








Audit Objective

To ensure key controls are operating effectively for the administration of the Pension Fund.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Priority	Number	Failure to have effective administration of the scheme resulting in incorrect payments, inefficiencies in the process and inadequate oversight over the fund.	High
		Priority 1	2		
		Priority 2	9		
		Priority 3	2		
		Total	13		

Key Findings	
	Following our previous audit which identified a number of unresolved aggregations resulting in a significant backlog; the Fund outsourced 3500 cases to be resolved over the next 11 months. During this review a further 500 cases were found that had not been identified in the original data to be outsourced.
	The Fund has introduced a new workflow management system, this is only live in the Member Services Team and should be implemented, as a priority, in the Employer Services Team. Whilst the workflow has improved the management of the Member Services Team tasks, we noted that the process for managing over payments are has not been fully implemented. Our review also identified that amendments, aggregations, and Status 2 Members are not being managed efficiently.
	To enhance the Funds oversight over the work completed by both teams, in our previous report, management agreed actions to ensure that quality assurance was conducted over a sample of tasks on a regular basis. Whilst quality assurance has commenced in the Member Services Team, we identified weaknesses in the process being followed and noted that no quality assurance has been introduced in the Employer Services Team.
	A weekly KPI report is distributed to the management team to help processing delays. Whilst the report provides greater transparency, we identified several weaknesses where the KPIs should be improved. For example, the KPIs were not always accurate as the correct data was not captured for aggregations, transfers in and Status 2 Members. Additionally, the KPIs do not cover all tasks completed by the Fund, in particular the tasks completed by the Employer Services Team such as new joiners and amendment processing.
	To bring overall assurance over the operational risks posed by the Fund, the Fund has introduced a Risks and Controls Register. The Management Team meet on a monthly basis to discuss whether the controls across the Fund are operating effectively and in turn assess the risks faced. Whilst this is a great step forward, our review identified that the register is still in the early stages, and more work is required to ensure this operates effectively long term.
	Whilst key controls within the Fund still need strengthening, improvement has been made since our last No Assurance review in March 2022. For example, new joiner letters and activation keys are no longer delayed, SAP to Altair reconciliations are being carried out on a regular basis, the payment approval's structure now has clear segregation of duties, the frozen refunds process has improved, and Status 3 member data has been cleared from Altair and a data retention policy and process has been introduced.

Audit Scope
<p>An audit has been undertaken of the Pensions Key Controls. Our Audit included the following areas:</p> <ul style="list-style-type: none"> A. Enrolments; B. Contributions; C. Lump sum payments; D. Transfers in; E. Amendments; F. Operational Management G. Monitoring; H. Pension Projects; and I. Pensions risk and controls management. <p>We would like to thank all staff involved for their assistance during the audit.</p>