

2022/23 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 employers participating in the West Sussex LGPS can adhere to their own accounting timetable where this relies on the WSPF's Statement of Accounts.
 - 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
Completed quality assurance (QA) of SoA.	22 May 2023
Deadline for publication of draft SoA.	31 May 2023
Ensure that individual electronic working papers are provided in accordance with the agreed protocol with EY, signed off by the Lead Reviewer.	19 June 2023 *
Submission of draft SoA to Ernst & Young (EY) and audit commences.	19 June 2023 *
Completion of EY audit work within advised fee scale.	25 August 2023 *
Consideration of final SoA by RAAC.	21 September 2023
Provision of an unqualified audit certificate following meeting of RAAC.	Late September 2023
Publication of audited SoA on website.	29 September 2023

*These dates are to be confirmed

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 Annex 1.

Roles & Responsibilities

Project organisation

4. Taryn Eves, 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. Vickie Hampshire, 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 (Abrdn, Link Fund Solutions, Goldman Sachs, ICG, JP Morgan, Pantheon, Partners Group)
 - Custodian (Northern Trust)
 - Fund Actuary (Hymans Robertson)
 - Professional Body (CIPFA)
 - External Auditor (Ernst Young, EY)

Key Risks

9. The following are key risks to the delivery of the Project and are detailed in Annex 2.
 - Reduction in available resource including demands of Oracle Implementation project on core project team.
 - Delay in information supplied by third party providers and complexity and estimation for end of year valuations for illiquid asset classes (property, private equity, infrastructure and private debt).
 - Failure to provide information to EY in time and in a compliant format.
 - Late additional technical requirements.
 - Additional audit work associated with new baseline for actuarial disclosures following the 2022 Actuarial Valuation.

Annex 1 - Milestones

Task	Due date	Lead
Interim Audit	TBC	EY
Consideration of the accounting policies and project management handbook by Regulation, Audit & Accounts Committee (RAAC).	20 March 2023	FM
Completed quality assurance (QA) of SoA.	22 May 2023	PFS
CFO certifies draft SoA for publication on WSCC website & submission to EY	31 May 2023	TE
Accounts inspection period commences.	1 June 2023	FM
Ensure that the individual electronic working papers are provided in accordance with the agreed protocol with EY, signed off by the Lead Reviewer.	19 June 2023 (TBC)	PFS
Submission of draft SoA to Ernst & Young (EY).	19 June 2023 (TBC)	FM
Audit Commences	19 June 2023 (TBC)	EY
Member Briefing with RAAC, Pensions Committee and Pension Advisory Board.	11 July 2023	DEM
End of accounts inspection period.	12 July 2023	FM
Completion of EY audit work within advised fee scale.	25 August 2023 (TBC)	EY
EY despatches final Audit Results Report to RAAC.	12 September 2023	EY
Consideration of final SoA by RAAC.	21 September 2023	DEM
Opinion on financial statements and signed audit certificate provided.	Late September 2023	EY

Leads: **PFS** Pension Fund Strategist; **FM** Finance Manager;
TE Taryn Eves; **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			
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	4	16 (R)	Utilisation of resources across the wider Pensions team and develop a succession plan to manage key person risk.	FM	March to July 2023
Complexity and estimation for end of year valuations for illiquid asset classes (property, private equity, infrastructure and private debt).	<p>Provision of information after 31 May 2023 will mean that estimations are included within the draft SoA. Final 31 March 2023 valuations will be received during the audit period, which may be materially different to the estimations and require an adjustment.</p> <p>EY may also undertake additional audit testing to verify the reliability of the estimations and valuations included.</p> <p>Changes in valuation can also impact on employer statements, requiring amendments.</p>	4	3	12 (R)	Engage with Fund Managers, Advisors and EY in advance and through-out the process.	FM	March to September 2023
Baseline for actuarial disclosures following the 2022 Actuarial Valuation	Additional audit work associated with new membership date and assumptions following the 2022 valuation will require additional audit testing, impacting resource demands.	2	5	10 (A)	<p>Engage with EY and administration team in advance.</p> <p>Provision of data quality letters to EY to provide assurance on data improvements.</p>	PFS	March to July 2023
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.	3	3	9 (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 September 2023

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	FM	March to July 2023
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.	FM	March to May 2023
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 2023
Late additional technical requirements	Delays to timetable	2	2	4 (A)	Professional networking, liaison with CIPFA and attendance at year-end events/conferences	FM	March July 2023

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