

2021/2022 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 (LGPS) 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 to ensure alignment with the associated County Council timescales.

Milestone	Date
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.	20 May 2022
Completed internal quality assurance (QA) of SoA.	10 June 2022
Submission of draft SoA to Ernst & Young (EY).	24 June 2022
Ensure that individual electronic working papers are provided in accordance with the agreed protocol with EY, signed off by the Lead Reviewer.	24 June 2022
Completion of EY audit work within advised fee scale.	9 September 2022
Consideration of final SoA by RAAC	22 September 2022
Provision of an unqualified audit certificate following meeting of RAAC.	Late September 2022 (TBC)
Publication of audited SoA on website.	30 September 2022

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 meetings 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, several 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, Fidelity, Goldman Sachs, ICG, JP Morgan, Link, Macquarie, Pantheon, Partners Group, UBS)
 - Custodian (Northern Trust)
 - Fund Actuary (Hymans Robertson)
 - Professional Body (CIPFA)
 - External Auditor (Ernst Young)
 - Investment Pool (ACCESS)

Key Risks

9. The following are key risks to the delivery of the Project and are detailed in Annexe 2.
 - Reduction in available resource due to overall reduction in team working hours
 - 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

Annex 1 - Milestones

Task	End date	Lead
'Interim Audit'	7 February 2022	EY
Consideration of the accounting policies and project management handbook by Regulation, Audit & Accounts Committee (RAAC).	14 March 2022	DEM
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.	20 May 2022	PFS
Draft SoA QA completed.	27 May 2022	FMA
Completed internal quality assurance (QA) of SoA.	10 June 2022	PFS
Submission of draft SoA to Ernst & Young (EY).	24 June 2022	FM
Ensure that the individual electronic working papers are provided in accordance with the agreed protocol with EY, signed off by the Lead Reviewer.	24 June 2022	PFS
Audit Commences	1 July 2022	EY
Member Briefing with RAAC, Pensions Committee and Pension Advisory Board.	15 Sept 2022	DEM
Accounts inspection period commences.	1 August 2022	FMA
Completion of EY audit work within advised fee scale.	9 September 2022	EY
End of accounts inspection period.	12 September 2022	FMA
EY despatches final Audit Results Report to RAAC.	13 September 2022	EY
Consideration of final SoA by RAAC.	22 September 2022	DEM
Opinion on financial statements and signed audit certificate provided.	Late September 2022	EY
Anticipated deadline for submission of audited Whole of Government Accounts to Treasury.	30 September 2022	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): 1 = insignificant, 2 = minor, 3 = moderate, 4 = significant, 5 = catastrophic

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			
Market Volatility	Market volatility impacting on the estimation techniques in the draft accounts.	3	3	9 (A)	Engage with Fund Managers and Advisors through-out the process	FMA	March to July 2022
Resource availability reduction	The core project team are required to operate at maximum capacity throughout the accounting period. Any staff unavailability could result in the inability to complete technical accounting tasks and issue the accounts by the deadline.	4	2	8 (A)	Utilisation of resources across the wider Pensions team. Adhere to public health advice and engage with third parties around business continuity plans.	FMA	March to July 2022
Delay in information supplied by third party providers (including Private Equity & Private Debt Fund Managers)	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 & Private Debt. Additional time allowed to embed QA processes.	FMA	March to May 2022
Demands of Oracle Implementation project on core project team	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 2022
Failure to provide information to EY on time and in compliant form	Delays in audit, causing additional audit fees	3	2	6 (A)	Early liaison with EY over format of working papers	PFS	March to July 2022
Late additional technical requirements	Delays to timetable	2	2	4 (A)	Professional networking, liaison with CIPFA and attendance at year-end events/conferences	FMA	March July 2022

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