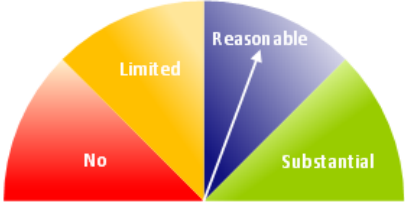





Audit Objective

To ensure that Key Performance Indicators relating to the Pension Fund are accurate, appropriately monitored and reported.

Executive Summary

	<p>Assurance Opinion</p> <p>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	<p>Management Actions</p> <table border="1"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> <tr> <td>Total</td> <td>4</td> </tr> </table>	Priority 1	0	Priority 2	2	Priority 3	2	Total	4	<p>Organisational Risk Assessment</p> <p>Medium</p> <p>Our audit work includes areas that we consider have a medium organisational risk and potential impact.</p> <p>The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.</p>
	Priority 1	0									
	Priority 2	2									
	Priority 3	2									
Total	4										

Key Conclusions

 <p>Through this review and the Pensions Key Control Follow Up it is clear that management has committed to making improvements in Key Performance Indicator (KPI) data. The Data Reporting and Performance Lead manages the flow of KPI data from the system into an Excel spreadsheet for weekly, monthly and quarterly reporting to make the information available for management to scrutinise. The Administration Lead has created a KPI Improvement Action Plan which is due to be reported to Committee, although this was not reviewed during the audit it is clear, from conversation, that it aspires to ensure that performance is the best it can be.</p>	<p>Audit Scope</p> <p>An audit was requested by the Pension Fund in relation to the Pensions Key Performance Indicators. We have reviewed the following:</p> <ul style="list-style-type: none"> • KPI setting process to include consideration of the requirement and relevance of each KPI; • The methodology for calculating KPIs; • Accuracy of the reported KPIs and direction of travel indicators – including pre reporting review process; • Management oversight and reporting of the KPIs reported to the Board and Committee; and • Monitoring of results by management where KPIs are not achieving the determined target. <p>We have excluded the KPI Improvement Action Plan from our review. This was not able to be shared with us during the audit as we were informed it would need to be presented to the Committee prior to audit having sight of it.</p>
 <p>Whilst we did not identify any errors in the spreadsheet maintained by the Data Reporting and Performance Lead there is opportunity for this to occur. There is no formal secondary review of the data prior to internal circulation to identify errors that may have occurred in the process of copying data from system to spreadsheet. The introduction of additional controls in this area will ensure that inaccuracies are identified and limit the risks associated with having only one officer responsible for checking the data. In addition, it will ensure that there is a safety net provided for the Data Reporting and Performance Lead should any inaccuracies be identified once reports have been circulated.</p>	
 <p>There is still work ongoing within the Pensions team to ensure that KPI data is accurate. This relies partly on the completion of an outsourced project and we have been informed, but not evidenced, that this will be addressed within the KPI Improvement Action Plan.</p>	

Other Relevant Information

This review has resulted in four key conclusions being raised with management for which an action plan has been agreed. This report should be considered alongside the relevant KPI information in the Key Control Follow Up report and the KPI Improvement Action Plan created by the Administration Lead when it is available.