

## Appendix 1:

**Table 1 – Key Controls Report 30/04/2019 - Progress against internal audit recommendations:**

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Progress at 30 Oct 2019
1	2	There is a workload backlog within the team, and individual team members productivity is not being monitored.	We recommend that the Improvement Plan be put in place, as intended, to prioritise the workflow and reduce the backlog of work.	Officers will follow the details of the Data Improvement Sub Plan to aim to reduce down work in the identified areas of deferred benefit processing and aggregation to business as usual levels.	31 March 2020	<p><b>Behind target</b></p> <ul style="list-style-type: none"> <li>*Testing of automated work allocation completed. Migrated to Live and Benefits Team using with effect from 21 October 2019. This will assist in monitoring and managing the backlog.</li> <li>*Staff are continuing to work overtime to help with resourcing.</li> <li>*The new starter process has been reviewed and is planned to go live within the next month, this will provide an efficiency gain.</li> <li>*Extensive investigation and testing has been undertaken to help clear aggregation cases which is impacting other work. A new approach will be trialled shortly.</li> <li>*Officers are considering whether to proposal additional temporary resource to that already improved to speed up the process.</li> </ul>
2	2		We recommend that KPIs are developed at an Individual and Team Manager level so performance and productivity can be monitored. A quality review system should also be developed which feeds into the KPIs.	Officers will develop reporting capabilities to produce details of processing volumes at an individual level. Work on this area was already planned and has already begun.	31 December 2019	<p><b>Completed</b></p> <p><b>The Fund has already made the following changes:</b></p> <ul style="list-style-type: none"> <li>*Appointed a Benefits work management officer who provides greater supervisory support and monitoring of staff performance.</li> <li>*Introduced an internal quarterly report showing volumes of benefits work processed by individual which is used by the Benefits Manager to inform the management of her team.</li> </ul> <p><b>The Fund is also making the following changes:</b></p> <ul style="list-style-type: none"> <li>*Starting to introduce 2<sup>nd</sup> line reviews of processes (min-audits). The initial two processes will be Aggregation and Annual Allowance.</li> </ul>

3	3	Information received from employers is not always complete or protected.	<p>As full implementation of the i-Connect system is several months away, we recommended that in the interim:</p> <ul style="list-style-type: none"> <li>• A review of the current templates in use is completed to ensure that only relevant data is requested and the template framework is not editable;</li> <li>• A review of the feedback process is undertaken for when employers are not complying (for documentation and late payments); and</li> <li>• Ensure employers are aware of their GDPR responsibilities.</li> </ul>	Officers will continue to work to implement I-connect and to feedback to employers on correct completion of the template and to remind them of their GDPR responsibilities.	<p>I-connect: Implementation to start by end of 2019</p> <p>Other items: End of June 2019</p>	<p><u>I-connect</u>: <b>On target</b>. The Fund has now gone live with three small employers and has a rollout plans for all 190 employers over the next 1.5 years. Working with largest employer, Wiltshire Council, in Test with aim to go Live in January 2020. Testing for smaller employers using 'online returns' completed and rollout to Live scheduled in November 2019.</p> <p><u>Review of current templates</u>: <b>Completed</b>. Officers have reviewed current template and determined that due to the time and risk involved in asking employers to change their current approach, it would be better to wait for the implementation of i-Connect instead rather than making two major changes in a short timeframe. However, officers have made some internal changes to the process to reduce the risk of error.</p> <p><u>Review of feedback process</u>: <b>In progress</b>. Officers are presenting a new administration strategy to the Local Pension Board on 14 Nov 2019 which will outline a framework for dealing with administrative matters, including feedback and escalation of issues.</p> <p><u>GDPR</u>: <b>Completed</b>. All employers have been reminded of their responsibilities</p> <p>Most employers send information password protected spreadsheets while many employers also send from 'white-listed' email addresses (which are deemed sufficiently secure that no password is required).</p> <p>Officers have also taken a new approach to password protection by setting the passwords on behalf of employers to limit the confusion caused when documents are sent.</p>
4	3	Lack of an audit trail for member personal details amendments.	We recommend that a process is put in place to ensure that an audit trail of amendments is evidenced on the members file record. For example, inputting case comments that the address change was made following a telephone call from the member and after validation completed.	Officers will review the process for address changes and put in steps to make sure it is followed consistently.	31 July 2019	<p><b>Completed</b>.</p> <p>Officers have introduced a new address procedure which outlines the six different ways addresses are changed. Now all of the different ways show when, why and who changed an address, providing the desired audit trail.</p>

5	3	The Suspense account, as at March 2019, has an unallocated amount of just under £770,000, with the oldest transaction in the account being from November 2013. Transactions will be more difficult to clear as time passes, especially if there is minimal documentation as to why the transaction was initially placed in the account.	We recommend that the suspense account is reviewed and cleared.	<p>The suspense account is made up of contributions received from employers who are still in the process of signing an admission agreement.</p> <p>We have reviewed the suspense account, and have now had notification from the member of staff responsible for employer relations that several more admission agreements have been signed.</p> <p>Therefore we have now been able to clear £588k from the account.</p> <p>Going forward, we will create new employer codes and begin posting contributions received there as soon as a rates and adjustments certificate is received from the Fund actuary. This will minimise the balance being built up in the suspense account while we are waiting for admission agreements to be signed.</p>	30 April 2019	<p><b>Completed.</b></p> <p>The suspense account is being reviewed and cleared on a regular basis. Officers have introduced a new procedure for managing balances on suspense. Contributions from employers awaiting admission into the Fund will now only be coded to suspense until receipt of the contributions certificate from the actuary (confirming the contribution rate that the employer should be paying). After this point any further contributions received from the employer will be coded to the designated code for that employer.</p>
6	3	Reconciliations to ensure accurate data is held is not being completed on a frequent basis.	We recommend that a full reconciliation be undertaken between Altair and SAP Payroll. This recommendation is carried over from last year's audit report.	A full reconciliation between Altair and SAP Payroll will be completed.	1 December 2019	<b>On target:</b> Analysis of GMP and payroll reconciliation/rectification close to completion. We are now receiving quarterly data cuts from Payroll.
7	3	Reconciliations to ensure accurate data is	We recommend that the reconciliations currently being completed are reviewed as part	Officers will review and enhance reconciliations as part of end to end process	I-connect implementation:	<b>i-Connect: Completed.</b> Implementation process has started as outlined above.

		held is not being completed on a frequent basis.	of the efficiency project to ensure they are accurately capturing key risks in the process and the frequency they are being undertaken is sufficient.	review (efficiency project) and, more significantly, the introduction of I-connect will enable a number of reconciliations (such as new starters) to occur monthly.	Start by 1 August 2019.  End to end process: 31 December 2019	<b>End to end process: On target.</b> One process review has been completed and two more are underway concurrently and are close to completion (starters and retirements).  <b>Other reconciliations now taking place:</b> a). Reconciliation of general ledger codes on SAP payroll against Altair employer codes. b). Active member reconciliations between employers and Fund. c) Child Pensioner review completed.
8	2	Personal Information is being kept for longer than required.	We recommend that the Fund liaise with the Information Governance team to help develop a plan to meet the GDPR requirements. The Fund needs to keep documented notes of the steps they are taking to meet the GDPR.	The Fund will contact Information Governance to agree on an appropriate approach and will produce and maintain any additional documentation IG deem necessary.	31 May 2019	<b>Completed</b> Officers have liaised with Information Governance, as well as other Funds and the pension administration software provider Aquila Heywood, to agree a way forward. A summary of the data retention strategy was presented to the Board on 14 Nov 2019.

**Table 2 – Pensions Code of Practice 14 Compliance Report 26/07/2019 - Progress against internal audit recommendations:**

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Progress at 30 Jun 2020
1	2	There is no verification completed to confirm that the responses in the self-assessment are correct.	We recommend that the Fund Governance and Performance Manager complete random sample testing of the responses received in the self-assessment to confirm that the responses are correct.	The Fund Governance & Performance Manager will complete sample testing of the responses received in the self-assessment to confirm that the responses are correct.	30 June 2020	<b>In progress – the Fund will take this approach one the exercise next operations.</b>

## Other suggestions

Suggestion	Progress update
<p>Currently every calculation that leads to a payment is peer reviewed. This does not take in to account the amount to be paid and / or the experience of the staff member. A suggestion is therefore being made to review if this is appropriate and required or if a tiered system or other quality checks would be more efficient.</p>	<p><b>Completed.</b> Officers have introduced a peer checking policy which takes an evidence, risk-based approach to deciding whether work needs to peer-checked or not. This currently applies to two high-volume processes. Other processes we be reviewed over time to see if it would be appropriate and efficient to extend the current scope of the policy.</p>
<p>The mailing process is also inefficient and not cost effective. There are approximately 500 new member enrolments received each month. Once the member is entered on to the system, a new client pack is posted to them. This pack is currently being manually printed and therefore is a time consuming and costly process. A new Docmail system is due to be implemented and therefore the suggestion is to ensure the inefficiencies in the process have been resolved following the implementation.</p>	<p><b>In progress:</b> The inefficiency highlighted is being reviewed and removed as part of wider review of the new starter process which is now close to completion. Officers have been significant progress in this area and aim to go live with the new starter process in December 2019 which will also remove a number of other efficiencies and provide a better service to members.</p>