

## Appendix 1:

**Table 1 – Key Controls Report 2024/25 - Progress against outstanding internal audit recommendations:**

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	Progress at 23 July 2024
1	2	Risk Register	<p>There are elements of the Fund’s current risk management system that require improvement and some gaps identified, such as:</p> <ol style="list-style-type: none"> <li>1) No documented risk management policy in place:</li> <li>2) No guidance for officers on risk wording:</li> <li>3) No set risk appetite:</li> <li>4) Dates missing from the risk register to identify when a risk was added, reviewed, or updated; and</li> <li>5) No recording of inherent risk on the register.</li> </ol> <p>The Council has recently launched a new risk management framework, and the expectation is that the Pension Fund should now be working towards compliance with the Council’s own risk management framework.</p>	<p>The Pension Fund’s arrangements will be further developed to align with the Council’s framework. Plans are in place to perform a gap analysis and identify the necessary actions with the Pension Fund Committee.</p> <p>Officers will work with the S151 officer to ascertain what the risks to the Council are and where these sit as they do not form part of the operational risk register.</p>	31 December 2024	60%	<p><b>Agreeing risk management arrangements</b></p> <ol style="list-style-type: none"> <li>1) A paper was submitted to the Pension Fund Committee on 11 July, outlining the overall risk management situation. The recommendations were approved by Committee. Officers will now liaise with the s151 Officer and the Corp. Support Team (w/b 29/7) concerning the scoping and implementation and clear concept of the arrangements to be made. <b>(Jenny)</b></li> </ol> <p><b>Updating the Fund’s risk register</b></p> <ol style="list-style-type: none"> <li>2) Based on the outcome of 1) Officers will prepare a project plan <b>(Laura)</b></li> </ol> <p><b>Integration with the Council’s Risk Management framework</b></p> <ol style="list-style-type: none"> <li>3) As above.</li> </ol>
2	2	Quality Assurance	<p>A new Quality Assurance (QA) process, with a QA and Sample Checking Guide was approved in April 2024. The new process addresses weaknesses, namely:</p> <ol style="list-style-type: none"> <li>1) The number of cases to be quality checked (25 per week); and</li> <li>2) A clear separation between the quality assurance and authorisation process.</li> </ol> <p>However, the following issues exist with the process:</p> <ol style="list-style-type: none"> <li>1) There is no separate record (log) of the quality checks that are being</li> </ol>	<p>Officers will create a log of the QA work that is taking place and will continue to develop this log and monitor the number of QA checks taking place each week.</p> <p>The policy has been updated to address the issue of quality checkers also carrying out authorisations.</p>	31 December 2024	70%	<p>Officers have prepared a presentation for the department setting out the purpose and scope of the Fund’s QA arrangements. Implementation of a QA log, monitoring of QA reviews and a QA policy will then follow. <b>(James)</b></p> <p><b>Creation of a QA log (see requirements)</b></p> <ol style="list-style-type: none"> <li>1) A.</li> </ol> <p><b>Monitoring QA reviews</b></p> <ol style="list-style-type: none"> <li>2) A</li> </ol> <p><b>QA policy update</b></p> <ol style="list-style-type: none"> <li>3) A</li> </ol>

			<p>carried out. This would help provide assurances that samples are representative the data to allow trend analysis work:</p> <ol style="list-style-type: none"> <li>2) There is no monitoring of how many QA checks are carried out against the target; and</li> <li>3) It should be written into the guide that the authorisation &amp; QA of work should be separated, so that one person cannot complete both functions on a case.</li> </ol>				
3	3	Introduction of "i Connect", the Employer Scorecard and Administrative Charges	<p>The Business Plan 2024-27 includes an objective to have all Employers using "i Connect" by 2027. In addition, the Fund should implement an Employer Scorecard and Administrative Charging for participating employers who are not using "i-Connect" correctly.</p> <p>The fund should also consider charging interest for late payments &amp; completing the implementation of i-Connect before 2027.</p>	Officers will continue to encourage employers to join i-Connect. Officers have carried out research into how other Fund's administer interest for late payments and our own policy on this will be agreed as part of the overarching Administration Strategy.	31 December 2024	50%	<p><b>All employers migrated to i-Connect.</b></p> <ol style="list-style-type: none"> <li>1) Officers to prepare a project plan to complete the migration of scheme employers to i-Connect <b>(Nat)</b></li> <li><b>Implement Employer Scorecards</b></li> <li>2) Officers to prepare a project plan and implement the regular issuance of scorecards <b>(Matt A)</b></li> <li><b>Administrative charging, including interest for late i-Connect submission.</b></li> <li>3) Officers will prepare a paper for the Committee (10<sup>th</sup> October) setting out the framework by which administrative charges will be made to Scheme Employers in order to recover the Fund's additional costs placed on it as a result of poor administration practices by employers. <b>(James)</b></li> </ol>
4	3	Complaints Monitoring & Reporting	<p>Audit noted that the report from Altair contained a different number of complaints in 23/24 from that published in the final performance report. This indicates that the process relies heavily on manual intervention to obtain accurate complaints data.</p> <p>Altair reporting should be improved by upgrading Altair's existing workflows.</p>	Officers agreed to update complaint reporting workflows to include clear column headings, mandatory field completions and closure determination statuses.	30 September 2024	50%	<p><b>Update Altair Complaints reporting.</b></p> <ol style="list-style-type: none"> <li>1) Changes to Altair workflows and Insights reporting has been made. In effect, the reporting output is now being tested/review to confirm if it fulfils the requirement. <b>(Richard)</b></li> </ol>
5	2	KPIs, Reports & Monitoring	We reviewed the KPI reports and identified the following issues:	Officers will review the KPIs and address the	31 October 2024	95%	It is considered by officers that all the elements within this recommendation have been completed with the exception of the monitoring of

		<p>of Staff Productivity <b>(Outstanding 2023 action)</b></p> <p><b>Inaccuracy of KPIs</b></p> <ol style="list-style-type: none"> <li>1) Aggregation KPIs were not accurate and excluded aggregations where a workflow had not been set up.</li> <li>2) The Status 2 KPIs fall under the leavers data but did not include Status 2 members where a workflow had not been set up and did not include 'Status 2 Chase' workflows.</li> <li>3) The backlog of transfers in allocations was not flagged as an issue.</li> <li>4) The weekly KPI reports were not consistent with themselves as each week the closing position for the previous week did not agree to the new opening position.</li> </ol> <p><b>KPIs not captured.</b></p> <ol style="list-style-type: none"> <li>1) No KPIs to monitor the progress of overpayment aged debt chasing.</li> <li>2) No KPIs to monitor new joiners processing.</li> <li>3) No KPIs to monitor amendments processing.</li> </ol> <p><b>Data Quality reporting</b></p> <p>Active member data quality reporting is only completed on an ad hoc basis and the results are not reported to management to monitor.</p> <p><b>Staff Productivity</b></p> <p>The Member Services Team monitors staff productivity weekly through reporting however the same reporting has not yet gone live for the Employer Services Team.</p>	<p>inaccuracy issues identified.</p> <p>Officers will introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>Officers will regularly monitor the data quality for active members and ensure the requirements set by The Pensions Regulator are met.</p> <p>Officers will implement the staff productively monitoring report in the Employer Services Team.</p>			<p>overpayments and aged debt chasing. However, it was recognised that this will need to be demonstrated to SWAP.</p> <p><b>Inaccuracy of KPIs.</b></p> <ol style="list-style-type: none"> <li>1) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>KPIs not captured.</b></p> <ol style="list-style-type: none"> <li>2) To set in place the monitoring arrangements for overpayments and aged debt chasing.</li> </ol> <p><b>Data Quality Reporting</b></p> <ol style="list-style-type: none"> <li>3) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>Staff Productivity Reporting</b></p> <ol style="list-style-type: none"> <li>4) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>(James)</b></p>
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**Table 2 – Key Controls Report 2023/24 – Closing position of old KPIs, Reports & Monitoring of Staff Productivity c/fwd:**

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	
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5	2	KPIs, Reports & Monitoring of Staff Productivity	<p><b>Inaccuracy of KPIs</b> 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.</p> <p><b>KPIs not captured</b> No KPIs to monitor overpayment aged debt chasing. No KPIs to monitor new joiners processing. No KPIs to monitor amendments.</p> <p><b>Data Quality</b> 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.</p> <p><b>Staff Productivity</b> 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.</p>	<p>To review the KPIs and address the inaccuracy issues identified.</p> <p>To introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>To monitor the data quality for active members and ensure tPR requirements are met.</p> <p>To implement the staff productively monitoring report in the Employer Services Team.</p>	30 September 2024	70%	<p><b>PROGRESS PAUSED – SWAP KPI AUDIT HAS SUPERCEDED THIS AUDIT ACTION</b></p> <p><b>Inaccuracy of KPIs</b></p> <p>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.</p> <p><b>KPIs not captured.</b></p> <p>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 subordinate 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 &amp; special activities like SBC data the monitoring of amendments has been deferred.</p> <p><b>Data Quality reporting</b></p> <p>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.</p> <p><b>Employer Services Productivity reporting</b> Reporting to be split into standard cyclical work and non-standard work. Performance levels now being reported &amp; circulated to team members. The impact of poor employer data and issuance of ABSs is also being assessed.</p>
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