

## **2020/2021 Final Accounts Closedown**

### **West Sussex Pension Fund (WSPF)**

#### **Project Management Handbook**

##### **Background & Overview**

1. A Project Management Handbook has been prepared, recognising the importance of achieving an unqualified set of final accounts for the organisation, for the assurance it gives in:
  - Providing a reliable foundation for decision-making and planning
  - Maintaining the reputation of the West Sussex Local Government Pension Scheme and providing Employers with assurance around the stewardship and transparency of the arrangements in place.
  - Ensuring key processes are identified and adhered to

##### **Key Milestones, Project Controls and Quality Controls**

2. The following are the key milestones for a successful final accounts project – reflecting key project and quality controls. The dates provided within this document may be subject to change in order to ensure alignment with the County Council timescales.

<b>Milestone</b>	<b>Date</b>
Verification of information provided by fund managers, custodian and pension services team and reconciliation against the core accounting system (SAP) to enable full technical review of draft Statement of Accounts (SoA) by Lead Reviewer	21 May 2021
Completed internal quality assurance (QA) of SoA	28 May 2021
Submission of draft SoA to Ernst & Young (EY)	21 June 2021
Ensure that individual electronic working papers are provided in accordance with the agreed protocol with EY, signed off by the Lead Reviewer.	21 June 2021
Completion of EY audit work within advised fee scale	16 July 2021
Consideration of draft SoA as part of the Pension Fund Annual Report by Pensions Committee	21 July 2021
Despatch Audit Results Report to Regulation, Audit & Accounts Committee (RAAC)	13 September 2021
Consideration of final SoA by RAAC	22 September 2021
Provision of an unqualified audit certificate following meeting of RAAC	29 September 2021
Publication of audited SoA on website	30 September 2021

3. A more detailed task list, setting out due dates, task owners and reviewers has been prepared for officers involved in the process and is included in Annexe 1.

## **Roles & Responsibilities**

### Project organisation

4. Katharine Eberhart, Director of Finance & Support Services, as Section 151 officer, will be the project owner who will sign off the accounts presented to the Regulation, Audit and Accounts Committee (RAAC). The Director will be responsible and accountable for ensuring the accounts work remains focused and on course to meet the key deliverables as set out in the Key Milestones (above).
5. Rachel Wood, Pension Fund Strategist, will oversee the preparation, review and delivery and provide the final quality assurance (Lead Reviewer) of the SoA on behalf of the project owner and will monitor the progress of the team against the agreed project plan.
6. Dara Quaid, Finance Manager, is responsible for managing the team with responsibility for day to day project control, keeping the detailed project plan under close review and ensuring technical compliance to CIPFA Code of Practice. The Finance Manager will facilitate weekly project team meetings on progress against milestones and risks and monthly meeting between the project team.
7. In preparation for the delivery of the accounts, considerable resources have been committed throughout the year. Between March and July, the Pension Fund's accounting team (3.8 FTE) will be working to deliver the Project Plan.

### Other Stakeholders (third party providers)

8. The interdependencies of individual tasks are identified in the project plan. In addition, a number of tasks within this project plan require input from individuals outside of the immediate Pension Fund's accounting team - including fund managers, administration service providers, custodian and professional bodies. These are listed below.
  - Financial Reporting Manager (WSCC)
  - Legal Services (WSCC)
  - Pension Services (Hampshire CC)
  - External Valuer (Savills)
  - External Fund Managers (Aberdeen Standard, Baillie Gifford, Goldman Sachs, ICG, JP Morgan, Link, Pantheon, Partners Group, UBS)
  - Custodian (Northern Trust)
  - Fund Actuary (Hymans Robertson)
  - Professional Body (CIPFA)
  - External Auditor (Ernst Young)

## **Key Risks**

9. The following are key risks to the delivery of the Project and are detailed in Annexe 2.
  - Change in public health advice in relation to Covid-19
  - Reduction in available resource due to overall reduction in team working hours
  - Additional work requirements from Covid-19
  - Delay in information supplied by third party providers
  - Failure to provide information to Ernst Young in time and in a compliant format
  - Move away from SAP Enterprise Resource Planning software to Oracle fusion.
  - Late additional technical requirements

- Uncertainty around the audit dates and accounts timetable compounded by the delayed conclusion of 2019/20.

## Annex 1 - Milestones

Task	End date	Lead
Consideration of the accounting policies and project management handbook by Regulation, Audit & Accounts Committee (RAAC)	8 March 2021	DEM
'Interim Audit'	22 March 2021	EY
Verification of information provided by fund managers, custodian and pension services team and reconciliation against SAP to enable full technical review of draft (Statement of Accounts) SoA by lead reviewer	21 May 2021	PFS
Draft SoA QA Completed	27 May 2021	FMA
Completed internal quality assurance (QA) of SoA	28 May 2021	PFS
Submission of draft SoA to Ernst & Young (EY)	21 June 2021	FMA
On site Audit	21 June 2021	EY
Ensure that the individual electronic working papers are provided in accordance with the agreed protocol with EY, signed off by the lead reviewer	21 June 2021	PFS
Member Briefing with RAAC, Pensions Panel and Pension Advisory Board	Early July 2021 TBC	DEM
Accounts inspection period commences	1 July 2021	FMA
Completion of EY audit work within advised fee scale	16 July 2021	EY
Consideration of draft SoA and Pension Fund Annual Report by Pensions Committee	21 July 2021	Committee
End of accounts inspection period	11 August 2021	FMA
Draft Audit Results Report available for comment	17 August (TBC)	EY
EY despatches final Audit Results Report to RAAC	13 September 2021	EY
Consideration of final SoA by RAAC	22 September 2021	DEM
Opinion on financial statements and signed audit certificate provided	29 September 2021	EY
Anticipated deadline for submission of audited Whole of Government Accounts to Treasury	30 September 2021 (TBC)	FMA

Leads: **PFS** Pension Fund Strategist; **FMA** Finance Manager Accounting;  
**DEM** Democratic Services; **EY** External Auditors;

## Annex 2 - West Sussex Pension Fund closedown – Risk Register

Key:

Risk (R): Impact x Likelihood

Impact (I):  
catastrophic

1 = insignificant, 2 = minor, 3 = moderate, 4 = significant, 5 =

Likelihood (L):

1 = rare, 2 = unlikely, 3 = possible, 4 = likely, 5 = certain

Risk	Potential Impact	Initial Risk (I – Impact L- Likelihood R- Risk)			Mitigation	Who	Time scale
		I	L	R			
<b>Resource availability reduction</b>	The core project team are required to operate at maximum capacity throughout the accounting period. Any staff unavailability or change in Public Health advice relating to Covid-19 could result in the inability to complete technical accounting tasks and issue the accounts by the deadline.	4	3	12 (A)	Utilisation of resources across the wider Pensions team. Adhere to public health advice and engage with third parties around business continuity plans.	FM	March to July 2021
<b>Additional Work arising from Covid-19</b>	Additional work required for enhanced disclosures as a result of the ongoing Covid 19 pandemic (e.g. valuation uncertainty, going concern) is a risk to the accounts timetable. Increased audit scrutiny increases likelihood of audit differences and additional fees.	3	3	9 (A)	Lessons learnt from 2019/20 and the ability to replicate prior year disclosures. Early dialogue with EY to agree requirements.	PFS	March to July 2021
<b>Delay in information supplied by third party providers (including Private Equity)</b>	Prevents completion of statements and delays time available for Quality Assurance.	4	2	8 (A)	Requesting information early. Estimates to be calculated for Private Equity. Additional time allowed to embed QA processes.	FMA	March to May 2021
<b>Demands of Oracle Implementation project on core project team</b>	Risk to delivery of draft accounts and support to external audit if individuals are pulled too heavily into concurrent SAP replacement project because of their specialism.	4	2	8 (A)	Oracle project has been resourced with subject matter experts sourced from outside the direct final accounts team. SME on both projects to ensure that resourcing clashes are mitigated appropriately.	PFS	March to July 2021
<b>Failure to provide information to EY on time and in compliant form</b>	Delays in audit, causing additional audit fees	3	2	6 (A)	Early liaison with EY over format of working papers	PFS	March to July 2021

Risk	Potential Impact	Initial Risk (I – Impact L-Likelihood R- Risk)			Mitigation	Who	Time scale
		I	L	R			
<b>Additional Audit Plan Risks</b>	Delays in the 2019/20 audit have resulted in the 2020/21 plan being issued later than usual. Whilst the team are intending to prepare the accounts to the normal timetable completing by 1 June, there is potential for additional risks to be identified by EY which have not been incorporated in this analysis. The delay has also prevented the scheduling of 'planning' audit work which would traditionally be completed prior to the closing of the financial year.	3	2	6 (A)	The Audit Plan is expected to be shared with Committee at its July meeting. Officers to report any additional risks and proposed mitigations at that time. Early sight to be requested for accounts preparation purposes.	PF2	May to July 2021
<b>Late additional technical requirements</b>	Delays to timetable	2	2	4 (A)	Professional networking, liaison with CIPFA and attendance at year-end events/conferences	FMA	March July 2021