

Terms of Reference

Client: Wiltshire Council
 Assignment: Wiltshire Pension Fund - Key Financial Controls
 Issued by: Kerry Chisholm, Senior Auditor
 Date: 09 December 2016

Purpose

The Terms of reference (ToR) sets out the scope and coverage of the audit. 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 **David Anthony, Head of Wiltshire Pensions Fund and Catherine Dix, Strategic Pensions 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 key financial system controls are operating effectively for The Wiltshire Pensions Fund, and that fraud, error or corruption is minimised.

Risk	Inherent Risk Assessment	Manager's Initial Assessment	Include in Scope
1. The Wiltshire Pension Fund suffers financial loss because contributions received and payments to pensioners are incorrect.	Medium	Low	Yes
2. The Wiltshire Pension Fund's financial records are compromised by the inaccurate reporting of balances and resultant material	Medium	Low	Yes

misstatements.			
3. The Wiltshire Pension Fund suffers financial and reputation loss as it is not compliant with LGPS regulations.	Medium	Low	Yes
4. The Wiltshire Pension Funds records are put at risk of fraud and error because access to the Pensions system application is not restricted to authorised users.	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
Senior Auditor	Kerry Chisholm

The Auditors will be responsible for carrying out the review and preparing a draft Audit Report.

It is expected that the audit will commence by **15 December 2016**. The target dates for completion of the audit work are as follows

Milestone	Target Date	Notes
Completion of fieldwork	24 th February 2017	
Close Out Meeting	w/c 27 th February 2017	
Draft Report	9 th March 2016	
Final Report		There will be a single final consolidated report for all the Key Control Audits published following completion of all the audits.

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

I agree the Terms of Reference described in this document represent a relevant and appropriate level of work.

Signed:

Name(s) and Position(s):

Date: