. As a result, officers propose that a full audit should be commissioned for the summer of 2024.

Anti-fraud audit

- 6. **The scope of this strategic audit will seek to consider whether there are grounds to adopt the following activities within a supplementary policy to the Council’s whistleblowing policy and arrangements. The activities suggested, but not restricted to include:

Activities

| | |
|---|--|
| Triaging the Fund’s response to fraud towards a particular strategy depending on the situation, for example, internal, customer perpetrated or institutional fraud. | Establishing and controlling communication group(s), managing the audit trail of information, and identifying escalation trigger points. |
| Auditor commissioning & approval processes, including conflicts of interest | Management of victims & the complaint management process |
| Establishing the roles and responsibilities to managing a response | Data & software security, and record lockdown arrangements |
| Sequencing of events and formal notifications, for example informing the police | Management of reputational risk in the public arena |
| Expected timeliness of response(s) | Risk, risk register and re-insurance considerations |
| Final report design & recommendations | Staff training and protection of identities |
| Approach to the recovery of money including proportionality & thresholds | Post fraud management, including record retention arrangements, lessons learnt and implementation of recommendations |

Considerations for the Committee

- 7. To consider whether the range of audits set out above represents the complete range of audit recommendations which need to be commissioned by the Pensions Committee.
- 8. The HAM report included in the Committee members meeting pack dated 23 November included a response from SWAP to the Chairs of the Board and the Committee about the lack of progress which the Chairs felt had been made concerning Pension Fund audits. In light of that response, officers would welcome the Committee’s guidance on any next steps that they would like officers to take.

Environmental Impact of the Proposal

- 9. Not applicable.

Financial Considerations & Risk Assessment

- 10. There are no known implications at this time.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Proposals

13. For the Committee to approve the scope of audits and auditors set out in paragraph 4.

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