

## 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 15 August 2023
1	2	New Enrolments	<p>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.</p> <p>To encourage employers' administrative charges, need to be issued to cover the additional time and an employer score card finalised.</p>	<p>We will finalise the employer score cards to help identify employers which require additional administrative time and implement reasonable charges to address this.</p> <p>We will continue to encourage employers to join i-Connect, prioritising the largest remaining employers.</p>	30 September 2023	50%	<p><b>PROGRESS PAUSED – BUSINESS PLAN OBJECTIVES HAVE SUPERCEDED THIS AUDIT ACTION</b></p> <p><b>Scorecard</b></p> <p>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.</p> <p><b>Administrative charging</b></p> <p>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.</p> <p><b>i-Connect onboarding pause.</b></p> <p>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.</p>
2	2	Overpayments	<p>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</p>	<p>Outstanding overpayments to be reviewed and chased on a regular basis. The monitoring of this will form part of the KPI (Action J) below.</p>	30 April 2023	80%	<p><b>Outstanding overpayments</b></p> <p>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”.</p>

			<p>Fund was not following the write off process for values above this amount.</p> <p>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</p>	<p>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</p>			<p><b>Aged debt – write offs</b></p> <p>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.</p> <p><b>The write off process.</b></p> <p>3) The Scheme of sub-delegation &amp; 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.</p>
3	2	Lumpsum Payments	<p><b>Deaths:</b></p> <p>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.</p> <p><b>Transfers out:</b></p> <p>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.</p>	<p>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.</p> <p>We will ensure that all team members are aware of who has authority to sign off lump sum payments and to what level.</p>	30 April 2023 Revised date 31 July 2023	70%	<p><b>Death casework</b></p> <p>1) A report has been prepared by the Systems team. Member services are also finalising the letter.</p> <p><b>Transfer out – Sign offs.</b></p> <p>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.</p> <p>3) A review and update of all related procedures will need to take place on introduction of the immediate payments system.</p>
4	2	Transfers into the Fund	<p>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.</p>	<p>We will ensure Altair is updated with any historical missing liabilities.</p> <p>Any delays will be accurately highlighted in the weekly KPI report. This action is also reflected in the Finding J below regarding KPIs.</p>	31 December 2023	95%	<p><b>Updating historical transfer-in liabilities on Altair</b></p> <p>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.</p>

							<b>Inclusion in the weekly KPI report</b> 2) A separate workflow in the KPI report was considered as overcomplicating the process.
5	3	Amendments	<p><b>Nomination change:</b> The Fund had not saved evidence in Altair to support the reason for the nomination change.</p> <p><b>Address change:</b> 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</p>	<p>To remind staff of the importance of saving evidence to support any changes made in Altair.</p> <p>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.</p>	30 April 2023 <b>Revised date 30 June 2023</b>	<b>90%</b>	<p><b>Staff reminder</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol> <p><b>Address &amp; nomination changes</b></p> <ol style="list-style-type: none"> <li>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.</li> </ol> <p><b>Tracing Agency casework</b></p> <ol style="list-style-type: none"> <li>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.</li> </ol>
6	1	Aggregation processing and backlog	<p><b>Aggregations Historical Backlog:</b> 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.</p> <p><b>Aggregations Ongoing Backlog:</b> 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</p>	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	<b>65%</b>	<p><b>Aggregations Historical Backlog</b></p> <ol style="list-style-type: none"> <li>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.</li> </ol> <p><b>Additional pockets of work</b></p> <ol style="list-style-type: none"> <li>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</li> </ol>

			<p>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.</p>	<p>Determine if there are any other historical aggregations which have not been outsourced.</p> <p>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.</p> <p>Remind staff of the importance of completing the aggregations tasks will under performance addressed.</p>			<p>mailshots to members to establish if the work has actually been resolved.</p> <p><b>Aggregations Ongoing Backlog</b></p> <p>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.</p> <p>4) SIT Team processes are still being developed however a clear overarching strategy to progress casework is in place.</p> <p><b>KPI Improvement Plan</b></p> <p>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.</p> <p>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.</p>
7	2	Status 2 Members	<p>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.</p> <p>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</p>	<p>The KPI report will be amended to capture outstanding Status 2 cases &amp; form part of the KPI action in Action J.</p> <p>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).</p>	30 September 2023 Revised date 31 March 2024	70%	<p><b>Status 2's</b></p> <p>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.</p> <p>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</p>

			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.			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	<b>100% COMPLETED</b>	<b>Retired members report</b> 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.
9	2	Workflow Management	<b>Member Services Team:</b> 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: <b>Retirements</b> – 20% were not sent within the SLA deadline. <b>Transfers out</b> – Circa 50% were not sent out within the SLA deadline. <b>Employer Services Team:</b> IWAS has not been implemented in the Employer Services Team, although this is planned. As a result, SLA adherence has not occurred namely: <b>Name change</b> – Circa 40% of name changes. <b>Nomination change</b> – 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	<b>30 June 2023</b>	<b>60%</b>	<b>Review IWAS prioritisations</b> 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. <b>Implement IWAS into the Employer Services Team</b> 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

			<p><b>Address change</b> – 10% of address changes. Findings in the Aggregations and Status 2 sections also highlighted this issue.</p>				work first and then consider the non-standard tasks within the team.
10	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 April 2023 Revised date 30 September 2023	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></p>

							4) Reporting to be split into standard cyclical work and non-standard work. Performance levels now being reported & circulated to team members. The impact of poor employer data and issuance of ABSs is also being assessed.
11	2	Quality Assurance	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	30 April 2023 <i>Revised date</i> 30 <i>September</i> 2023	90%	<p><b>Member Service Team Quality Assurance checks</b></p> <p>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.</p> <p><b>Employer Service Team Quality Assurance checks</b></p> <p>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 be in and be finally signed off.</p> <p><b>Pension Administration Strategy review</b></p> <p>3) To assist in the finalisation of this QA action officers propose to review the PAS document.</p>
12	1	Pensions Payroll Reconciliation Project	<p>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.</p> <p>No deadlines had been set to resolve the above and resolution is not being monitored.</p>	To ensure the issues noted with the 35 outstanding cases still sat with the Fund are resolved	31 March 2023	100% <b>COMPLETED</b>	<p><b>35 outstanding payroll cases</b></p> <p>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.</p>

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 managers have been updating the register and output on risks is not accurate.	To continue to embed the Risk Register and formally address managers performance when controls are not updated.	31 March 2023	<b>100% COMPLETED</b>	<b>Risk Register updates</b> 1) It was noted that embedding of the risk register had been completed, however it was agreed that this should be monitored for a couple of months before this item was closed.
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