

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
20 July 2016

INTERNAL AND EXTERNAL AUDIT UPDATE

Purpose of the Report

1. This report updates the Board of the findings of the internal auditors report from South West Audit Partnership (SWAP) on the Wiltshire Pension Fund from their 2015-16 audit which was presented to the Wiltshire Pension Fund Committee on 30 June 2016.
2. The report also provides an update on the external audit.

Background

3. The internal audit of Pensions has been completed by SWAP in accordance with the Internal Audit plan for 2015-16. The scope of this audit was to assess the adequacy of key controls and procedures in place for Wiltshire Council which included Pensions.
4. This supports the annual audit undertaken by KPMG (the external auditors). The key controls identified specifically for the Wiltshire Pension Fund for this audit are set out within the attached extract of the full Audit Report.

Key Considerations for the Committee

Internal Audit - SWAP

5. Internal Audit has reported a "Reasonable Assurance" opinion. This means that most areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
6. There were no significant findings to report from this audit, although two medium risks were identified which are being addressed by the management in their area of responsibility.
7. The attached report provides a summary of the audit findings and assurances provided along with the recommendation if appropriate for the expected key controls. The agreed Action Plan can be found at the end of the document.
8. Of the two medium risks identified all have either been addressed or will by 31 December 2016.
9. The Internal Audit Plan for 2016-17 is still being finalised with the intention to include a third party review of the Fund's compliance Pension Regulator's Code of Practice No 14.

External Audit - KPMG

10. The External Audit of the 2015-16 financial statements is still on-going. KPMG undertook an interim audit in the spring and did not need to report any issues at this stage of the process. The final audit is now reaching its conclusion with the audit being presented to

the Audit Committee on 27 July 2016. Any recommendations or actions will be included within this report and presented to the Wiltshire Pension Fund Committee on 29 September 2016.

11. For information the KPMG audit plan for Wiltshire Council which includes the audit of the Wiltshire Pension Fund is attached.

Risks Assessment

12. The risks reflected in this Internal Audit report are included in the Risk Register which is updated quarterly and presented to this Board.

Financial Implications

13. The internal audits fees are based on an annual recharge from Wiltshire Council. The fee for the 2015-16 external audit by KPMG is £24,246 and a direct charge to the Fund.

Legal Implications

14. None have been identified as arising directly from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no known implications at this time.

Proposals

16. The Board is asked to note this update and the attached Internal Audit Report and agreed Action Plan.

MICHAEL HUDSON
Treasurer to the Pension Fund

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