

ACTION PLAN FROM KEY CONTROLS SWAP INTERNAL AUDIT 2015-16

| Finding | Recommendation | Priority Rating | Management Response | Responsible Officer | Implementation Date | Latest Management Response September 2016 |
|---|---|-----------------|---|----------------------------------|---------------------|---|
| <p>1.1a Reconciliations and checks between Altair and the SAP Pension Payroll / GL data have been delayed. Average delays were noted between the period end and recorded checked date from 28 to 61 working days.</p> | <p>I recommend that reconciliations between the Altair Pension system and SAP Pensions Payroll including variance analysis of pension payroll balances should be undertaken on a regular, monthly basis.</p> <p style="text-align: right;"><small>SWAP Ref: 31.646</small></p> | <p>3</p> | <p>The reconciliations have been behind due to the recent staff changes. The officer undertaking the reconciliations moved to a new role during the year, and their replacement who only recently joined the Fund is being trained. During this period the monthly reconciliations had been picked up on a quarterly basis, leading to the extended period. This will be addressed as the team is fully resourced and the new officer comes up to speed.</p> | <p>Strategic Pension Manager</p> | <p>Jun-16</p> | <p>Completed - the reconciliations have been completed up to the end of August and the ones for September currently being undertaken.</p> |
| <p>1.1b The last full reconciliation between Altair and Pensions Payroll records and balances was undertaken in 2011.</p> | <p>I recommend that an updated full reconciliation be undertaken between Altair and SAP Payroll to provide further assurance that payments made to pensioners cast. This should provide the basis for a monthly reconciliation of cumulative balances. Cross checks to facilitate this may be possible through the use of IDEA data analysis software with the assistance of SWAP Internal Audit.</p> <p style="text-align: right;"><small>SWAP Ref: 31.752</small></p> | <p>3</p> | <p>A full reconciliation of the Altair to Pensions Payroll is a challenge due to different ways the two systems undertake their calculations leading to rounding differences that are cumulative. The main risk is setting up new pensioners which are reconciled on a monthly basis. Due to the size of the payroll and lines of records involved, reconciliations based on sampling is the intended basis for review moving forward. However, the current GMP exercise means that officers are currently reviewing all the records on Altair against HMRC figures due for completion in 2018. As part of this the Altair records will be compared against the SAP Payroll. The Fund is also considering the use of Altair Payroll which would negate the need for reconciliations in future and officers will report back to Committee on progress.</p> | <p>Head of Pensions</p> | <p>Dec-16</p> | <p>In progress - New pensioner reconciliations continue to be done to manage this risk. A plan for the reconciliation of Altair and pension payroll is being developed, but this has been delayed due to resources implications and is likely to commence during April 2017. This will be a long term exercise based on a rolling programme. The Pension Fund Business Plan outlines that the Fund will review the continued use of SAP Payroll before January 2018.</p> |