Appendix 1:

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

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	Progress at 26 July 2022
1	2	New Enrolments	1 new joiner spreadsheet received from an employer outside of i-Connect had not been saved in the SharePoint repository. Another 2 were entered into the Altair system after the expected SLA deadline. 12 new joiner enrolments were sent activation keys and new joiner letters after the expected SLA deadline Reconciliations should be signed off by the Employer Services and Systems Manager Reconciliations could be time-consuming, taking up to 2 weeks to complete	We will remind staff to ensure new joiner spreadsheets are saved in the SharePoint repository. We will monitor the timeliness of the distribution of new joiner letters and activation keys and take further action if this is not improved. We will ensure reconciliations are appropriately signed off. We will also review the reconciliation process itself to see if efficiency improvements can be made.	31 May 2022 Revised 31 Mar 2023	**90%**	**Spreadsheet storage** 1) All staff have been reminded to consistently save spreadsheets in the appropriate place. 2) The new pensioner reconciliation process is now being signed off, as recommended, by the Employer Services and Systems Manager. 3) The possibility of evidencing the consistent saving of spreadsheets & sign-off via an exceptions report was considered as not viable. *Note: It is anticipated that this process will be superseded with the full introduction of i-Connect, but in the interim Managers will make periodic checks.* **New Joiner process** 4) The starter process has been updated. 5) Evidence of completion of the new joiner process was provided via the CIPFA KPI table and submitted to Board/Committee. Managers will now monitor compliance and report to the Board/Committee on an exception's basis. **Pensioner reconciliation** 6) The new pensioner reconciliation process has been altered to speed it up and now takes 1-2 days. This process will not be necessary once an integrated payroll system is in place, so no further action is planned. 7) Whilst a reconciliation with control totals is taking place, completion of adjustments needs further controls. The creation of workflows will track this work.
2	2	Contributions	Finalise the process which states the contribution rates each employer should pay and develop a mechanism to ensure the correct rates are	We will ensure the employer contribution rates schedule is finalised and procedures are put in place to make sure it is well controlled going forward.	31 May 2022 Revised 31 Dec 2022	**70%**	**Employer contribution rates** 1) A mechanism is in place to ensure the correct contribution rates are shared amongst all relevant team members. *The mechanism will be documented into a procedure and an agreed accurate schedule will be adopted in conjunction with Actuarial*

			recorded and controlled going forward No clear ownership within the Fund for resolving contributions issues	We will discuss roles and responsibilities with the team to ensure there is clear ownership with raising and resolving issues.			*updates. New employers will be added to the bottom of this schedule.* **Resolving issues** 2) A process for resolving issues has been agreed as part of the review of the Administration Strategy. The appendix covering the escalation policy, clearly sets out the roles and responsibilities of each party.
3	2	Lumpsum Payments	**Death Payments:** Supporting information letters & final payment authorisations issued after the SLA deadline A death grant decision form not on file & 1 payment sign off processed by the same person involved in the calculation **Transfers Out:** Letters of calculation were generated after the SLA deadline & letters of calculation were not peer reviewed **Retirements:** Members were contacted after the SLA deadline & payments were not followed up in a timely manner when documents had not been received from the member. In addition, payments were authorised by the same person involved in producing the actual calculation or peer reviewing it. My Wiltshire Portal - Form filled out and returned to the Fund via email, unsigned,	We will monitor the timeliness of processing lumpsum payments and take further action if this is not improved. We will remind staff of the importance of saving necessary documentation to support transactions on members files. We will review the payments approval process and structure to ensure payments are always approved independently by someone who has not been involved in calculating the payment. We will investigate the bug in the My Wilshire Portal which is preventing members from submitting documents and ensure any forms received from members via email are signed. We will advise staff which date should be used when processing retirement payments and update process notes accordingly	31 October 2022	**80%**	**Saving documentation** 1) All staff have been reminded to save all required supporting documentation. *Note: The development of an exceptions report is being explored to monitor staff adherence to the requirement.* **Timeliness** 2) SLA/KPI deadlines has been identified in the Business Plan and various actions are underway to make improvements. Weekly KPI reporting has been introduced. **Independent payment approval** *3)* We have reviewed the approval process and advised staff to not peer review and authorise the same case. Key policies have also been signed-off to support this approach. *Note: Whilst the monitoring of this approach is currently unclear, it is recognised that the introduction of the immediate payments' module will resolve any monitoring constraints.* 4) A new workflow has been created to monitor the spot checking of work, including the possibility of a RAG report to highlight the quality of peer review. **My Wiltshire Pension** 5) The issue with the My Wiltshire Pension portal has been resolved. Further improvements are planned over the next few months.

			however the payment was still processed. Plus, bank details will soon be auto populated to the Altair database, but this is not yet in place. It isn't clear what date should be used for retirement calculations, the retirement date, or the date payable.				
4	2	Transfers into the Fund	Money received from members previous funds is recorded in the SAP system on the general ledger as an asset, but the corresponding liability is not always recorded on the members file in the Fund's Altair system. This can result in a false representation of assets and liabilities in the Fund's accounts.	We will carry out a reconciliation to identify transfers in that have been processed in the SAP system but not in Altair. We will ensure Altair is updated with any missing liabilities and embed the new process to monitor transfers in are accurately processed going forward.	31 May 2022 Revised 31 Dec 2022	**25%**	**Transfer-in allocations to Altair** 1) Quarterly financial reconciliations are carried out and reported to the Local Pension Board and Committee. (£4.9m currently outstanding) 2) A new process has been developed and has been communicated to the relevant team members. 3) *Workflows exist to track the completion of the administration; Resource to be prioritised during August. To discuss priorities with the Member Services Manager.*
5	2	Amendments	<u>**Name change**</u> Name changes did not have a marriage certificate saved on the file to evidence the name change. <u>**Nomination change**</u> Nomination changes were processed after the expected SLA deadline. <u>**Address change**</u> Address changes were processed after the expected SLA deadline. Target notifications occasionally not saved on the members file as evidence.	We will remind staff of the importance of saving evidence to support any changes made in Altair. We will monitor the timeliness of processing amendments and take further action if this is not improved.	31 October 2022	**90%**	**Saving documentation** 1) All staff have been reminded to save all required supporting documentation. *Managers will make periodic checks, possibly through exception reports to ensure evidence of changes is being properly saved. To discuss with the Member Services Manager.* **Timeliness** 2) Staff deployed to high priority casework. As this is classed as low priority casework which Members can complete themselves through a 'self-serve' arrangement adherence to SLA timeframes are currently less stringent. 3) A review of the Administration Strategy has been undertaken to reflect the Members 'self-serve' arrangement.
6	1	Monitoring	Workflow backlog tasks go back to 2013, see further	We will review the process of distributing tasks to team	31 July 2022 Revised	**60%**	**Work monitoring & distribution**

			details under finding H below. The Fund was unable to quantify how much work was in the backlog or clarify if the status of tasks was correct. This makes managing deadlines difficult and prevents the Fund from producing forward looking KPIs. A monthly performance dashboard needs to be finalised and updates should be reported to the Pensions Committee. A one-off payments module should be purchased so BACs payment runs can be directly produced out of the Altair system. In our previous reports we have raised actions to carry out a full reconciliation between Altair and SAP, this has not been done. No quality assurance over the Fund's processing is conducted by management to ensure work is carried out correctly. The Fund maintains its own operating budget. Some services are provided by the Council and then recharged to the fund. However, the Fund does not receive underlying data from the Council to substantiate the amounts recharged.	members and ensure there is a robust process to monitor SLAs and team capacity / backlog. KPIs will be reported to the Pensions Committee regularly. We will finalise the monthly performance dashboard and report updates to the Pensions Committee regularly. We will carry out a full reconciliation between Altair and SAP and ensure this is done on a regular basis. We will consider if the one-off payments module in Altair should be purchased. We will review and embed the formal quality assurance process to help ensure work is carried out by the team correctly. We will liaise with the Council to obtain underlying data to support the amounts recharged to the Fund by the Council yearly.	31 Dec 2022		1) Altair's new Insights reporting tool will be used to monitor work (Termed the Surrey Report). With work allocation managed via an auto-allocation tool and relevant line managers who will spot check work & prioritise, based on the Insights reporting. Weekly reviews will take place to focus on SLAs however, the process is expected to take time to bed in. 2) *Officers have internally developed IWAS, a process designed to link Insights report results with workflows, with a view to prioritising casework. However, IWAS still requires further development.* 3) *Necessary "house-keeping" is taking place, however further work still required to cleanse historic issues, particularly the incorrect setting up of workflows.* 4) Insights (the Surrey Report) will act as the basis of a dashboard and be reported to Committee/Staff on a regular basis. **Payment's module** 5) A one-off payments module has been purchased. *Officers are waiting for Heywood's to implement system. Access to Paygate is still required, with IT needing to complete the licencing requirements.* **Altair/SAP Reconciliations** 6) *A full reconciliation has been completed; however numerous variances were identified. Work continues to reduce the number of variances between the databases.* **Council recharge and SLAs** 7) *The Council has provided an initial proposal to determine the level of the recharge and associated service. The fee suggested is c£600k.* Progress on this work is reported quarterly to the Local Pension Board and Committee. 8) *Discussion is ongoing concerning the service for the fee.*

7	2	Projects	There is not a formal project plan, issues or risk log for the i-Connect Enrolments project and further work could be done to proactively bring the project to a close The Pensions Payroll Reconciliation project Gantt chart does not include task statuses, so project slippages are unclear. Meeting actions are not formally captured, and progress reports not produced or communicated to the Pensions Committee	We will review the project methodology used to manage the Funds projects and implement changes to help improve oversight and efficiency. We will consider ways to proactively progress the i-Connect project, for example employer site visits.	31 July 2022 Revised 31 Dec 2022	**80%**	**Project methodology** 1) Officers have reviewed the way these projects are managed and made several minor alterations. **i-Connect onboarding** 2) i-Connect continues to be proactively managed to maximise onboarding, including escalating matters with employers. This goal also forms part of the Business Plan. 3) Officers have reviewed the remaining employers who have not onboard by year-end (Mar-22) and have determined a tailored approach for each employer. This is also being dealt with through the revised Administration Strategy. 4) *A project plan to complete i-Connect onboarding is to be developed and actively managed by Fund officers. Whilst constraints concerning completion remain with the employers themselves, Fund officer propose to actively manage employers in overcoming those constraints.*
8	1	Operational Backlog	**Aggregations** The Fund has accumulated processing backlogs for aggregations, clearing it remains an ongoing issue. Updates are reported to the Committee but an improvement plan to help clear the back log has not been drafted **Frozen refunds** If a member leaves the scheme in the vesting period they can be entitled to a refund of their contributions. Where a member doesn't opt to be refunded their fund remains as a frozen refund The backlog of frozen refunds now amounting to circa 2 million pounds and dating back to 1974. **Retired members**	We will review the backlog of aggregations, frozen refunds and retired members and take necessary steps to ensure this is progressed where possible. We will develop controls to monitor backlog in these areas going forward and report updates to the Pensions Committee regularly. We will review the data stored for status 3 members and determine a way to remove any personal data which is no longer necessary.	31 May 2022 Revised 31 Mar 2023	**60%**	**Aggregations** 1) *It was agreed to outsource this work as part of the Business Plan, A tender process and subsequent appointment should be completed by mid-August.* **Frozen Refunds** 2) *A working group is currently reviewing this area. Where members have reached or are about to reach 5 years (the timeframe by which they must take the refund and can no longer transfer out), officers are writing to members with a view to concluding those refunds.* 3) Officers will also send out a reminder communication for less than 5-year cases. However, during this timeframe the member is entitled to seek to transfer out in this timeframe (and it is often financially beneficial for them to do so), and therefore no further action is possible 4) Some of the oldest cases are unlikely to reach a resolution due to difficulties in tracing the member (or because they may have died in the meantime) in which case the refund will be unable to be paid. **Retired members**

			There are 107 members on the Altair system who are over 75 years old and therefore have reached an age that their pension must be paid. The Fund are currently looking at the ones overdue and determining the next steps required. **Status 3 members** Exit-No liability members still have personal member data recorded in the Altair system. This can be a breach of data protection regulations. In the Funds Data Retention Policy, it is stipulated that members' personal data should be minimised after 7 years of leaving the Fund and deleted after 15 years. There are 4652 member files where the information should be minimised and 14809 member files which should be deleted.				5) *Officers are working through these cases and contacting all members concerned.* 6) Workflows called RET75ACT (for actives reaching 75) and DEFPAY75 (for deferreds) have been created to monitor progress more easily. **Status 3 cases** 7) Officers have reviewed its Data Retention Policy and will propose a revised policy is implemented which would result in fewer deletions. *In the meantime, officers are in the process of minimising and deleting records.* 8) *Consultation on the final draft of the policy is yet to be concluded.*
9	2	System Access Review Follow Up	The Fund carried out a systems access review and several actions were raised. Progress against the actions raised had occurred apart from one. Issue 1.6 of the report remains outstanding, this states that the Fund should create a schedule of software licenses used by the Fund.	We will create a schedule of software licenses for systems used within the Fund. Going forward the results of the annual access review will be reported to the Head of Service	31 May 2022	**100%**	**Schedule of software licenses** 1) Officers have contacted the auditor stating that the schedule already exists (within IT), and no further work is required. 2) Going forward it is considered that the Fund's cyber security review will clarify roles and responsibilities, including the wider remit of system access reporting.