Wiltshire Council

AGENDA SUPPLEMENT (1)

Meeting: Local Pension Board

Place: Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Thursday 10 August 2023

Time: 10.00 am

The Agenda for the above meeting was published on 2 August 2023. Additional documents are now available and are attached to this Agenda Supplement.

Please direct any enquiries on this Agenda to Stuart Figini of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718221 or email stuart.figini@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

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9   **Headlines & Monitoring (HAM) Report** *(Pages 3 - 46)*

        Report and appendices are circulated.

DATE OF PUBLICATION: 3 August 2023

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
10 August 2023

<u>**WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT**</u>

<u>**Purpose of the Report**</u>

1. The purpose of this report is to provide the Board with information in relation to various standard issues, to enable the Board to fulfil its monitoring role.
   a) Headlines
   b) Key business plan items – Aggregations backlog, i-Connect & controls and Resourcing.
   c) Scheme, Regulatory, Legal and Fund Update
   d) Risk Register
   e) Administration KPI update – 1 April 2023 to 30 June 2023.
   f) Audit actions
      1) SWAP Audit 2022/23
      2) ClearGlass audit – update
      3) SWAP KPI audit
   g) Effectiveness review update

2. This report is intended to highlight key issues and developments. Full detail is provided in the Appendices.

<u>**Report from Head of Wiltshire Pension Fund**</u>

3. This section summarises key events across the Pension Fund over the last quarter.
   a) Investment performance for the quarter to Jun-23 was +1.4%, compared to a benchmark return of +1.8%. The fund value at the end of Jun-23 was just over £3.1bn.
   b) The funding level remains at around 125% (based on a roll-forward of the 2019 funding level).
   c) The backlogs project and the pensioner payroll rec projects are both up and running, with scheduled completion dates of end of Sep-23. Hymans have now completed around 1.6k cases, and Aon 530. We would have expected more progress on the Hymans project to date, and are working closely with Hymans to ensure that this completes on time. For Aon there were some delays due to not making amendments over the pensions increase being implemented for this year, but progress has picked up again now that this has been completed.
   d) Several of the roles within the new team structure have now been filled, including the new role of Employer Funding and Risk Lead and a replacement Pensions Administration Lead. Both these new team members will be attending this meeting to introduce themselves.
   e) The Stewardship report for 2023 has now been completed and was submitted to the FRC in time for the end of May deadline. We have also published a mini-magazine to provide some of this information in a more accessible and non-technical format to the wider group of stakeholders. The Fund has also published the first report into the impact of the affordable housing portfolio: https://wiltshirepensionfund.org.uk/Affordable-Housing-Impact-Report-2023
   f) The Fund has been shortlisted for three awards at this year's LAPF Investment Awards! These are Best Approach to Responsible Investment (which the Fund won in 2021), Investment Innovation (our submission focussed on the affordable housing portfolio), and the Governance Award (which focusses on our approach

to governance with the pool, communicating our long-term strategic aims, and risk management). The awards will be announced in September. Congratulations to the team and good luck on the night!

Business Plan Priority Area Progress Updates

4. As set out in the Business Plan 23/24, the priority areas where we need to focus in order to deliver the maximum improvements to our admin service are as follows:
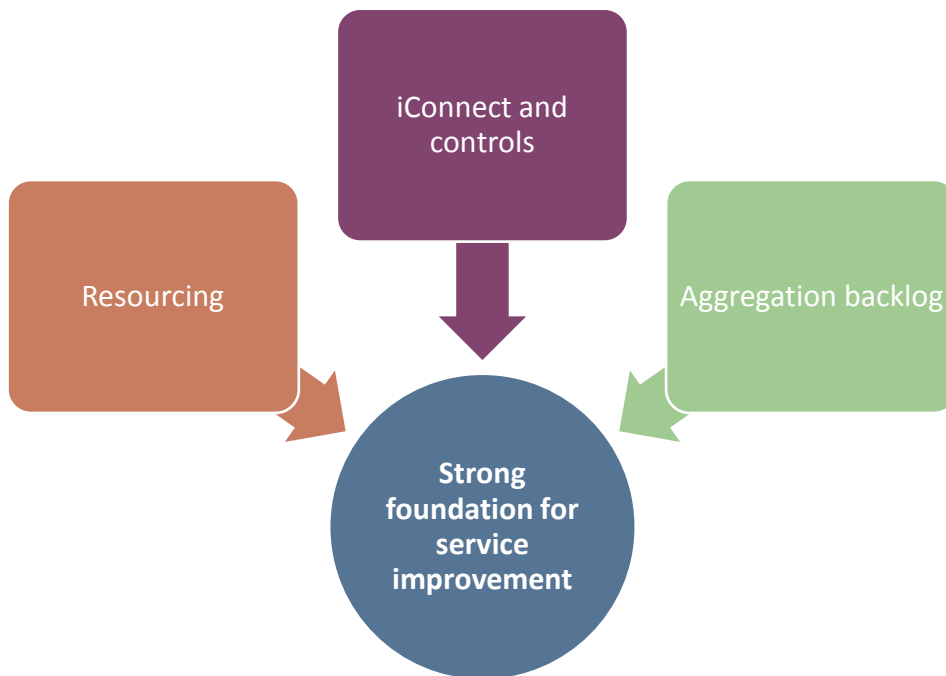
Resourcing – progress rating red

5. We have now appointed to all key vacant roles, with the exception of the Employer Services Manager role, where we have temporarily paused our recruitment efforts while we review the situation after several unsuccessful attempts. We are likely to go back out for this role in September. Two key roles (Employer Funding and Risk Lead and Pensions Admin Lead) now have people in post.

6. Staff training plans are in development. We are promoting training opportunities such as the Wiltshire Council leadership programme for new team leads, training on creating an inclusive workplace for all staff, targeted external training for new members of the operations team, and training plans for processing staff who wish to progress up the career grades.

7. More work still needs to be done to create a structured framework to use all the tools at our disposal to promote maximum efficiency in the processing teams. We plan to develop "recipe cards" for all processes to streamline work.

8. A recent employee engagement survey carried out by Wiltshire Council has indicated that there is poor morale and cultural issues within the team. This may in part have been due to the timing of the survey, which was done in the middle of our recent restructure. We have planned a team building day in September, and have now secured a dedicated office space so that people can come in a few days a week and we can work to build our team culture.

iConnect and related controls – progress rating red

9. There continue to be issues around the lack of a proper framework for monitoring whether data has been received, loaded, and processed from employers. Preliminary discussions have been held around the principles behind what data we check and why, and now that we have a Pensions Admin Lead in post, we hope to be able to progress this issue. A detailed training workshop has been held with the employer services team on this topic.

10. The same delays around progress apply to developing a monthly cycle of work for the employer services team, defining employer roles and responsibilities, and building on employer training and escalation, which should also be able to move forward now that we have an Employer Funding and Risk Lead and a Pensions Admin Lead in post.

11. Work on defining an efficient and effective control framework has not yet begun, but is strongly linked to the above point about recipe cards.

Aggregation backlog – progress rating red

12. As mentioned above (under para 3c), Hymans are making progress, but there have been issues on the way and we are still working with Hymans to find solutions to these issues.

13. The Service Improvement Team has now been set up as of 9 May 2023, and the Service Improvement Lead Analyst role has now been filled via an internal appointment. This will enable us to make data-driven decisions to identify high-impact efficiencies. We are still some way off being able to make a proper assessment of resource requirements.

14. Due to the issues mentioned above with monitoring, our measure of "open cases" is unlikely to be accurate (understated), and we do not have a clear picture of whether we are on top of BAU work.

Scheme, Regulatory and Legal Update (Appendix 1)

15. Officers have added updates to the appendix and will provide members with a verbal summary.

Risk Register (Appendix 2)

16. The version of the risk register presented in Appendix 2 relates to the month of June 2023. The June 2023 version will be the version submitted to the Committee meeting on 5 October. The officer led CROC Group will process and moderate ratings of monthly manager reviews in a consistent manner in the interim period.

17. A summary table is provided below for members to be able to monitor the key changes between versions submitted to their meetings. The purpose of this summary is to assist Board members in making their recommendations to the Committee.

18. The summary of key changes between the April and June versions, since the Board last reviewed the risk register in May are:

Risk Section	Section rating change	Key notes and mitigations during the period
Financial Management	Green to Amber	a) The risk has increased due to an issue with HSBC payment approvals, which requires large payments to be approved by an individual at HSBC. The issue is being progressed by the Council's Treasury Team.

		b)	Whilst payments from employers are being received, new processes are required to reconcile i-connect submissions against actual payments and ensure officers can track employer rates in i-Connect.
		c)	Ongoing communications are in progress with certain employers concerning the implementation of the new contribution rates.
		d)	Reconciliation between SAP and Altair payroll systems have seen an increase in discrepancies following the PI exercise. Investigations are ongoing.
Investment	Red to Amber	a)	BPP's governance continues to be monitored, but with the passing of their budget, agreement has been reached over-pay and BPP's ability to seek and recruit strategic staff. Officers are working with BPP and other authorities in the partnership to update BPP's constitution.
Stakeholder Engagement	Amber to Green	a)	Whilst the Fund did not pass its Customer Service Excellence assessment at its first attempt, its strategy is considered broadly speaking sound and outstanding developmental areas have been identified. A further assessment is planned for 2024.

No other material risk changes were identified during the period.

Administration KPIs (Appendix 3)

19. Tables 1 & 2 show the admin performance over the period from 1 May to 30 June 2023. July statistics were unavailable at the time of drafting. Regarding the overall Admin KPI picture, this continues to be challenging. This is due to the improved work allocation system (which prioritises work in line with meeting the KPIs whilst also working on backlog cases), the high priority administration KPIs remained at a consistent level and we expect them to remain at this level until we clear the majority of the backlog.   Open case volumes have come down by 1266 over the last two months, but it is advised to be cautious in interpreting this data. There may still be some cases that have not yet been recorded on the system and this will not be resolved completely until we have cleared the backlog. Additionally, we have been experiencing problems in obtaining data from employers and need to make improvements in our own framework for monitoring this information. Consequently, the volume of open cases may be larger than it appears in the figures, however with the work that we are currently undertaking we expect the statistics to be clearer at the next meeting.

20. Tables 3 & 4 provide some analysis of the open cases. Table 4 shows the volume of open cases which are top of the list for completion. This needs to be reduced, and when this is brought down, the team will be able to tackle work as it comes in and hit the KPIs more reliably.

21. Members are reminded that the lifecycle of the Fund has just passed its year end phase, which has increased the number of open tasks.

Internal Audit update (Appendix 4)

22. SWAP Audit review 2022/23:

a) SWAP November 2022 audit – Appendix 4 presents the progress of the Fund's Key Financial Controls actions log as at 11 July based on the recommendations made by the SWAP auditor:

b) Target dates – Actions either paused or exceeding their agreed target dates are:

    I.   **Action 1** – New Enrolments. This action has been paused due to the fact that the scope of the action has materially changed since it was recommended by SWAP. In particular, the decision to suspend i-connect onboarding following the introduction of key business plan actions.

    II.   **Action 2** – Overpayments. Although considered to be 80% completed, final sign off of the overpayment & officer approval policies remains outstanding.

    III.   **Action 5** – Amendments. Although considered to be 90% completed, final testing & sign off of the new recipe cards and the mortality screening service providers contract remains outstanding.

    IV.   **Action 9** – Workflow management. Although 60% completed, the delay in appointing a Workflow Management Officer is inhibiting progress and consequently productivity improvements have remained sporadic.

    V.   **Action 3** – Lumpsum payments. The target date of 31 July will have passed by the time of the Board meeting, however as at 11 July this action is considered to be 70% completed and final completion is largely subject to the signing off of the immediate payments procedures on the introduction of the new system.

c) Officers will have a further review meeting on 7 August, to consider progress since 11 July.

d) A summary of the actions which remain within their target dates are:

    I.   Broadly speaking **Action 4** – Transfers into the Fund, **Action 7** – Status 2 members and **Action 11** – Quality Assurance continue to be on target with good progress being made, leaving commentary in respect of the two actions below.

    II.   **Action 6** – Aggregation processing and backlog. Progress is being made, but at a slower rate. Officers continue to liaise with Hymans concerning casework scope and levels of casework completion within the project management timeframe agreed, at the start of the project.

    III.   **Action 10** – KPIs, Reports & Monitoring of Staff Productivity. Whilst progress has been made, it may be the case that it would be appropriate to pause this action, so that the findings from SWAP KPI audit can be incorporated into this action's further progress.

ClearGlass audit

23. Update

a) Officers presented ClearGlass' audit report on monitoring fee savings, with a view to providing assurance over the calculated fee savings, as a core measure of success for investment pooling, at the Committee meeting on 15 June. This included assessing whether the prescribed methodology was still meaningful given changes in the market and to the investment strategies of the underlying funds.

b) Given the inherent difficulty of assessing fee savings across asset classes and over an extended period of time, it was agreed that the Fund's focus will now turn to ensuring pooling delivers value for money through assessing performance of the investments, of which ensuring suitable fee terms is one part.

c) In conclusion, the Committee approved the recommendations of the audit which included two actions, namely, to formulate questions with ClearGlass to seek

clarifications on unknown elements which had been identified within the report and to draft a letter encouraging Brunel to use caution when publicising fee savings, and focus on meaningful measures of pooling success, such as investment performance and responsible investment. At this time, we await the outcome of those two actions.

SWAP KPI Audit

24. The Chair of the Committee requested that the audit be delayed until suitable resourcing was in place. A staffing appointment was due to start at the end of July and officers understand that the audit will take place on completion of that staff member's SWAP orientation.

25. Additionally, SWAP have noted that the s151 officer has requested that the pre-payroll migration audit from SAP to Altair covering the project management and transition preparations, as well as implementation of the new Altair payroll be actioned with immediate effect. The commencement of this audit is likely delaying the start date of the KPI audit.

26. However, officers note that the scope of the KPI audit has been agreed and is intended to cover the following areas:
    a) KPI setting process, to include consideration of the requirement and relevance of each KPI:
    b) The methodology for calculating KPIs:
    c) The accuracy of the reported KPIs and inclusion of direction of travel indicators – including details of the pre reporting review process:
    d) Management oversight and reporting of the KPIs reported to the Board and Committee; and
    e) Monitoring of results by management and action plans in place where KPIs are not achieving the determined target.

Effectiveness review update

27. Following a review by members of Hymans Effective Review Report dated November 2022, a number of items were identified for adoption to improve member effectiveness. These were:
    a) That the HAM report should introduce three strategic focus areas, namely the Aggregation backlog, i-Connect and controls and Resourcing:
    b) That the three strategic focus areas will be highlighted on the Fund's Scheme update and that regular updates are provided:
    c) That the same quarterly version of the risk register will be presented to the Committee as well as the Board to allow the Board to make its recommendations:
    d) That the quarterly risk register will be signed off by the Head of Pensions, prior to its submission to the Board:
    e) That a revised training plan for the Committee members be prepared, which incorporates members own training needs and wants, has a lesser focus on compliance and which should stand down officer training at meetings: and
    f) That Board's comments on a subject are to be incorporated in full into the relevant reports submitted to the Committee.

28. Officers can confirm that all the items identified for adoption have been implemented and that consequently this review has been concluded.

Financial Implications

29. No direct implications.

Legal Implications

30. There are no known implications from the proposals.

Environmental Impacts of the Proposals

31. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

32. There are no known implications currently.

Proposals

33. The Board is asked:
   a) to note the Fund updates and progress against the Business Plan 2023/24 key priorities;
   b) to endorse the risk register in Appendix 2 & the summary of risk changes since the last review, as a true and fair view of the risks currently being experienced by the Fund and to recommend that endorsement to the Committee:
   c) to note the progress recorded on the SWAP audit actions log and in light of material changes to actions since the SWAP recommendations were made endorse the pausing of actions 1 & 10:

JENNIFER DEVINE
Head of Wiltshire Pension Fund

Report Authors: Richard Bullen (Fund Governance Manager) and Jennifer Devine (Head of Wiltshire Pension Fund)

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

Appendices:
Appendix 1 – Scheme, Legal, Regulatory and Fund updates
Appendix 2 – Full risk register
Appendix 3 – Administration KPIs
Appendix 4 – SWAP Audit Actions log

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Scheme, legal, regulatory and Fund update

Source & Subject	Update Status	Subject detail & comments	Risk mitigation comments	Residual risk rating
Fund Update: **Business Focus**	No change	A 3-year business plan to cover the period 1 April 2023 to 31 March 2026.	WPFC & LPB to review officer progress against the business plan through an actions log which is reviewed on a quarterly basis	ST101
HM Treasury: **Reforms to public sector exit payments**	No change	After a brief period of 'going live', the Restrictions on Public Sector Exit Payment Regulations were revoked in early 2021. On 8 August 2022 HM Treasury published a consultation on Administrative Controls Process for Public Sector Exits, seeking views on a "new administrative control process for public sector exit payments over £95,000". The consultation closed in October 2022, and we are waiting to hear further information. Initially, the changes will not apply to Councils/most LGPS employers, which may be a sign of things to come. The major difference on the revised proposal is that rather than the employee receiving capped benefits (after the employer made a decision), the cap applies to the stage before (i.e., the employer approval). Therefore, if the costs are going to be above £95,000 then the employer needs approval to go ahead. From a pension's perspective, such an approach would quite possibly avoid nearly all the issues from initial implementation. However, it may well still be unwelcomed for employers in other respects.	Officers will continue to appraise themselves of developments via Hymans updates and the following links: Public Sector Exit Payments: a new controls process for high exit payments - GOV.UK (www.gov.uk) Return of the £95k cap - News | Barnett Waddingham (barnett-waddingham.co.uk)	ST102
Scheme Advisory Board (SAB): **Good Governance Project**	No change	Good Governance Project (formerly known as the Separation Project)	Hymans-Robertson, on behalf of the SAB, has released its report on phase II which outlines a number of specific recommendations. Hymans Robertson and SAB are now moving towards Phase III of the project and a proposal is going to MHCLG to implement the proposals. Implementation is likely in 2023.	ST102

The Pension Regulator (tPR): **Single code of practice**	No change	TPR have released a consultation concerning its intention to produce a single code of practice covering all pension schemes (Consequently, 10 of the 15 existing codes will be merged). Whilst this will impact the Fund's current adherence to Code of Practice 14, it is understood that the new Single Code will be modelled on Code of Practice 14.	Whilst some of the exercise is merely one of administrative consolidation, tPR have also used this as an opportunity to make some changes. Implementation is likely in 2023.	ST102
Scheme Advisory Board (SAB): **Goodwin Case**	No change	With some similarities to McCloud, another discrimination case affecting public service schemes including the LGPS is the Goodwin case. This time it's on the grounds of sexual orientation whereby it has been shown that it is discriminatory for female partners of members who are in a same sex or opposite sex marriage to receive different survivor benefits from one other.	Although the funding costs will be small, this will be a further administration and communication burden to address. Little information has still been provided of the impact on the LGPS, but the DfE has started a consultation in relation to the Teacher's Pension Scheme to start the process of altering the scheme rules. It is expected DLUHC will undertake a similar process for the LGPS in due course.	ST102
DLUHC: **Fair Deal Consultation**	No change	A DLUHC proposal to strengthen the pension protections that apply when employees are outsourced from their LGPS employer. https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection	Officers have responded to the consultation but have yet to hear anything further from DLUHC. The next step is likely to be either another consultation or the introduction of legislation. Due to the Parliamentary backlog, further progress may not be seen until late 2023.	ST102
DLUHC: **Education Sector reforms & Changes to the Local Valuation Cycle and the Management of Employer risk Consultation**	No change	**Education sector reforms** Sixty Second Summary - Education sector in the LGPS - Hymans Robertson Management of employer risk regulations - Hymans Robertson	**Education sector reforms:** These are outlined in the helpful 'sixty second summary' link to the left. Some of these discussions related to point 5 of the Consultation outlined below. One positive area being considered by Government is the introduction of guarantee to protect Funds against FE Colleges defaults. **Scope:** 1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle.	ST102

			Nothing further has been heard on this. As contribution rates are currently being set for the period 2023-2026, it is likely that any changes would not take place for a number of years. 2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. As above. **3). Proposals for flexibility on exit payments.** **4). Proposals for further policy changes to exit credits.** Legislation has been introduced in relation to 3) & 4) and is embedded in the Fund's cessation policy. 5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees) The Fund is unaware of any further developments in this area.	
Brexit Freedoms: **Retained EU Law Bill**	No change	The Retained EU Law (Revocation & Reform) Bill will assess all EU derived subordinate legislation and all retained directly applicable EU legislation. It excludes primary law, subject to certain conditions. This will be assessed by a Minister or devolved authority (not Parliament) Circa 4,000 pension related laws to be reviewed by 31st December 2023. There is the power to retain legislation until 23 June 2026. Retained EU laws from 31 December will be known as Assimilated Law. In addition, EU case law will no longer be binding.	Relevant Ministers will review the laws. Pension related issues are expected to include laws around Employment, Age Discrimination & material events prior to December 2006. Officers will take guidance from their professional advisers concerning any changes impacting the Fund. The key risk will be officers' ability to apply all the changes within the required time frames.	ST102
GDPR: **Data Protection & Digital Information Bill**	No change	To amend the current GDPR & Data Protection Act 2018. Its aim is to providing organisations with greater flexibility on how to comply with some aspect of data protection legislation. In particular, less box-ticking, improvements in the clarity of the framework and reforming the ICO.	A project plan will be developed. At present, whilst it is noted that the data mapping requirements could be simplified (Article 30), the existing data map will receive it annual review. It is anticipated that DPIAs will be more targeted, DPO's replaced by senior responsible individuals, vexatious SARs can be more easily rejected, personal data definitions altered, new rules around the legal basis for processing, greater flexibility around data	ST102

			security, reforms around international data transfers rules, changes to provider contracts and the ICO reformed. The key risk being the acceptability of these changes to the EU.	
DLUHC: **Cost control consultation**	No change	Proposed amendments to the Scheme Advisory Board's cost control mechanism have been published for consultation. Closing date 24 March 2023. The mechanism operates in addition to the HM Treasury cost control valuations (which apply to all public sector pension schemes) to recognise that the LGPS is unique in having funded schemes that are administered locally. The broad purpose of the consultation is to update the SAB mechanism to align with the HMT cost control valuations (ensuring the SAB mechanism can still influence the HMT outcome) and give the SAB greater flexibility in how it manages any cost variations	Hymans are responding to the consultation and officers will take guidance from Hymans response.	ST102
DLUHC: **Edinburgh Reforms**	No change	On 9 December, over 30 regulatory reforms were announced, with the aim of driving growth and competitiveness in the UK financial services sector. The proposed reforms are designed to maintain and build a competitive marketplace and promote the effective use of capital, secure the UK's leadership role in sustainable finance, ensure the regulatory framework supports technology and innovation and deliver for consumers and businesses. From a pensions perspective this means encouraging schemes to invest more of their assets in illiquid investments, such as UK infrastructure through the removal of performance fees & repealing & replacing EU law on financial services. Other considerations are also on the table.	Officers await details of the proposed regulatory changes before considering the impact and associated risks.	ST102
DLUHC: **Revaluation Date Change Consultation**	No change	The Govt. has announced that a full 10.1% increase (from last September's CPI) will apply to pensions in payment and Career Average Revalued Earnings pension revaluation. However, the impact of this apparently minor change actually has material	The move is designed to bring the revaluation of LGPS CARE benefits into line with the Pension Input Period (PIP) used for Annual Allowance tax calculations. The consultation lasted only 2 weeks from 10 February 2023 to 24 February 2023.	ST102

		implications for the Pension Input Period (PIP) used for Annual Allowance tax calculations. Consequently, changing the date on which CARE pensions are revalued, from 1 April to 6 April is being consulted on.	The tight timescales are likely to mean that, if any changes are implemented, pension administration systems will not be updated in time for April's increases to be applied. In addition, if this change is not, it is likely to mean that twice as many members will be impacted by the annual allowance tax charges than usual.	
DLUHC: **Consultation: Taking action on climate risk**	No change	DLUHC have released the consultation, and WPF has responded (as approved by Committee on 17 Nov 22) https://www.gov.uk/government/consultations/taking-action-on-climate-risk-improving-governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations The Fund intends to manage investment portfolios, and/or to take advantage of the investment opportunities which arise from the transition to a low carbon economy.	The Fund is in a good place here as the Committee has already done significant work to address this risk, via modelling, education (both of Committee members and the wider scheme membership), transparent reporting and meaningful actions. Quarterly reviews and reporting submitted to the WPFC. Plus, annual TCFD reporting. Preparation of (and monitoring against) an annual Responsible Investment Plan and RI Policy (including climate action plan). Further mitigations (not mapped as controls here) include review of the strategic asset allocation, and climate scenario modelling from both an investment and actuarial basis.	ST103
Fund Update: **Control and risk framework**:	No change	A poor operating control and risk framework could lead to negative outcomes for the Fund, such as incorrect financial transactions and/or records, incorrect member records, or fraud and misappropriation. Onward adverse outcomes could include minimal internal audit assurance, qualified audit reports and reputational damage.	This Scheme, legal, regulatory and Fund update has been integrated with the officer led risk register to provide strategic updates for the LPB and WPFC. In addition, Committee tab of the main risk register will provide a summary of the prevailing operational risks. An annual internal audit action plan, focussed on high priority areas. Risk and control meetings are now regularly happening with full engagement from managers	ST104
Fund Updates: **Funding position**	No change	Failure to consider the multiple factors affecting the Fund's funding position could lead to adverse outcomes, including lack of awareness around the impact of macroeconomic events on the Funding position, failure to act in a timely manner in response to significant falls (>20%) in the funding level, or failure to proactively address employer cessation and solvency issues.	Regular review of the funding level, including reporting movements (and reasons) to key stakeholders, via monthly update emails	ST105

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Fund Update: **Evolve programme**	No change	Evolve programme – which involves the Council changing the pensioner payroll system and Fund accounting system.	The target system implementation date was 1 April 2023, but officers understand from the Evolve project team that the target date is now in doubt, and it is possible the new systems will not be implemented until later in 2023. SAP contract expires in December 2023. PF officers are engaging with the Evolve programme. In addition, officers are implementing an integrated payroll, and in ensuring that pension increases are correctly applied through Oracle.	ST106 (supported by PJ106)
Fund Update: **Operational resilience**	No change	The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way	A KPI improvement plan is in draft. Weekly insights reports have now been launched for half the processing staff. The team restructure represents an increase in headcount and there may be issues with recruitment. Recruitment is proving to be challenging for senior roles. Progress has been made to assess the level of resource needed to deliver the service.	ST107
Fund Update: **Cost of living crisis**	No change	The cost-of-living crisis could impact the Fund from numerous perspectives including funding, investments, communications, administration, cash flow, resourcing etc.	A report has been prepared on the impacts, with the largest impact expected to be on cashflow. Modelling work has been undertaken by Hymans and supports the initial analysis that this is not an immediately issue.	ST108
DLUHC: **McCloud**	No change	The Public Service Pensions and Judicial Offices Act 2022 is the primary legislation The LGPS Regulations associated with that legislation is to be released. It is anticipated that the remedy legislation will apply from 1 October 2023, with backdated effecting across the remedy window of 1 April 2014 to 31 March 2022.	The Fund's software provider continues to release software updates in stages in anticipation of the final remedy legislation being laid before parliament. A Project plan has been established and officers have identified how much data has already been collected. Officers are widening the data collection process to all employers & validated and started uploading data to the pensions administration system. In particular, as part of i-Connect onboarding, officers continue to update part-time hours histories for active staff. Requested part-time hour history for all other employers which are not currently on i-Connect, albeit it is noted that this is problematic due to some employers having incomplete records covering the remedy period.	PJ101

			Aon was commissioned to provide some advice on McCloud including a summary of what work a standard LGPS fund should have completed to date in order to be prepared. These reports have now been received, and officers have reviewed the reports.	
The Department of Work and Pensions (DWP): **Pension dashboard project**	No change	DWP consulted on draft regulations earlier this year, and the consultation closed on 13 March 2022. A further consultation was issued in June 2022, and this closed on 19 July 2022. The consultation raises some issues due to the different rules that apply in the LGPS in comparison to other schemes. Such as: excluding deferred refunds, issues around missing starter notifications and the value of benefits if the vesting period is not met etc. The public sector staging date has been pushed back by 5 months and is now targeting **September 2024**.	The Fund's software provider, Aquila Heywood, is designated as an 'Integrated Service Provider' and is part of the national working party to help deliver the Pensions Dashboard. The Fund intends to work with Aquila Heywood to provide the data required. Aon was commissioned to provide some advice on the Pensions Dashboard, including a summary of what work a standard LGPS fund should have completed to date in order to be prepared. These reports have now been received, and officers have reviewed the reports https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/	PJ102

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Committee Risk Register

Owner: Richard Bullen

Medium	Overall Risk

Risk Assessment

Risk Health

Low   Medium   High
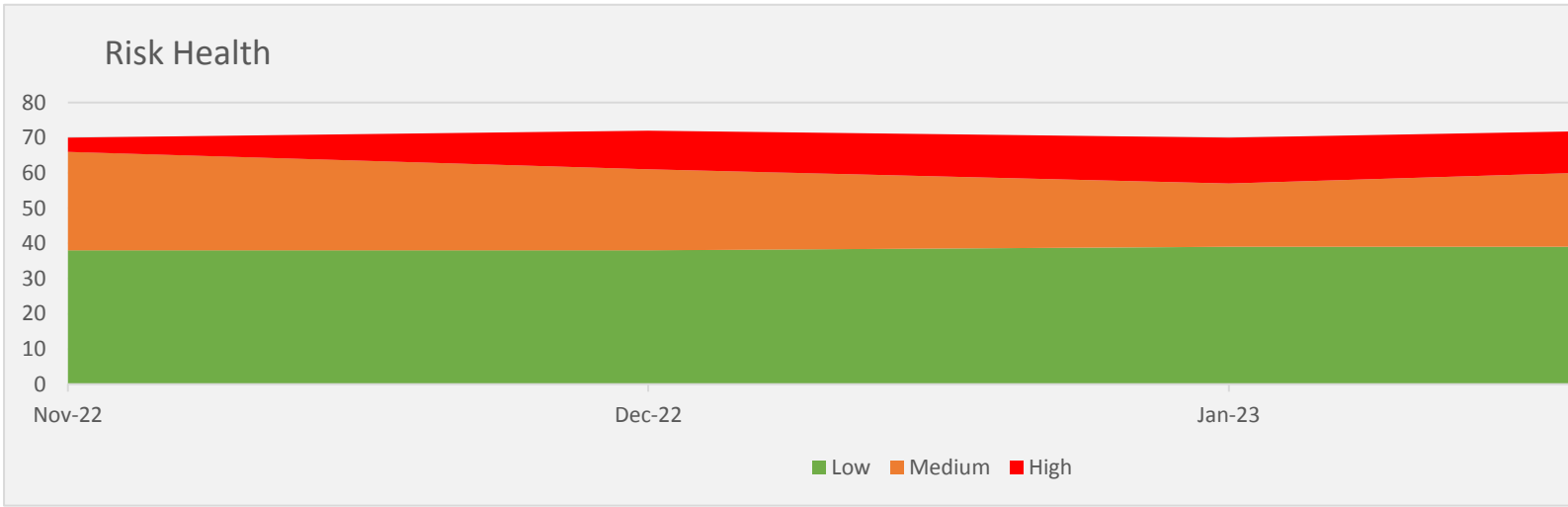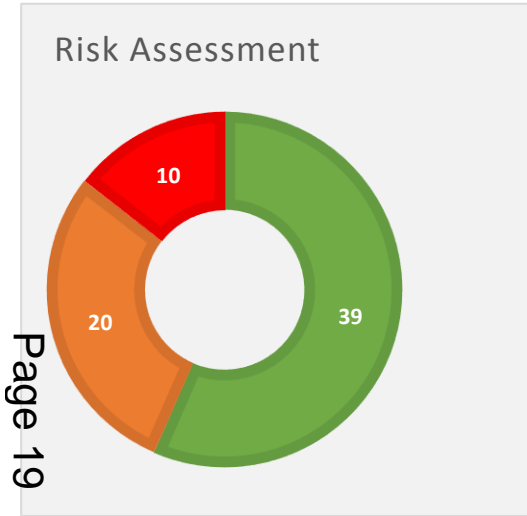
Risk Area	Key Risks	Risk Assessment	Updates to note

| Service Delivery | Level of post and work volumes remain high in spite of increased productivity, and a concern remains over the failure to meet the KPI targets.
Resourcing constraints means that work is not being received and allocated in a timely manner.
Issues with post being received/sent and records updated in an accurate and timely manner.
Failure to process TV-outs due to a process review. This could hamper productive output.
Associated risks following the processing of the pension increase exercise continue, due to an increase in discrepancies between databases arising from the increase and adjustments to short term pensions.
A risk that frauds could occur if suitable internal controls are no implemented | High | As part of the business plan 2022/2023, the backlog was outsourced to Hymans.
A work allocation system has been embedded for member services (with employer services to follow), which is forward-looking and enables tasks which are about to go out of date to be prioritised.
In March the Key activates of i-Connect and controls, the aggregations backlog and resourcing were identified as factors to overcome in order that the business plan 23/24 could improve on productivity. A Service Improvement team has been formed to facilitate data preparation and in turn productivity.
Weekly KPIs are now circulated and analysed, and weekly insights have been launched for the member services team (the employer services team have their own KPIs formulated), which show staff productivity.
Embedding the use of bulk processing is now better supporting Fund processes.
Work on reviewing short-term widows pensions has been implemented and is nearing completion.
Arrangements will be reviewed following an independent investigation into fraudulent activity |

Financial Management	The employer contribution rate schedule is not accurately maintained and the Fund is unable to determine if it is receiving the correct contributions, or identifying ceasing employers at an early stage. The Fund pays incorrect pensions, lump sums and other one off payments to pensioner members. Ceasing employers challenge actuarial reports due to the size of deficit payments they are required to make. Delays in Treasury Management processing could be caused by changes to approval limits	Medium	Officers have set up an Employer Contribution and Data Management Working Group to mitigate the risk of the schedule not being maintained. Internal audit has highlighted further improvements over the internal controls in relations to financial management. An update will be presented to members at each meeting cycle. Officers are working to ensure the new contributions rates are being implements & paid by all employers. Strategic employer cessations are being managed by officers, who take legal and actuarial advice to ensure employer understand their cessation obligations. Officers are working with Wiltshire Council Finance to ensure that the appropriate approval limits and framework are in place.
Fund Governance	Members and senior officers do not maintain their knowledge and understanding leading to poor decision making and poor governance. Although implemented, embedding the risk and control framework into departmental culture is an ongoing process	Low	Approval of a Committee member training strategy for 23/24 is under review. Details of the new strategy are yet to be published in order to mitigate issues in relation to insufficient knowledge and understanding. Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept.

Systems Management	Poor KPI reporting providing incorrect data which could lead to poor decisions being made. Old user accounts, including i-Connect logins and inaccurate profiles which aren't being removed on a timely basis and being attributed to team members, means users could access/perform tasks that they shouldn't be completing. Ineffective controls of mortality screening could result in the paying of benefits that should have ceased. It is noteworthy to highlight that the Council's contract will SAP expires in December 2023 Changes to the transfer value guidance has caused a suspension to the calculation routines	Medium	Insights, a new software tool provided by the Fund's database manager has enabled more accurate and timely reporting. User Accounts and Profiles are monitored, but reporting that monitoring requires development. A re-tender exercise has been completed in respect of the Fund's current mortality screening and training provider. Although the new appointment should have started from 1st April there have been delays in completing the contract. The former supplier is continuing to provide a service until negotiations have been completed. The migration to a new payroll databases is crucial. In addition, other SAP functions such as HR could also impact the Fund. Implementation of the Altair payroll to mitigate the cessation of SAP will help, however the Fund remains reliant on the Council's Evolve programme to move forward. Expected April 2024. On completion of a TV process review, all TV calculations will be able to recommence.
Investment	Investment performance by managers is poor or misaligned with expectations leading to risk of funding level, achievement of investment strategy and poor benchmarking. BPP needs to operate effectively to ensure funds are well managed, investments are made on a timely basis and delivering their objectives. BPP has been set up to deliver cost savings, if mismanaged this could lead to higher costs and poor investment returns.	Medium	The Fund is working with Brunel on pooling arrangements. The Fund is currently benefitting from net fee savings, but costs are under constant pressure to rise with high budget increases being proposed. Key person departures are also an ongoing concern in relation to resourcing. BPP's governance continues to be monitored due to concerns over levels of pay, budgets and staff losses. Officers are working with BPP and other authorities in the partnership to update BPP's constitution. Agreement has been reached over pay and budgets and BPP are seeking to recruit strategic staff.

Compliance with Regulations	Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing. Failure to achieve statutory requirements & deadlines due to work volumes	Low	Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance. Project planning and holding of regular management meetings to ensure deadlines are achieved.
Performance	Employers not performing their roles effectively, such as not sending timely and accurate information in the required format. Employers not updating us on a timely basis concerning changes to 3rd party providers affecting the Fund. Employers not following i-Connect processing correctly leading to data breaches	Low	Extra training is given to employers as part of the Fund's Employer training strategy. A new employer training strategy for 2023 has been prepared and employer scorecards to be issued to all employers notifying them of their performance against the Pensions Admin Strategy. The Pension Admin Strategy to be updated to make it clearer to employers concerning the performance targets expected of them.
Employer Management	Employers not engaging with the Fund highlighted through poor data, poor timeliness of submissions and not complying with the regulations. This can lead to poor decision-making effecting scheme members Contacts have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively. In addition, current contact maintenance requires improvement. Employers are not set up, maintained or leave the Fund correctly. This can effect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information. Employers not joining the Fund in line with legislation e.g. unsigned admission agreements, resolutions not being passed and not keeping track of mergers/demergers. The Fund needs to consider a covenant strategy review following completion of the valuation.	Medium	As mentioned under Performance the Fund offers training to employers to mitigate the risks highlighted. Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with our Actuarial advisers to ensure new sets up are managed correctly. In addition, officers need to maintain the Fund's unitisation database. A risk exists of employers failing and not funding their liabilities could occur, where their financial position weakens. Fund officers liaising with the Scheme Actuary concerning a covenant review strategy. The completion of Admission Agreements will assist areas such as i-connect and contribution reconciliation. Monthly meetings being held with Legal Services and external packages for this work being considered. An exercise updating the employer contacts is being reviewed.

Data Management	Information is posted through i-Connect or employer spreadsheets late which can delay processing. In addition, a lack of i-Connect checks may impact data accuracy. There's risk that cessations are not advised resulting in delays to the start of this process. TUPE transfer are being delayed due to a backlog in Legal Services. Employer asset and liability allocations should be monitored to avoid throwing out an employer's funding position. Poor data provision from large individual employers can heavily impact the Fund's data management	High	To enable the i-Connect onboarding process officers are working closely with the outstanding employers, particularly where they are major employers who will have an impact on the Fund. This process continues even though actual onboarding has been temporarily suspended. Relevant checks associated with i-Connect submissions are being reviewed. Whilst the TUPE & cessation reporting issue has been resolved as part of a new Heywood's release, officers now need to work with Legal Services to progress delays in this area. Assignment of the responsibility to a specific officer as well as accurate transaction coding and Altair reporting will be implemented on the imminent appointment of a key staff member. Key project management exercises undertaken to oversee large individual employers impacting the Fund data quality and management
Stakeholder Engagement	Inaccuracy of communications by the Fund could result in reputational damage. There is a risk that as a Fund we are delivering poor customer service to our members, with slow response times and disclosure breaches.	Low	Peer review arrangements are in place prior to publication and a strategy to maintain the compliance and content on MSS & the website is being implemented. A review of the Fund's Customer Service Excellence strategy is being considered following its initial assessment.
Funding	Pension payment adjustments caused by the Rectification project may impact the Fund.	Low	The Accounting team is working with the project manager to ensure Funding is not adversely impacted

Resourcing	The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way. In addition, key departures could lead to a loss of crucial knowledge in the team.	High	Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is under review for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term; A recent restructure, has filled key vacancies, with the exception of one role. New employer services staff members receiving focussed training relating to their roles to mitigate processing errors and encourage -Connect data checks
Climate risk	Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts.	Medium	The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios. The Fund already reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).
Projects	Projects are managed by a designated Project Manager. Key projects currently being managed are the Backlog project, the rectification project and McCloud. The first two have been outsourced to 3rd party administrators. Regular updates are provided to the management team, Committee and Board in respect of the McCloud. A fourth project relating to internal backlogs is also considered a risk area. At present, the outsourced backlog and rectification projects are progressing, however the McCloud has faulted. A delay in the Evolve programme is also contributing to risk in this area. Payroll staff have been recruited to implement Altair's payroll system over the next few months.	Medium	As part of the oversight of Evolve Payroll Programme periodic strategic updates are received from the s151 Officer to assess level of risk; Significant retrospective legislation changes related to the McCloud case could lead to higher levels of administration resource. Factors addressed by the restructure and the business plan. In addition, factors relating to consistent working practices are being resolved. To mitigate delays on McCloud the Project Manager is working with internal and external stakeholders to set milestones and reporting frameworks. Mitigations relating to the Evolve project involve the implementation of Altair's payroll system in the Autumn to take on new pensioners in a phased approach.
Other External Risks	No "other" risks currently identified.	Low	

Appendix 3 - Administration KPI`s

An analysis of the adminisrative performance over the period

From 1 May 2023 - 30 June 2023

Internally set targets (Fund)

The Fund's internally set administration targets are set to help met the goals of the Fund's business plan. The Fund also must meet certain disclosure targets, but these will now only be monitored on an exceptions basis (i.e. if we are failing).

Table 1: Performance over 1 May to 30 June 2023

Priority Category	Process	SLA (Working days)	Target KPI	Closing cases prior report	Terminated Cases	Cases Open at Start	Cases received	Cases processed	Cases open at end	Case Change	Completed on target
High	Deaths	5/10/20 days	95%	437	-119	318	396	423	291	🟢	84%
High	Retirements	10/20 days	95%	540	-134	406	475	518	363	🟢	80%
High	Refunds	10 days	95%	9	-7	2	117	112	7	🔴	98%
Medium	Transfers Out	10/20 days	90%	270	-43	227	180	119	288	🔴	30%
Medium	Transfers In	10/15/20 days	90%	25	-7	18	12	6	24	🔴	50%
Medium	Aggregations	23 days - 1 year	90%	3165	-779	2386	652	827	2211	🟢	55%
Medium	Leavers	23 days - 46 days	90%	3370	-544	2826	1297	1547	2576	🟢	51%
Medium	Divorce	20 - 25 days	90%	24	-1	23	38	7	54	🔴	86%

*red alert shown for anything below 10% of tolerable performance

Open cases at end of period	Reply Due	In Office	Of which: Currently within SLA	Of which: Already beyond SLA
Deaths	243	48	19	29
Retirements	188	175	137	38
Refunds	7	0	0	0
Transfers Out	138	150	71	79
Transfers In	14	10	5	5
Aggregations	214	1997	602	1395
Leavers	193	2383	488	1895
Divorce	22	32	23	9
Total	1019	4795	1345	3450

*Table 1 shows the Fund's process times against the timeframes set out in the administration strategy

Wiltshire Pension Fund

Table 2: Monthly breakdown of completion on target percentage

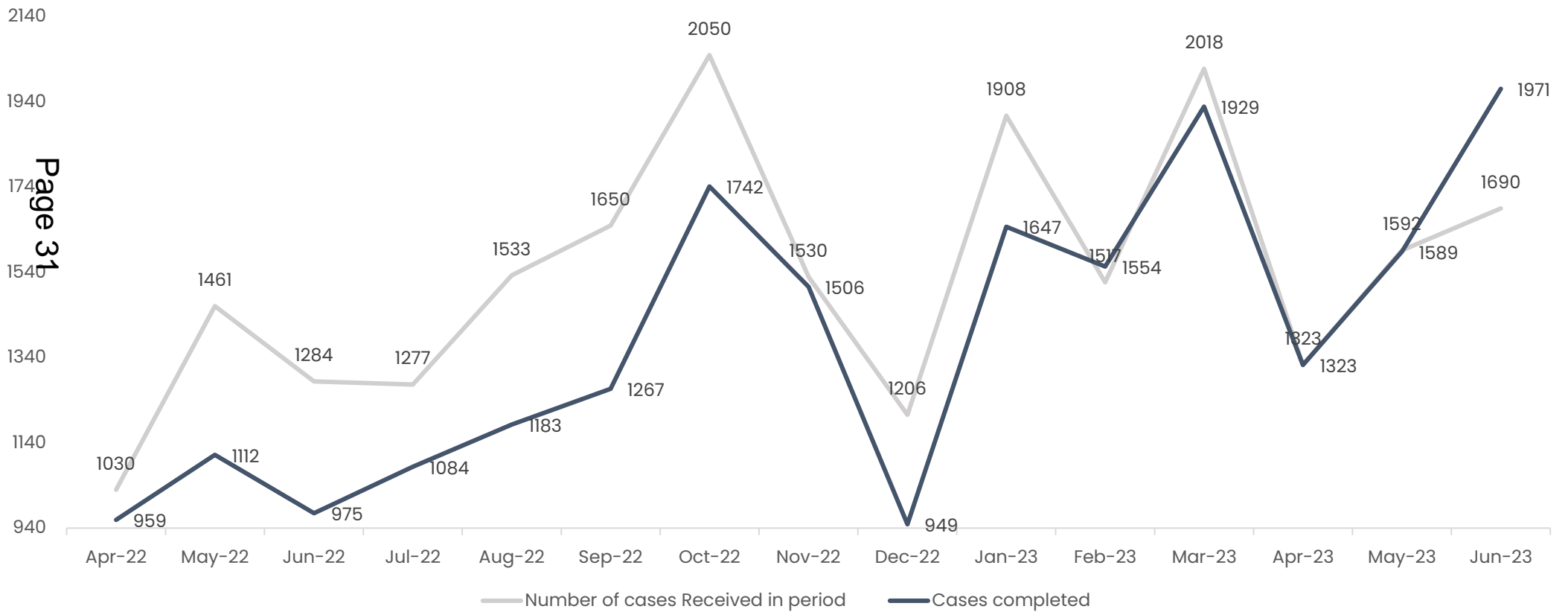| Priority Category	Process	SLA (Working days)	Target KPI	Quarterly Average (Jan-Mar)	April	May	June
				Completed on target			
High	Deaths	5/10/20 days	95%	85%	85%	79%	92%
High	Retirements	10/20 days	95%	82%	83%	77%	84%
High	Refunds	10 days	95%	97%	94%	100%	96%
Medium	Transfers Out	10/20 days	90%	42%	62%	34%	29%
Medium	Transfers In	10/15/20 days	90%	56%	67%	33%	67%
Medium	Divorce	20 - 25 days	90%	62%	100%	0%	86%
Medium	Aggregations	23 days - 1 year	90%	67%	80%	75%	46%
Medium	Leavers	3 days - 46 day	90%	51%	51%	54%	49%

*red alert shown for anything below 10% of tolerable performance

Table 3: 'In Office' (as at 30 June 2023)

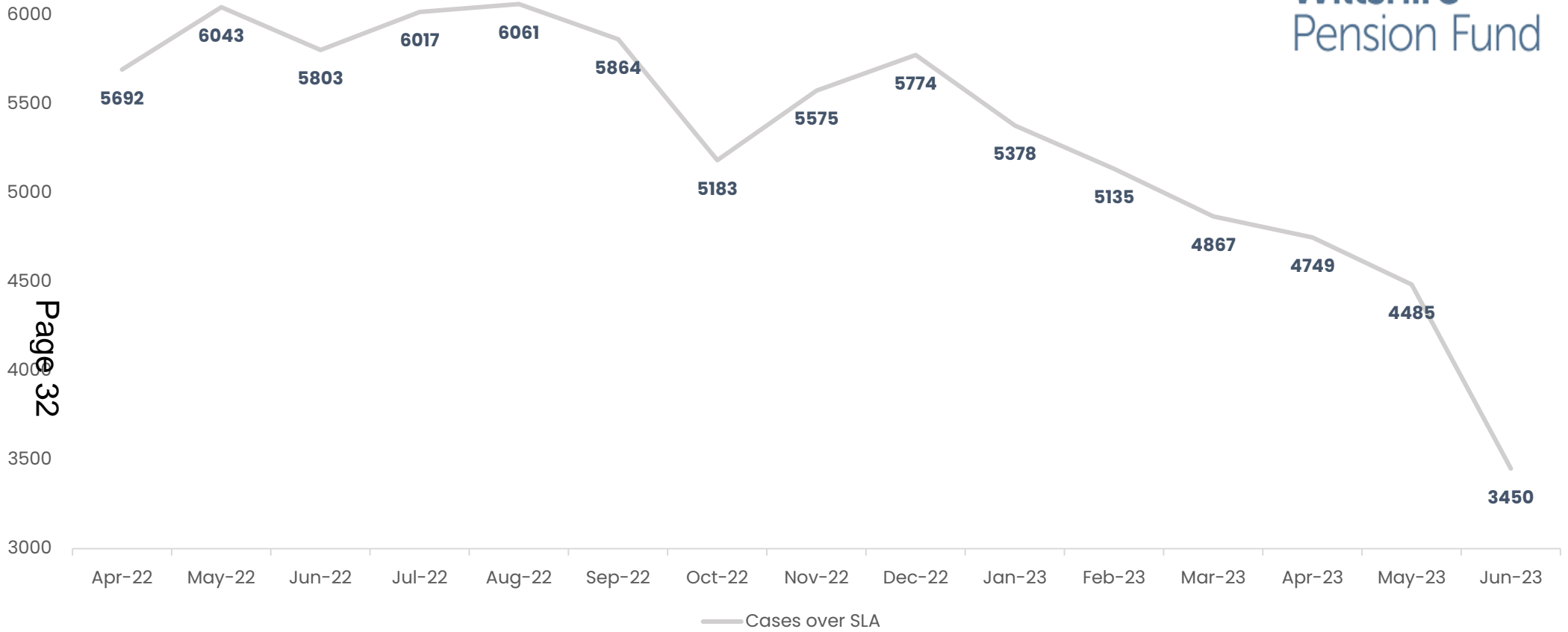*"In Office" refers to any cases that are currently ready to be worked on

Priority level	Process	Age Analysis (working days)							Total
		1-40	2-6 months	6-12months	1year +	2year +	3year +	4 year +	
High	**Deaths**	41	7	0	0	0	0	0	**48**
High	**Retirements**	165	5	3	2	0	0	0	**175**
High	**Refunds**	0	0	0	0	0	0	0	**0**
Medium	**Transfers Out**	119	31	0	0	0	0	0	**150**
Medium	**Transfers In**	9	1	0	0	0	0	0	**10**
Medium	**Aggregations**	324	342	90	159	1043	17	22	**1997**
Medium	**Leavers**	587	473	685	121	319	148	50	**2383**
Medium	**Divorce**	27	5	0	0	0	0	0	**32**

*The leaver and aggregation scores are reliant on bringing case numbers down and therefore the existing KPI target scores are likely to worsen while older cases are cleared. With both Officers and Hymans working on aggregations we can see that this is starting to have an impact on the statistics.

Comparison of cases completed in period vs cases received

Legend: Number of cases Received in period — Cases completed

Cases over SLA

| Month	Cases over SLA
Apr-22	5692
May-22	6043
Jun-22	5803
Jul-22	6017
Aug-22	6061
Sep-22	5864
Oct-22	5183
Nov-22	5575
Dec-22	5774
Jan-23	5378
Feb-23	5135
Mar-23	4867
Apr-23	4749
May-23	4485
Jun-23	3450

Cases over SLA

Wiltshire Pension Fund

4. i-Connect onboarding progress figures at end of period

* I-Connect onboarding is currently on hold while we establish solid foundations for the checking and monitoring of receipt of employer data.*

5. MSS (My Wiltshire Pension) take up

	As at 04/07/2023		
	Active	**Deferred**	**Total**
Registered	11,587	13,575	**25,162**
Total	23,841	32,010	**55,851**
Percentage	43%	57%	**100%**
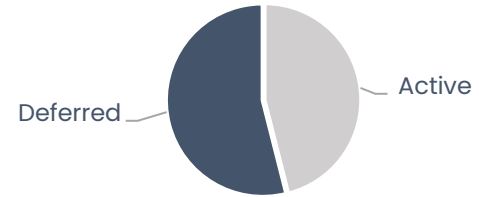
*Excludes members with password resets or disabled account.

Deferred — Active

Internal targets - Employers

Wiltshire Pension Fund

6. i-Connect submission performance

Size of Scheme	Apr			May			June		
	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target
Small	114	11	91%	61	65	48%	75	44	63%
Medium	7	2	78%	2	6	25%	2	6	25%
Large	1	0	100%	0	1	0%	0	0	0%
Total	122	13	90%	63	72	47%	77	51	60%

*size of scheme - small <250members, medium 250 members +, large >1000 members

*Newly onboarded employers are not included with the performance statistics as typically more support is needed in the initial months and therefore the normal deadlines do not apply.

*All employers onboarded on to i-Connect are required to submit their return by the 19th of the month following the month the data relates to.
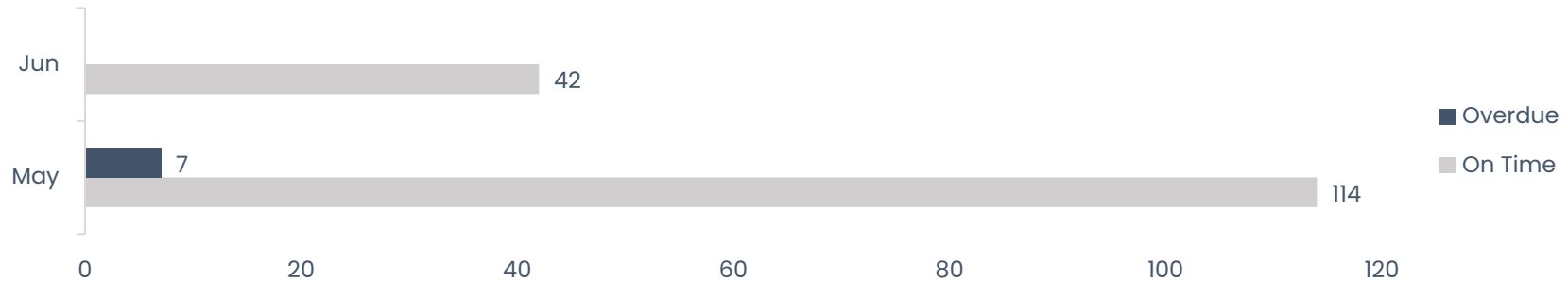
The Pension Regulator (tPR) helps regulate each LGPS's Fund compliance with various legislation. In respect of administrative performance, tPR focuses on Common and Conditional data measures. The Fund is required to submit its scores against these measures each year as part of its Scheme Return

98

tPR Common Data
Percentage score at 1 November 2022
-1% increase since 1 November 2021

Common Data various data measures it expects all Pension Funds to hold (e.g., name, address etc).

96

tPR Conditional Data
Percentage score at 1 November 2022
+1% increase since 1 November 2021

Conditional/Scheme Specific data scores are those data types which are needed for the administration of that specific scheme. For the LGPS, the Scheme Advisory Board (SAB) has determined the relevant data items.

98.7

Active Annual Benefit Statements (ABS)
Percentage score at 31 August 2022
-0.8% increase since 31 August 2021

The Fund is required under the LGPS Regulations to produce active ABSs by the 31 August of each year The Fund currently uploads all ABS to the member portal.
The active Annual Benefit Statement score is slightly short of the target of 99%. Most of failures relate to Swindon Borough Council employees, due to their ongoing administrative difficulties following their change of payroll system early this year.
However, this score is still relatively high compared to previous years:
2021: 99.5%; 2020: 96.9%; 2019: 95.0%; 2018: 93.9%.

100

Pension Saving Statements
Percentage score at 6 October 2022

All Pension Saving Statements (relating to annual allowance tax charges) were sent on time despite a number of delays with receiving data from certain employers (in particular, Swindon Borough Council). All active members were analysed (c23,000) to see whether they exceeded
the annual allowance limit and the final exercise resulted in 90 statutory statements being sent and 36 members being likely to need to pay a tax charge.

Performance commentary for the year

The **common and conditional scores** for this year have remained close to last year.

The Fund is already above average and some of the remaining gap to 100% is hard to fill due to factors outside of the Fund's control.
For the Common Data metric, virtually all the remaining data issues relate to missing postal addresses, where the member has failed to keep us up to date when they have changed address. Furthermore, as the Fund's main form of communication is now electronic, the member's postal address is becoming less important, and it is more difficult to identify if it is correct.

For the Scheme Specific measure, many of the errors are of a technical nature due to the way the metric is calculated but these require further review.

The **active Annual Benefit Statement** score (98.7%) for this year is slightly short of the target of 99%. Most of failures relate to Swindon Borough Council employees, due to their ongoing administrative difficulties following their change of payroll system early this year.
Most of the remaining failures are resolved but officers are still liaising with Swindon Borough Council to clear the last remaining issues.

However, this score is still relatively high compared to 2018-2020, albeit lower than 2021.
2021: 99.5%
2020: 96.9%
2019: 95.0%
2018: 93.9%.

All **Pension Saving Statements** were sent on time despite a number of delays with receiving data from certain employers (in particular, Swindon Borough Council). All active members were analysed (c23,000) to see whether they exceeded the annual allowance limit and the final exercise resulted in 90 statutory statements being sent and 36 members being likely to need to pay a tax charge.

Plans for next periods report

Wiltshire Pension Fund

To obtain and include email stats

To add any further changes as requested by the Committee

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Appendix 1:

Table 1 – Key Controls Report 2022/23 - Progress against outstanding internal audit recommendations:

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	Progress at 11 July 2023
1	2	New Enrolments	The Fund is having difficulty onboarding the remaining employers as they were unable and or unwilling to provide the data submissions in the required format to be uploaded into I-Connect. This has a negative effect on the Fund to process administrative duties and there is a greater risk of things being processed incorrectly. To encourage employers' administrative charges, need to be issued to cover the additional time and an employer score card finalised.	We will finalise the employer score cards to help identify employers which require additional administrative time and implement reasonable charges to address this. We will continue to encourage employers to join i-Connect, prioritising the largest remaining employers.	30 September 2023	50%	**PROGRESS PAUSED – BUSINESS PLAN OBJECTIVES HAVE SUPERCEDED THIS AUDIT ACTION** **Scorecard** 1) Phase 1 of the scorecard to be published to employers, however the process has been paused into order to clarify data load requirements concerning timely contribution submissions. **Administrative charging** 2) The right behaviours to be encouraged first, with the scorecard highlighting to key employer contacts any i-Connect failures and then escalating any issues with the contact through direct meetings. Charging to be considered a last resort. Consideration of the trigger points and arrangements for additional administrative charging to be determined, to avoid being contested. It is noted that this should form part of the monthly processing cycle. **i-Connect onboarding pause.** 3) Data validations and clear processing instructions have been established and a timetable to recommence onboarding to i-Connect is be drafted. Training on the new processes is also underway. A target date is proposed by officers Note: Evolve project responsible for Oracle migration.
2	2	Overpayments	The review highlighted member overpayments since 2016 amounting to £153,509. Since 2021 £24,002 has been written off. We were informed that anything which is below £250 is automatically written off however, the	Outstanding overpayments to be reviewed and chased on a regular basis. The monitoring of this will form part of the KPI (Action J) below.	30 April 2023	80%	**Outstanding overpayments** 1) The view is that cases have been on "reply due" and have therefore not been chased historically. Officers now ensure these cases are followed up on receipt of the monthly aged debt report. Inclusion, on the KPI report is impacted by the cases being on "reply due".

#		Area	Finding	Management Response	Target Date	%	Update
			Fund was not following the write off process for values above this amount. As mentioned in finding J below, there are no KPIs for chasing aged debt and as such it is not monitored in the management report	We will ensure the aged debt is reviewed on a regular basis to determine if anything should be written off. This will follow the write off process contained in the overpayment's procedure			**Aged debt – write offs** 2) A monthly report of aged debt is issued by the Accounts team to the Member Services team. Cross referenced cases are reviewed to established whether the debt should be written off. **The write off process.** 3) The Scheme of sub-delegation & Officer Approval policy have both been redrafted. Cascading down from the Officer approval policy is the write off of overpayments on death procedure which needs to be reviewed.
3	2	Lumpsum Payments	*Deaths:* Cases closed without final letters being sent to the beneficiary or the estate. The Fund had identified this as a reoccurring issue during our audit and as such were determining if a quarterly report could be run to identify any anomalies. *Transfers out:* Lump sum payments made were signed off after the SLA deadline. This payment exceeded 100k. The Member Services Team were not aware that the Head of the Wiltshire Pension Fund has authority to sign off payments above this value and should be contacted if another staff member with authority is not available.	We will finalise the report to help identify death cases which have been closed without final letters being sent. We will ensure letters are sent for any cases identified and run the report to identify anomalies on a regular basis. We will ensure that all team members are aware of who has authority to sign off lump sum payments and to what level.	30 April 2023 Revised date 31 July 2023	70%	**Death casework** 1) A report has been prepared by the Systems team. Member services are also finalising the letter. **Transfer out – Sign offs.** 2) The implementation of the "Immediate payments" system will address any issues as it has segregation of duties built into it. Replacement Officers have been added to the Officer Approval policy authorisation list. Head of Pensions to liaise with s151 Officer in relation to authorisation limits. £250k was suggested. 3) A review and update of all related procedures will need to take place on introduction of the immediate payments system.
4	2	Transfers into the Fund	We were advised that any cases that are not allocated within 20 days of receipt of the money fall outside of the Fund's SLA deadline and as such should be flagged as an issue. We reviewed the aging analysis for unallocated transfers in and noted there were 153 cases which date back to 2018. This has not been flagged in the weekly KPI and performance reports which go to the Management team as an issue. There is therefore a risk of this going unresolved.	We will ensure Altair is updated with any historical missing liabilities. Any delays will be accurately highlighted in the weekly KPI report. This action is also reflected in the Finding J below regarding KPIs.	31 December 2023	95%	**Updating historical transfer-in liabilities on Altair** 1) Member Services receive a monthly report from the Accounts team. The set-up of IWAS was also considered appropriate. Embedding the existing process of cross referencing the Accounts report with IWAS was considered the best way forward to highlight the processing TV-in to the Fund cases on a timely basis (SLA 20 days). Whilst the outstanding value of unallocated TV-in remains at circa £1m (July) reinforcing administrative completion remains an ongoing process.

							Inclusion in the weekly KPI report 2) A separate workflow in the KPI report was considered as overcomplicating the process.
5	3	Amendments	***Nomination change:*** The Fund had not saved evidence in Altair to support the reason for the nomination change. ***Address change:*** Correspondence addresses had not been updated in Altair; the Fund had overwritten the address on a correspondence letter only. It was noted that the Fund had been trying to trace a member address since 2020 through a tracing agency. Whilst matches had been received from Target, a workflow had not been set up to schedule a full search	To remind staff of the importance of saving evidence to support any changes made in Altair. To remind staff of the processes which should be followed when making address changes and ensure this is monitored as part of the Quality Assurance (Action K) below.	30 April 2023 Revised date 30 June 2023	90%	**Staff reminder** 1) It was confirmed that staff had been reminded to ensure evidence of a change is recorded and that changes cannot be made without evidence. 2) Sample reviews to be replaced with a more comprehensive peer review arrangement, built into recipe cards, which are essentially a combination of checklists and work instructions. **Address & nomination changes** 3) The Fund's current processes are designed to encourage members to either complete a form or go on-line via MSS. The acts as the evidence gathering. **Tracing Agency casework** 4) The Operation Manager to liaise with the Systems Manager and his team concerning quality checking arrangements. Heywood's has been appointed as the new tracing Agent; however contractual terms need to be concluded. As new Agent workflow will automatically set up to monitor activity. It was noted that this work will ultimately be passed to the new payroll manager.
6	1	Aggregation processing and backlog	***Aggregations Historical Backlog:*** Since our last audit the Fund has outsourced 3500 cases to work through over the next 11 months. However, during our review 500 additional cases were identified. We were advised that these had not been picked up as a workflow status had not been set against them. ***Aggregations Ongoing Backlog:*** We reviewed the process to manage ongoing aggregations and if they are being processed in a timely manner. The Employer Services Team did not have a	The identified 500 aggregation cases are analysed and workflows updated to ensure a complete picture is reported in the weekly KPI reports. A plan will be developed to ensure timely completion of these tasks and progress updates reported to the Committee regularly.	30 September 2023	65%	**Aggregations Historical Backlog** 1) The number of outsourced aggregations can be quantified and determining aggregation types has improved. Hymans have currently cleared 1,400 although they are falling behind the project timetable as a whole. Officers liaising with Hymans to keep completion of the project on track. **Additional pockets of work** 2) Reporting of Altair has identified additional areas of work, hampering the accurate analysis of cases. Officers continue to assess these areas and take action to resolve them as required. Typically, this involved bulk

			robust workflow allocation process to manage this work. Furthermore, no targets have been set for processing the work and the manager believed that the team saw the importance of it.	Determine if there are any other historical aggregations which have not been outsourced. Implement a process to ensure future aggregations are processed in a timely manner, defining SLAs for their completion. This action also forms part of the Workflow (Action I). Regularly monitor for adherence and include in the weekly KPI report. This action is also reflected in the Finding J regarding KPIs. Remind staff of the importance of completing the aggregations tasks will under performance addressed.		(amber)	mailshots to members to establish if the work has actually been resolved. **Aggregations Ongoing Backlog** 3) Officers continue to progress the management of the in-house aggregation backlog with the introduction of the SIT Team. Work is being completed, however checking of that work also needs to be completed. 4) SIT Team processes are still being developed however a clear overarching strategy to progress casework is in place. **KPI Improvement Plan** 5) A matrix of work for inclusion in the business plan is ongoing. Due to the restructure, the new employment of staff and subsequent reallocation of tasks, the Improvement Plan continues to be subject to a number of dependencies, delaying its drafting. 6) Officers are attempting to upgrade the KPI reporting to split outsourced and in-house aggregations, as well as new aggregations. However, it should be noted that report design and report content should be discussed separately.
7	2	Status 2 Members	A backlog of 4277 Status 2 cases currently exists. However, comparison against the KPIs reports identified only 3501 cases. We were advised that the figures differed as the KPI report does not include Status 2 cases where a workflow has not been set up or assigned a 'Status 2 Chase' workflow. The Employer Services Team does not have a robust workflow allocation process to manage this work and no targets have been set. Furthermore, a clear picture of the types of unprocessed leavers is not	The KPI report will be amended to capture outstanding Status 2 cases & form part of the KPI action in Action J. To ensure Status 2 cases are processed in a timely manner against defined SLAs is implemented. This will form part of the Workflow (Action I).	30 September 2023 Revised date 31 March 2024	**70%**	**Status 2's** 1) The analysis of Status 2 types initially involves barriers to completion. These include ceased employers or employers who are unable or unwilling to provide the required data. However, an exercise to overcome these barriers enabling record reconstruction is in place and good progress has been made by the SIT Team. Additionally, where data can't be acquired, the member is being informed of this. 2) In addition to inclusion in the KPI Improvement Plan the actioning of Status 2's will also be included as a mini project within

			present. Forecasting clearance of outstanding work is therefore difficult.	To monitor performance and address underperformance. The leaver backlog is fully analysed as a priority, and a plan to clear cases not outsourced.		100% COMPLETED (green)	the business plan. Progress reporting monitoring the output and productivity of Status 2s has been put in place. 3) The Operations Manager has prepared a report identifying the number of Status 2's cases.
8	3	Retired members (Over 75's)	All retired members had been contacted; however, a report is to be written to enable bulk letters to be sent out to members on a regular basis. In the absence of this, each retired member has to be contacted individually. This was seen as inefficient.	Finalise a report to enable letters to be sent to retired members in bulk	31 March 2023	100% COMPLETED (green)	**Retired members report** 1) Systems has drafted a report to enable bulk letters to be issued regularly. In addition, birthday emails and correspondence are being issued to members as a reminder, as they approach 75. 2) Officers are managing the bulk processing of letters and regular reporting is occurring to future proof this process.
	2	Workflow Management	***Member Services Team:*** IWAS helps the Member Services Team to distribute tasks by a pre-defined priority of high to medium. High tasks first followed by medium tasks once all high tasks have been completed. Medium tasks were now falling behind the SLA deadlines on a regular basis, noting that: ***Retirements –*** 20% were not sent within the SLA deadline. ***Transfers out –*** Circa 50% were not sent out within the SLA deadline. ***Employer Services Team:*** IWAS has not been implemented in the Employer Services Team, although this is planned. As a result, SLA adherence has not occurred namely: ***Name change –*** Circa 40% of name changes. ***Nomination change –*** 25% of nomination changes.	To review how medium tasks are managed and ascertain if any of these should be re prioritised. This will consider if the backlog of tasks is impacting compliance with the SLA deadlines. To introduce a process to manage overpayments (see Finding B above). To implement a robust workflow system to manage the tasks completed by the Employer Services Team	30 June 2023	60% (orange)	**Review IWAS prioritisations** 1) IWAS is largely considered to be operating the right order of prioritisation, albeit limitations have been identified such as it is not recognising that aggregation checking should be prioritised. 2) Although the IWAS tool identifies work priorities, as required, output remain sporadic. Officers are considering the root causes relating to this and manually allocating daily task lists. Daily clearance of email enquiry box also remains an area of progress. **Implement IWAS into the Employer Services Team** 3) A strategy to manage Employer Services work has been put in place, this has been split between cyclical and non-cyclical tasks with monthly reports run, following which officers will systematically work through their list of tasks. On appointment of a Work Management Officer (currently suspended) the intention will be to prioritise the cyclical

			Address change – 10% of address changes. Findings in the Aggregations and Status 2 sections also highlighted this issue.			(orange)	work first and then consider the non-standard tasks within the team.
10	2	KPIs, Reports & Monitoring of Staff Productivity	**Inaccuracy of KPIs** The aggregations KPIs were not accurate. The Status 2 KPIs fall under the leavers data but this was not accurate. Transfers in backlog allocations was not flagged. The weekly KPI reports were not consistent with themselves. Closing and opening positions differed. **KPIs not captured** No KPIs to monitor overpayment aged debt chasing. No KPIs to monitor new joiners processing. No KPIs to monitor amendments. **Data Quality** A data quality report can be run but this is only done on an ad hoc basis and is not reported to management to monitor. **Staff Productivity** Weekly report introduced for the Member Services Team, including determination of the average time it should take to complete a task. This is not yet live for the Employer Services Team but will be.	To review the KPIs and address the inaccuracy issues identified. To introduce KPI monitoring for overpayments, new joiners, amendments. To monitor the data quality for active members and ensure tPR requirements are met. To implement the staff productively monitoring report in the Employer Services Team.	30 April 2023 Revised date 30 September 2023	70% (green)	**Inaccuracy of KPIs** 1) A resolution concerning the opening and closing balances on the KPI reports had been found, through the removal of the deletion button and reporting on terminations. A separate SWAP review is planned to oversee that resolution; however, the scope is still to be determined. The Operations Manager will provide periodic updates concerning the reconciliation of cases. Separate Accounting team reporting exists for TV-in allocations, therefore there is no requirement for this to be included in the KPI reports. **KPIs not captured.** 2) The outstanding new joiner reporting is assigned to the Systems Manager. In addition to this reporting, better controls around bulk processing are being enacted to address sub-ordinate actions such as aggregations at an earlier stage and evidence that work through additional reporting. Overpayment aged debt chasing falls into two parts. Part 1 – The reporting is provided monthly by the accounting team and Part 2 – The procedure to chase up overpayments/ write off is under review. Due to resourcing & special activities like SBC data the monitoring of amendments has been deferred. **Data Quality reporting** 3) Initially monthly reporting of data quality will be completed. The Operations Manager to implement the process. It is noted that different grades of quality need to be defined in relation to its different uses. **Employer Services Productivity reporting** 4) Reporting to be split into standard cyclical work and non-standard work. Performance levels now being reported & circulated to

No	Pri	Area	Finding	Recommendation	Date	Progress	Management Response
							team members. The impact of poor employer data and issuance of ABSs is also being assessed.
11	2	Quality Assurance	The Member Services Manager and their deputy have been completing quality assurance reviews, but weaknesses were identified: Sampling may not be representative and not proportionality to the split by Officers and transaction types. The number of cases reviewed each month differed. To define how many cases should be reviewed each month. The quality assurance sign offs are not being independently assessed. No quality assurance reviews have been carried out by the Employer Services Team. The Fund is hoping to have this in place by the end of January 2023.	All samples to be representative. To define how many cases should be reviewed each month and ensure the reviewer has not been involved. Adherence monitored through the Risk register and management reports. A quality assurance process is implemented for the Employer Services Team and adherence monitored on a regular basis. To ensure the issues identified in Findings E are included.	30 April 2023 Revised date 30 September 2023	90%	**Member Service Team Quality Assurance checks** 1) Sample reviews to be replaced with a more comprehensive peer review arrangement, built into recipe cards. Checking will be a requirement in the MS team in addition to daily allocations of work. The BCAS policy will be replaced with a new policy guide for all staff. **Employer Service Team Quality Assurance checks** 2) Sample reviews to be replaced with a more comprehensive peer review arrangement, built into recipe cards, which are essentially a combination of checklists and work instructions. When in place, time is required for the cards to bed in and be finally signed off. **Pension Administration Strategy review** 3) To assist in the finalisation of this QA action officers propose to review the PAS document.
12	1	Pensions Payroll Reconciliation Project	Although outsourced it was noted that 35 outstanding cases still sit with the Fund to resolve: 11 cases are not in the correct payroll area, and they need to be altered by the Payroll Team. 4 cases have an issue on Altair which need to be resolved (not payment related); and 20 cases have payment discrepancies that need to be resolved. No deadlines had been set to resolve the above and resolution is not being monitored.	To ensure the issues noted with the 35 outstanding cases still sat with the Fund are resolved	31 March 2023	100% COMPLETED	**35 outstanding payroll cases** 1) It is understood that all 35 cases have been dealt with. These appear to relate to non-pension Fund related pension payments (Employer ex-gratia payments) which Wiltshire Council have included on the Fund's payment. The payments need to be moved to another payment area.
13	2	Pension Fund's Risk and Controls Register	Each month it is the managers responsibility to document and evidence in the Risk Register if their controls for the month have been completed. Not all	To continue to embed the Risk Register and formally address managers performance	31 March 2023	100% COMPLETED	**Risk Register updates** 1) It was noted that embedding of the risk register had been completed, however it was agreed

| | | | managers have been updating the register and output on risks is not accurate. | when controls are not updated. | | | that this should be monitored for a couple of months before this item was closed. |