

# AGENDA SUPPLEMENT (1)

**Meeting:** Wiltshire Pension Fund Committee

**Place:** Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN

**Date:** Thursday 13 July 2023

**Time:** 10.00 am

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**The Agenda for the above meeting was published on 4 July 2023. Additional documents are now available and are attached to this Agenda Supplement.**

Please direct any enquiries on this Agenda to Ben Fielding - Senior Democratic Services Officer of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line or email

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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Report.

DATE OF PUBLICATION: 5 July 2023
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## WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

13 July 2023

ITEMS IN BLUE NOT UPDATED

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### **WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT**

#### **Purpose of the Report**

1. The purpose of this report is to provide the Committee with information in relation to various standard issues, to enable the Committee to fulfil its monitoring role.
  - a) Scheme, Regulatory, Legal and Fund Update
  - b) Risk Register
  - c) Administration KPI update – 1 March 2023 to 30 June 2023
    - 1) Key business plan items – Aggregation Backlogs / i-Connect & Controls / Resourcing. Plus, general progress on the business plan.
    - 2) Outsourcing updates
    - 3) Integrated payroll system update (Action log item)
  - d) Audit update
    - 1) SWAP Audit 2022/23
    - 2) Clearglass audit - update
    - 3) SWAP KPI audit
2. This report is intended to highlight key issues and developments. Full detail is provided in the Appendices.

#### **Report from Head of Wiltshire Pension Fund**

3. This section summarises key events across the Pension Fund over the last quarter.
  - a) Investment performance for the quarter to Mar-23 was +3.3%, compared to a benchmark return of +2.1%. The fund value at the end of Mar-23 was just over £3bn.
  - b) The funding level remains at around 125% (based on a roll-forward of the 2019 funding level).
  - c) The backlogs project and the pensioner payroll rec projects are now both up and running. Hymans have now completed around 1.5k cases, and Aon just under 450 (which includes all overpayments). We would have expected more progress on the Hymans project to date, and are working closely with Hymans to ensure that this completes on time. For Aon there were some delays due to not making amendments over the pensions increase being implemented for this year, but progress has picked up again now that this has been completed.
  - d) The SALAMI portfolio (Strategic Allocation to Liquid Asset-Matching Investments) has now been successfully set up. This will help us to meet the funding requirements for our private markets investments without holding excess cash and missing out on investment returns, and will also make things more efficient from an operational perspective.
  - e) Several of the roles within the new team structure have now been filled, including the new role of Employer Funding and Risk Lead and a replacement Pensions Administration Lead. Both these new team members will be attending this meeting to introduce themselves.
  - f) The Stewardship report for 2023 has now been completed and was submitted to the FRC in time for the end of May deadline. We have also published a mini-magazine to provide some of this information in a more accessible and non-technical format to the wider group of stakeholders. The Fund has also published

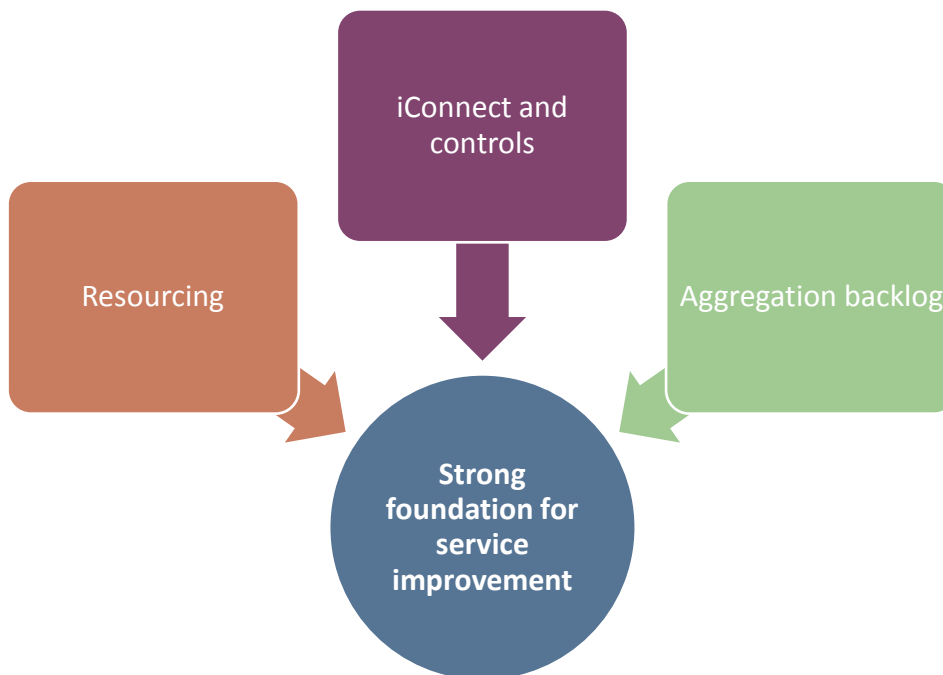
the first report into the impact of the affordable housing portfolio:

<https://wiltshirepensionfund.org.uk/Affordable-Housing-Impact-Report-2023>

- g) The Fund has been shortlisted for three awards at this year's LAPF Investment Awards! These are Best Approach to Responsible Investment (which the Fund won in 2021), Investment Innovation (our submission focussed on the affordable housing portfolio), and the Governance Award (which focusses on our approach to governance with the pool, communicating our long-term strategic aims, and risk management). The awards will be announced in September. Congratulations to the team and good luck on the night!

### **Business Plan Priority Area Progress Updates**

4. As set out in the Business Plan 23/24, the priority areas where we need to focus in order to deliver the maximum improvements to our admin service are as follows:



#### ***Resourcing – progress rating red***

5. We have now appointed to all key vacant roles, with the exception of the Employer Services Manager role, where we have temporarily paused our recruitment efforts while we review the situation after several unsuccessful attempts. We are also currently recruiting for an admin assistant. Two key roles (Employer Funding and Risk Lead and Pensions Admin Lead) now have people in post.
6. Staff training plans are in development. We are promoting training opportunities such as the Wiltshire Council leadership programme for new team leads, training on creating an inclusive workplace for all staff, targeted external training for new members of the operations team, and training plans for processing staff who wish to progress up the career grades.
7. More work still needs to be done to create a structured framework to use all the tools at our disposal to promote maximum efficiency in the processing teams. We plan to develop “recipe cards” for all processes to streamline work.

### ***iConnect and related controls – progress rating red***

8. More issues have emerged around the lack of a proper framework for monitoring whether data has been received, loaded, and processed from employers. Preliminary discussions have been held around the principles behind what data we check and why, and now that we have a Pensions Admin Lead in post, we hope to be able to progress this issue.
9. The same delays around progress apply to developing a monthly cycle of work for the employer services team, defining employer roles and responsibilities, and building on employer training and escalation, which should also be able to move forward now that we have an Employer Funding and Risk Lead and a Pensions Admin Lead in post.
10. Work on defining an efficient and effective control framework has not yet begun, but is strongly linked to the above point about recipe cards.

### ***Aggregation backlog – progress rating red***

11. As mentioned above (under para 3c), Hymans are making progress, but there have been issues on the way. Hymans report that this is not uncommon for a project of this nature, and are working with us to find solutions.
12. The Service Improvement Team has now been set up as of 9 May 2023, and the Service Improvement Lead Analyst role has now been filled via an internal appointment. This will enable us to make data-driven decisions to identify high-impact efficiencies. We are still some way off being able to make a proper assessment of resource requirements.
13. We have identified that there have been issues with receiving data from some large non-iConnect employers. Due to the issues mentioned above with monitoring, it is currently not clear what this means for workloads, and our measure of “open cases” is unlikely to be accurate (understated).

### **LOCAL PENSION COMMENT**

14. **Key Business Plan activities** – Aggregation Backlogs / i-Connect & Controls / Resourcing – Progress was noted against the three key activities, all of which were showing as a red risk rating.
15. Concerns were raised by the Board, particularly in relation to iConnect and related controls, with more issues emerging around the lack of a proper framework for monitoring whether data has been received, loaded, and processed from employers. The significance of this issue is further increased with the emergence of a major data issue in relation to one employer within the Fund, which is the subject of a paper later in the agenda.
16. Clearly it is important for the Board and the Committee to monitor, in detail, the progress on the three key business plan activities which are central to the delivery of improved service standards.

### **Scheme, Regulatory and Legal Update (Appendix 1)**

17. There are no material changes in this area, but officers have added minor updates to the appendix.

### **Risk Register (Appendix 2)**

*LPB Recommendation – Minute 197*

18. The version of the risk register presented in Appendix 2 relates to the month of April 2023. Whilst officers review the risk register each month, it was agreed by both Chairs that the April 2023 version will be the version submitted to the Committee meeting in July. During the interim period between each quarterly submission to the Board and Committee the officer led CROC Group will process and moderate ratings of monthly manager reviews in a consistent manner.
19. For members to be able to monitor the key changes between versions submitted to meetings officers will provide a summary table within this report to members. The purpose of this summary of changes is intended to assist Committee members by focusing on the key recommendation change agreed by the Board.
20. Committee members are asked to note that the Board have made their recommendations in line with two basic categories. These are:
- a) In relation to any patterns or themes which have occurred since the Board's last review, as determined by the summary table: and
  - b) In relation to the assessment of the prevailing risk register presented to the Board at their meeting.
- In assessing the risk register members are asked to focus on the mitigations in the "Updates to note" column rather than the ratings in the "Risk Assessment" column.
21. The summary of key changes to the April version of the risk register are:

Risk Section	Section rating change	Key notes and mitigations during the period
Data Management	Amber to Red	<ul style="list-style-type: none"> <li>a) Employer asset and liability allocations should be monitored to avoid distorting an employer's funding positions. Key officer to be assigned as well as accurate transaction coding reporting recommended.</li> <li>b) I-Connect processes including relevant checks, requires reform. Forms part of the KPI improvement plan.</li> <li>c) Employer TUPE transfers and cessations to be managed more effectively. Key recruit appointed, starting in June.</li> <li>d) Year End work has caused higher work volumes, in addition to the backlog of work which already exists and the timeliness of the delivery of data from employers. Officers are focusing on clearing this work.</li> <li>e) Management of record data associated with PI exercise. Officers reviewing all short-term pension changes.</li> </ul>

**LOCAL PENSION COMMENT**

22. **Risk Register** – The Board recommended the April '23 version of the risk register to Committee. Noting, and strongly supporting, the increase in the Data Management risk rating to Red, in light of the emerging issues

**Administration KPIs (Appendix 3)**

23. The KPIs have undergone some work to improve their presentation, but the work done and data sources to prepare them have remained consistent. Any comments from the Committee on the presentation would be welcome.

- 24. Table 1 shows a high level of terminated cases. This is due to “housekeeping” work that has been carried out by the new Service Improvement Team. Alongside the outsourcing project, this has gone some way towards reducing the volume of open cases.
- 25. Table 2 shows that over the year to date, better work allocation systems have led to the KPIs being consistently “amber” across all high priority processes. This progress has stagnated and now that the new Pensions Admin Lead is in post, there will be a new focus on boosting productivity and making better use of our management information in order to get more on top of BAU.
- 26. Work is continuing on regular processes – the end-of-year checks are making good progress, and this work will feed into the annual benefit statements, which are due by 31 August.

**Audit updates (Appendix 4)**

*LPB Recommendation – Minute 197*

- 27. SWAP Audit review 2022/23 (Appendix 4):
  - a) SWAP November 2022 KFC audit – Appendix 4 presents the Fund’s Key Financial Controls actions log based on the recommendations made by the SWAP auditor in November 2022. Progress against the recommendations was last assessed by officers on 7 June:
  - b) Target date – The Board endorsed one request by officers to change a target date relating to action 10 “KPIs, Reports & Monitoring of Staff Productivity”. The change moved the target date from 30 April to 30 September 2023. The change is connected with the SWAP audit covering KPI reporting (see paragraph 19):
  - c) Progress was identified in relation to the following actions:

<b>Action</b>	<b>Est percentage of progress communicated to the Board in May</b>	<b>Est percentage of progress recorded as at 7 June – Appendix 4</b>	<b>Reason</b>
Overpayments	50%	80%	Overpayment & associated policies now redrafted and awaiting final sign off
Amendments	60%	90%	Introduction of Recipe cards is making processing more consistent. Mortality tracing provider contract nearing completion.
Aggregation processing and backlog	40%	60%	Completed outsourced cases have increased significantly. More accurate outsourced & in-house reporting also in place.
Status 2 Members	50%	60%	Significant closure of casework due to phantom cases. Mini mailshot projects to members confirming their intentions

			is enabling casework closures. Better reporting.
KPIs, Reports & Monitoring of Staff Productivity	50%	70%	Earlier reporting of aggregation casework is now possible
Quality Assurance	50%	70%	Recipe cards include more comprehensive DQ checking

28. Whilst there is still work to be undertaken, officers feel that recognisable progress has been made. The appointment of key personnel should also assist in further improvement.

#### **LOCAL PENSION COMMENT**

29. **SWAP audit** – The Board agreed that the Committee will be asked for an extension to SWAP audit recommendation item 10 – KPI's, Reports & Monitoring of Staff Productivity. The proposed date recommended is now 30/09/23.

30. The Board also raised the issue on the proposed SWAP audit into the accuracy of the KPI's, as requested by the Chairs of the Committee and Board. Subsequently the two Chairs have commented on the draft audit brief for this piece of work, and an update should be provided to the July Committee meeting (See paragraph 22).

31. ClearGlass audit update:

- a) At the last Committee meeting officers presented ClearGlass' audit report on monitoring fee savings, with a view to providing assurance over the calculated fee savings, as a core measure of success for investment pooling. This included assessing whether the prescribed methodology was still meaningful given changes in the market and to the investment strategies of the underlying funds.
- b) Given the inherent difficulty of assessing fee savings across asset classes and over an extended period of time, it was agreed that the Fund's focus will now turn to ensuring pooling delivers value for money through assessing performance of the investments, of which ensuring suitable fee terms is one part.
- c) In conclusion, the Committee approved the recommendations which included two actions, namely, to formulate questions with ClearGlass to seek clarifications on unknown elements which had been identified within the report and to draft a letter encouraging Brunel to use caution when publicising fee savings, and focus on meaningful measures of pooling success, such as investment performance and responsible investment. At this time, we await the outcome of those two actions.

#### *LPB Recommendation – Minute 207*

32. SWAP KPI Audit:

Officer received an updated from SWAP advising that whilst the scope had been agreed it was clear that the work evolved had quite rapidly developed into a larger piece of work, than was indicated during the initial scoping meeting. SWAP is seeking to acquire additional resource and aiming to commence the audit in July.

#### **Training update**

#### *LPB Recommendation – Minute 197*

#### **LOCAL PENSION COMMENT**

33. **Training update** – It was recommended that Committee members could support officers more regarding the annual MiFID II self-certification process, by completing and returning their forms on a timely basis. It was noted that the process took 3 months to complete in 22/23.



### **Financial Implications**

34. No direct implications.

### **Legal Implications**

35. There are no known implications from the proposals.

### **Environmental Impacts of the Proposals**

36. There is no known environmental impact of this report.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

37. There are no known implications currently.

### **Proposals**

38. The Committee is asked:

- a) to approve the risk register recommendations made by the Board and the officer assessment of risk as presented in the April version of the risk register:
- b) to note progress in the SWAP Audit actions log, including updated target dates:

JENNIFER DEVINE  
Head of Wiltshire Pension Fund

Report Authors: Richard Bullen (Fund Governance & Performance Manager) and Jennifer Devine (Head of Wiltshire Pension Fund)

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Unpublished documents relied upon in the production of this report: NONE

### **Appendices:**

Appendix 1 – Scheme, Legal, Regulatory and Fund updates

Appendix 2 – Full risk register

Appendix 3 – Administration KPIs

Appendix 4 – SWAP Audit Actions log

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Scheme, legal, regulatory and Fund update

Source & Subject	Update Status	Subject detail & comments	Risk mitigation comments	Residual risk rating
Fund Update: <b>Business Focus</b>	No change	A 3-year business plan to cover the period 1 April 2023 to 31 March 2026.	WPFC & LPB to review officer progress against the business plan through an actions log which is reviewed on a quarterly basis	ST101
HM Treasury: <b>Reforms to public sector exit payments</b>	No change	<p>After a brief period of 'going live', the Restrictions on Public Sector Exit Payment Regulations were revoked in early 2021.</p> <p>On 8 August 2022 HM Treasury published a consultation on Administrative Controls Process for Public Sector Exits, seeking views on a "new administrative control process for public sector exit payments over £95,000". The consultation closed in October 2022, and we are waiting to hear further information. Initially, the changes will not apply to Councils/most LGPS employers, which may be a sign of things to come. The major difference on the revised proposal is that rather than the employee receiving capped benefits (after the employer made a decision), the cap applies to the stage before (i.e., the employer approval). Therefore, if the costs are going to be above £95,000 then the employer needs approval to go ahead. From a pension's perspective, such an approach would quite possibly avoid nearly all the issues from initial implementation. However, it may well still be unwelcomed for employers in other respects.</p>	<p>Officers will continue to appraise themselves of developments via Hymans updates and the following links:</p> <p><a href="#">Public Sector Exit Payments: a new controls process for high exit payments - GOV.UK (www.gov.uk)</a></p> <p><a href="#">Return of the £95k cap - News   Barnett Waddingham (barnett-waddingham.co.uk)</a></p>	ST102
Scheme Advisory Board (SAB): <b>Good Governance Project</b>	No change	Good Governance Project (formerly known as the Separation Project)	<p>Hymans-Robertson, on behalf of the SAB, has released its report on phase II which outlines a number of specific recommendations.</p> <p>Hymans Robertson and SAB are now moving towards Phase III of the project and a proposal is going to MHCLG to implement the proposals.</p> <p>Implementation is likely in 2023.</p>	ST102

The Pension Regulator (tPR): <b>Single code of practice</b>	No change	TPR have released a consultation concerning its intention to produce a single code of practice covering all pension schemes (Consequently, 10 of the 15 existing codes will be merged).  Whilst this will impact the Fund's current adherence to Code of Practice 14, it is understood that the new Single Code will be modelled on Code of Practice 14.	Whilst some of the exercise is merely one of administrative consolidation, tPR have also used this as an opportunity to make some changes.  Implementation is likely in 2023.	ST102
Scheme Advisory Board (SAB): <b>Goodwin Case</b>	No change	With some similarities to McCloud, another discrimination case affecting public service schemes including the LGPS is the Goodwin case. This time it's on the grounds of sexual orientation whereby it has been shown that it is discriminatory for female partners of members who are in a same sex or opposite sex marriage to receive different survivor benefits from one other.	Although the funding costs will be small, this will be a further administration and communication burden to address.  Little information has still been provided of the impact on the LGPS, but the DfE has started a consultation in relation to the Teacher's Pension Scheme to start the process of altering the scheme rules. It is expected DLUHC will undertake a similar process for the LGPS in due course.	ST102
DLUHC: <b>Fair Deal Consultation</b>	No change	A DLUHC proposal to strengthen the pension protections that apply when employees are outsourced from their LGPS employer.  <a href="https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection">https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection</a>	Officers have responded to the consultation but have yet to hear anything further from DLUHC. The next step is likely to be either another consultation or the introduction of legislation.  Due to the Parliamentary backlog, further progress may not be seen until late 2023.	ST102
DLUHC: <b>Education Sector reforms &amp; Changes to the Local Valuation Cycle and the Management of Employer risk Consultation</b>	No change	<b>Education sector reforms</b>  <a href="#">Sixty Second Summary - Education sector in the LGPS - Hymans Robertson</a>  <a href="#">Management of employer risk regulations - Hymans Robertson</a>	<b>Education sector reforms:</b> These are outlined in the helpful 'sixty second summary' link to the left. Some of these discussions related to point 5 of the Consultation outlined below. One positive area being considered by Government is the introduction of guarantee to protect Funds against FE Colleges defaults.  <b>Scope:</b> 1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle.	ST102

			<p>Nothing further has been heard on this. As contribution rates are currently being set for the period 2023-2026, it is likely that any changes would not take place for a number of years.</p> <p>2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. As above.</p> <p><b>3). Proposals for flexibility on exit payments.</b></p> <p><b>4). Proposals for further policy changes to exit credits.</b></p> <p>Legislation has been introduced in relation to 3) &amp; 4) and is embedded in the Fund's cessation policy.</p> <p>5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees)</p> <p>The Fund is unaware of any further developments in this area.</p>	
Brexit Freedoms: <b>Retained EU Law Bill</b>	No change	<p>The Retained EU Law (Revocation &amp; Reform) Bill will assess all EU derived subordinate legislation and all retained directly applicable EU legislation. It excludes primary law, subject to certain conditions. This will be assessed by a Minister or devolved authority (not Parliament) Circa 4,000 pension related laws to be reviewed by 31st December 2023.</p> <p>There is the power to retain legislation until 23 June 2026. Retained EU laws from 31 December will be known as Assimilated Law. In addition, EU case law will no longer be binding.</p>	<p>Relevant Ministers will review the laws. Pension related issues are expected to include laws around Employment, Age Discrimination &amp; material events prior to December 2006.</p> <p>Officers will take guidance from their professional advisers concerning any changes impacting the Fund.</p> <p>The key risk will be officers' ability to apply all the changes within the required time frames.</p>	ST102
GDPR: <b>Data Protection &amp; Digital Information Bill</b>	No change	<p>To amend the current GDPR &amp; Data Protection Act 2018. Its aim is to providing organisations with greater flexibility on how to comply with some aspect of data protection legislation. In particular, less box-ticking, improvements in the clarity of the framework and reforming the ICO.</p>	<p>A project plan will be developed. At present, whilst it is noted that the data mapping requirements could be simplified (Article 30), the existing data map will receive it annual review. It is anticipated that DPIAs will be more targeted, DPO's replaced by senior responsible individuals, vexatious SARs can be more easily rejected, personal data definitions altered, new rules around the legal basis for processing, greater flexibility around data</p>	ST102

			security, reforms around international data transfers rules, changes to provider contracts and the ICO reformed. The key risk being the acceptability of these changes to the EU.	
DLUHC: <b>Cost control consultation</b>	No change	<p>Proposed amendments to the Scheme Advisory Board's cost control mechanism have been published for consultation. Closing date 24 March 2023.</p> <p>The mechanism operates in addition to the HM Treasury cost control valuations (which apply to all public sector pension schemes) to recognise that the LGPS is unique in having funded schemes that are administered locally. The broad purpose of the consultation is to update the SAB mechanism to align with the HMT cost control valuations (ensuring the SAB mechanism can still influence the HMT outcome) and give the SAB greater flexibility in how it manages any cost variations</p>	Hymans are responding to the consultation and officers will take guidance from Hymans response.	ST102
DLUHC: <b>Edinburgh Reforms</b>	No change	<p>On 9 December, over 30 regulatory reforms were announced, with the aim of driving growth and competitiveness in the UK financial services sector.</p> <p>The proposed reforms are designed to maintain and build a competitive marketplace and promote the effective use of capital, secure the UK's leadership role in sustainable finance, ensure the regulatory framework supports technology and innovation and deliver for consumers and businesses.</p> <p>From a pensions perspective this means encouraging schemes to invest more of their assets in illiquid investments, such as UK infrastructure through the removal of performance fees &amp; repealing &amp; replacing EU law on financial services. Other considerations are also on the table.</p>	Officers await details of the proposed regulatory changes before considering the impact and associated risks.	ST102
DLUHC: <b>Revaluation Date Change Consultation</b>	No change	The Govt. has announced that a full 10.1% increase (from last September's CPI) will apply to pensions in payment and Career Average Revalued Earnings pension revaluation. However, the impact of this apparently minor change actually has material	The move is designed to bring the revaluation of LGPS CARE benefits into line with the Pension Input Period (PIP) used for Annual Allowance tax calculations. The consultation lasted only 2 weeks from 10 February 2023 to 24 February 2023.	ST102

		implications for the Pension Input Period (PIP) used for Annual Allowance tax calculations. Consequently, changing the date on which CARE pensions are revalued, from 1 April to 6 April is being consulted on.	The tight timescales are likely to mean that, if any changes are implemented, pension administration systems will not be updated in time for April's increases to be applied. In addition, if this change is not, it is likely to mean that twice as many members will be impacted by the annual allowance tax charges than usual.	
<b>DLUHC: Consultation: Taking action on climate risk</b>	No change	DLUHC have released the consultation, and WPF has responded (as approved by Committee on 17 Nov 22)  <a href="https://www.gov.uk/government/consultations/taking-action-on-climate-risk-improving-governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations">https://www.gov.uk/government/consultations/taking-action-on-climate-risk-improving-governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations</a>  The Fund intends to manage investment portfolios, and/or to take advantage of the investment opportunities which arise from the transition to a low carbon economy.	The Fund is in a good place here as the Committee has already done significant work to address this risk, via modelling, education (both of Committee members and the wider scheme membership), transparent reporting and meaningful actions.  Quarterly reviews and reporting submitted to the WPF. Plus, annual TCFD reporting. Preparation of (and monitoring against) an annual Responsible Investment Plan and RI Policy (including climate action plan). Further mitigations (not mapped as controls here) include review of the strategic asset allocation, and climate scenario modelling from both an investment and actuarial basis.	ST103
<b>Fund Update: Control and risk framework:</b>	No change	A poor operating control and risk framework could lead to negative outcomes for the Fund, such as incorrect financial transactions and/or records, incorrect member records, or fraud and misappropriation. Onward adverse outcomes could include minimal internal audit assurance, qualified audit reports and reputational damage.	This Scheme, legal, regulatory and Fund update has been integrated with the officer led risk register to provide strategic updates for the LPB and WPF. In addition, Committee tab of the main risk register will provide a summary of the prevailing operational risks.  An annual internal audit action plan, focussed on high priority areas.  Risk and control meetings are now regularly happening with full engagement from managers	ST104
<b>Fund Updates: Funding position</b>	No change	Failure to consider the multiple factors affecting the Fund's funding position could lead to adverse outcomes, including lack of awareness around the impact of macroeconomic events on the Funding position, failure to act in a timely manner in response to significant falls (>20%) in the funding level, or failure to proactively address employer cessation and solvency issues.	Regular review of the funding level, including reporting movements (and reasons) to key stakeholders, via monthly update emails	ST105

Fund Update: <b>Evolve programme</b>	No change	Evolve programme – which involves the Council changing the pensioner payroll system and Fund accounting system.	<p>The target system implementation date was 1 April 2023, but officers understand from the Evolve project team that the target date is now in doubt, and it is possible the new systems will not be implemented until later in 2023. SAP contract expires in December 2023.</p> <p>PF officers are engaging with the Evolve programme. In addition, officers are implementing an integrated payroll, and in ensuring that pension increases are correctly applied through Oracle.</p>	ST106 (supported by PJ106)
Fund Update: <b>Operational resilience</b>	No change	The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way	A KPI improvement plan is in draft. Weekly insights reports have now been launched for half the processing staff. The team restructure represents an increase in headcount and there may be issues with recruitment. Recruitment is proving to be challenging for senior roles. Progress has been made to assess the level of resource needed to deliver the service.	ST107
Fund Update: <b>Cost of living crisis</b>	No change	The cost-of-living crisis could impact the Fund from numerous perspectives including funding, investments, communications, administration, cash flow, resourcing etc.	A report has been prepared on the impacts, with the largest impact expected to be on cashflow. Modelling work has been undertaken by Hymans and supports the initial analysis that this is not an immediately issue.	ST108
DLUHC: <b>McCloud</b>	No change	The Public Service Pensions and Judicial Offices Act 2022 is the primary legislation The LGPS Regulations associated with that legislation is to be released. It is anticipated that the remedy legislation will apply from 1 October 2023, with backdated effecting across the remedy window of 1 April 2014 to 31 March 2022.	<p>The Fund's software provider continues to release software updates in stages in anticipation of the final remedy legislation being laid before parliament.</p> <p>A Project plan has been established and officers have identified how much data has already been collected. Officers are widening the data collection process to all employers &amp; validated and started uploading data to the pensions administration system.</p> <p>In particular, as part of i-Connect onboarding, officers continue to update part-time hours histories for active staff. Requested part-time hour history for all other employers which are not currently on i-Connect, albeit it is noted that this is problematic due to some employers having incomplete records covering the remedy period.</p>	PJ101



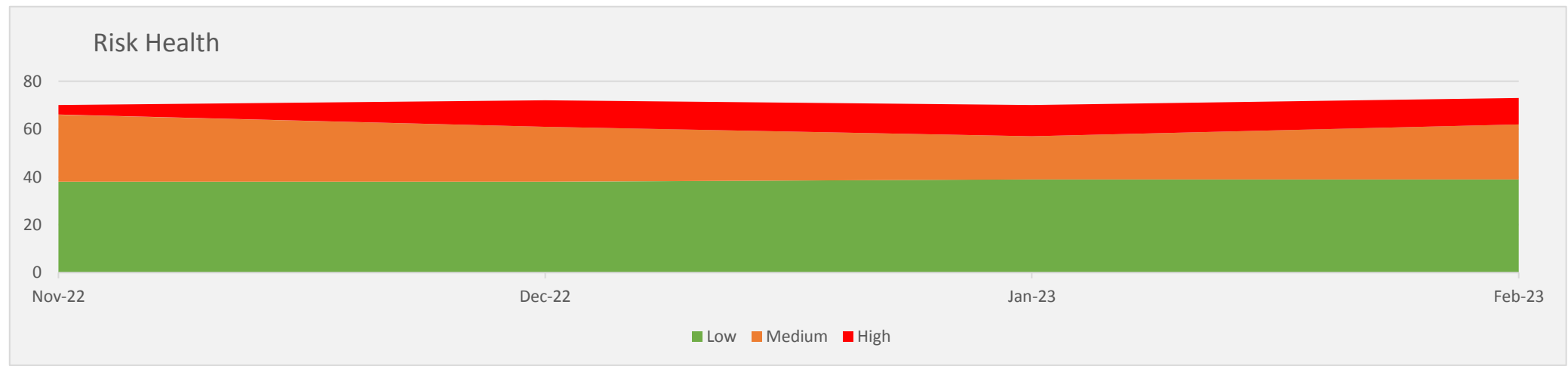
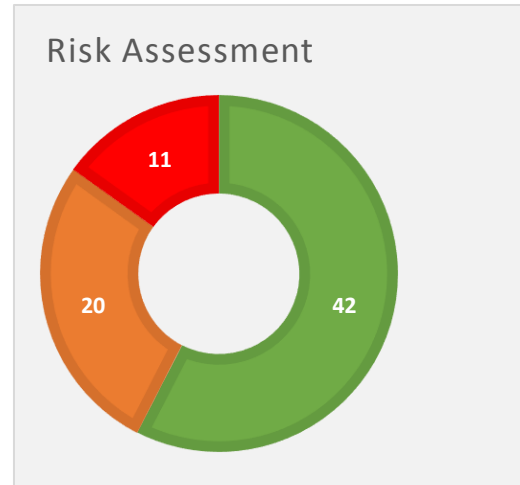
			Aon was commissioned to provide some advice on McCloud including a summary of what work a standard LGPS fund should have completed to date in order to be prepared. These reports have now been received, and officers have reviewed the reports.	
The Department of Work and Pensions (DWP): <b>Pension dashboard project</b>	No change	<p>DWP consulted on draft regulations earlier this year, and the consultation closed on 13 March 2022. A further consultation was issued in June 2022, and this closed on 19 July 2022.</p> <p>The consultation raises some issues due to the different rules that apply in the LGPS in comparison to other schemes. Such as: excluding deferred refunds, issues around missing starter notifications and the value of benefits if the vesting period is not met etc.</p> <p>The public sector staging date has been pushed back by 5 months and is now targeting <b>September 2024</b>.</p>	<p>The Fund's software provider, Aquila Heywood, is designated as an 'Integrated Service Provider' and is part of the national working party to help deliver the Pensions Dashboard. The Fund intends to work with Aquila Heywood to provide the data required.</p> <p>Aon was commissioned to provide some advice on the Pensions Dashboard, including a summary of what work a standard LGPS fund should have completed to date in order to be prepared. These reports have now been received, and officers have reviewed the reports</p> <p><a href="https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/">https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/</a></p>	PJ102

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# Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



Risk Area	Key Risks	Risk Assessment	Target Date	Updates to note
Service Delivery	<p>Level of post and work volumes remain high in spite of increased productivity, and there is still a failure to meet the KPI targets. Resourcing constraints means that work is not being received and allocated in a timely manner.</p> <p>Issues with post being received/sent and records updated in an accurate and timely manner.</p> <p>Bulk upload processing has improved efficiencies but further work is still required.</p> <p>A manual adjustment process is required for cases of flexible retirement in relation to the CARE screen. This should be completed as part of the Year End process.</p> <p>TV-out processing has been suspended, pending process review. This is hampering productivity output.</p>	High	31/03/24	<p>As part of the business plan 2022/2023, the backlog was outsourced to Hymans.</p> <p>A work allocation system has been embedded for member services (with employer services to follow), which is forward-looking and enables tasks which are about to go out of date to be prioritised.</p> <p>In March the Key activates of i-Connect and controls, the aggregations backlog and resourcing were identified as factors to overcome in order that the business plan 23/24 could improve on productivity. A Service Improvement team will come into operation on 9th May to facilitate data preparation and in turn productivity.</p> <p>Weekly KPIs are now circulated and analysed, and weekly insights have been launched for the member services team (the employer services are having their own KPIs formulated), which show staff productivity.</p> <p>Embedding the use of bulk processing is now better supporting this.</p> <p>The year end process concerning flexible retirees is being updated.</p>
Financial Management	<p>The employer contribution rate schedule is not accurately maintained and the Fund is unable to determine if it is receiving the correct contributions, or identifying ceasing employers at an early stage.</p> <p>The Fund pays incorrect pensions, lump sums and other one off payments to pensioner members.</p> <p>Ceasing Employer challenge actuarial reports due to the size of deficit payments they are required to make.</p>	Low	31/03/24	<p>Officers have set up an Employer Contribution and Data Management Working Group to mitigate the risk of the schedule not being maintained.</p> <p>Internal audit has highlighted further improvements over the internal controls in relations to financial management. An update will be presented to members at each meeting cycle.</p> <p>Strategic employer cessations are being managed by officers, who take legal and actuarial advice to ensure employer understand their cessation obligations.</p>
Fund Governance	<p>Members and senior officers do not maintain their knowledge and understanding leading to poor decision making and poor governance. Although implemented, embedding the risk and control framework into departmental culture is an ongoing process</p>	Low	15/06/23	<p>Approval of a Committee member training strategy for 23/24 was deferred by the Committee in favour of their own strategy. Details of the new strategy is yet to be published in order to mitigate issues in relation to insufficient knowledge and understanding.</p> <p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept.</p>

Systems Management	<p>Poor KPI reporting providing incorrect data which could lead to poor decisions being made.</p> <p>Old user accounts, including i-Connect logins and inaccurate profiles which aren't being removed on a timely basis and being attributed to team members, means users could access/perform tasks that they shouldn't be completing.</p> <p>Ineffective controls of mortality screening could result in the paying of benefits that should have ceased.</p> <p>It is noteworthy to highlight that the Council's contract will SAP expires in December 2023</p> <p>Changes to the transfer value guidance and factors has caused a suspension to the calculation routines</p>	Medium	31/12/23	<p>Insights, a new software tool provided by the Fund's database manager has enabled more accurate and timely reporting.</p> <p>User Accounts and Profiles are monitored, but reporting that monitoring requires development.</p> <p>A re-tender exercise has been completed in respect of the Fund's current mortality screening and training provider. Although the new appointment should have started from 1st April there have been delays in completing the contract. The former supplier is continuing to provide a service until negotiations have been completed.</p> <p>The migration to a new payroll databases is crucial. In addition, other SAP functions such as HR could also impact the Fund. Implementation of the Altair payroll to mitigate the cessation of SAP will help, however the Fund remains reliant on the Council's Evolve programme to move forward.</p> <p>On receipt &amp; loading of new GAD factors and completion of a TV process review, the TV calculations will be able to recommence.</p>
Investment	<p>Investment performance by managers is poor or misaligned with expectations leading to risk of funding level, achievement of investment strategy and poor benchmarking.</p> <p>BPP needs to operate effectively to ensure funds are well managed, investments are made on a timely basis and delivering their objectives.</p> <p>A letter responding to recent SRM's has increased this risk to red.</p> <p>BPP has been set up to deliver cost savings, if mismanaged this could lead to higher costs and poor investment returns.</p>	High	u/k	<p>The Fund is working with Brunel on pooling arrangements. The Fund is currently benefitting from net fee savings, but costs are under constant pressure to rise with high budget increases being proposed. Key person departures are also an ongoing concern in relation to resourcing.</p> <p>BPP's governance continues to be monitored due to concerns over levels of pay, budgets and staff losses. Officers are working with BPP and other authorities in the partnership to update BPP's constitution.</p>
Compliance with Regulations	<p>Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing.</p>	Low	n/a	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance.</p>
Performance	<p>Employers not performing their roles effectively, such as not sending timely and accurate information in the required format.</p>	Low	n/a	<p>Extra training is given to employers as part of the Fund's Employer training strategy. A new employer training strategy for 2023 has been prepared and employer scorecards have started to be issued to all employers notifying them of their performance against the Pensions Admin Strategy.</p>
Employer Management	<p>Employers not engaging with the Fund highlighted through poor data, poor timeliness of submissions and not complying with the regulations. This can lead to poor decision-making effecting scheme members</p> <p>Contacts have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively. In addition, current contact maintenance requires improvement.</p> <p>Employers are not set up, maintained or leave the Fund correctly. This can effect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information.</p> <p>Employers not joining the Fund in line with legislation e.g. unsigned admission agreements, resolutions not being passed and not keeping track of mergers/demerger.</p> <p>The Fund needs to consider a covenant strategy review following completion of the valuation.</p>	Medium	31/03/24	<p>As mentioned under Performance the Fund offers training to employers to mitigate the risks highlighted.</p> <p>With increased academisation of Schools, MAT breakups and cross fund movements if all schools were to convert, then the number of employers in the Fund could jump from 180 to between 400 and 500.</p> <p>Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with our Actuarial advisers to ensure new sets up are managed correctly. In addition, officers need to maintain the Fund's unitisation database.</p> <p>A risk exists of employers failing and not funding their liabilities could occur, where their financial position weakens. Fund officers to liaise with the Scheme Actuary concerning a covenant review strategy.</p> <p>The completion of Admission Agreements will assist areas such as i-connect and contribution reconciliation. Monthly meetings are now being held with Legal Services to conclude outstanding agreements.</p> <p>An exercise updating the employer contacts is being reviewed.</p>

Data Management	<p>Information is posted through i-Connect or employer spreadsheets late which can delay processing. In addition, a lack of i-Connect checks may impact data accuracy.</p> <p>There's risk that cessations are not advised resulting in delays to the start of this process.</p> <p>TUPE transfer are being delayed due to a backlog in Legal Services.</p> <p>Employer asset and liability allocations should be monitored to avoid throwing out an employer's funding position.</p> <p>The Pension Increase exercise was run, however an associated risk continues due to an increase in discrepancies between databases arising from the increase and adjustments to short term pensions.</p>	High	30/09/23	<p>To enable the i-Connect onboarding process officers are working closely with the outstanding employers, particularly where they are major employers who will have an impact on the Fund. This process continues even though actual onboarding has been temporarily suspended. Relevant checks associated with i-Connect submissions are being reviewed.</p> <p>Whilst the TUPE &amp; cessation reporting issue has been resolved as part of a new Heywood's release, officers now need to work with Legal Services to progress delays in this area.</p> <p>Assignment of the responsibility to a specific officer as well as accurate transaction coding and Altair reporting will be implemented on the imminent appointment of a key staff member.</p> <p>Work on reviewing short-term widows pensions has been implemented and should be completed by May.</p>
Stakeholder Engagement	<p>Inaccuracy of communications by the Fund could result in reputational damage.</p> <p>There is a risk that as a Fund we are delivering poor customer service to our members, with slow response times and disclosure breaches.</p>	Medium	n/a	Peer review arrangements are in place prior to publication and a strategy to maintain the compliance and content on MSS & the website is being implemented
Funding	Pension payment adjustments caused by the Rectification project may impact Fund. The PI exercise has now been completed.	Low	n/a	The Accounting team is working with the project manager to ensure Funding is not adversely impacted
Resourcing	<p>The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way.</p> <p>In addition, key departures have led to a loss of crucial knowledge in the team.</p>	High	u/k	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is under review for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Following a recent restructure, certain key vacancies remain to be filled in the team. A recruitment campaign involving specialist recruitment agencies has been instigated and some places have been filled.</p> <p>New employer services staff members receiving focussed training relating to their roles to mitigate processing errors and encourage i-Connect data checks</p>
Climate risk	Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts.	Medium	30/09/23	<p>The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios.</p> <p>The Fund already reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).</p>
Projects	<p>Projects are managed by a designated Project Manager. Key projects currently being managed are the Backlogs project, the rectification project and McCloud. The first two have been outsourced to 3rd party administrators. Regular updates are provided to the management team, Committee and Board in respect of the McCloud.</p> <p>At present, the outsourced backlog and rectification projects are progressing, however the McCloud has faulted.</p> <p>A delay in the Evolve programme is also contributing to risk in this area. Payroll staff will be recruited to implement Altair's payroll system over the next few months.</p>	Medium	31/03/24	<p>As part of the oversight of Evolve Payroll Programme periodic strategic updates are received from the s151 Officer to assess level of risk; Significant retrospective legislation changes related to the McCloud case could lead to higher levels of administration resource. Factors addressed by the restructure and the business plan. In addition, factors relating to consistent working practices are being resolved.</p> <p>To mitigate delays on McCloud the Project Manager is working with internal and external stakeholders to set milestones and reporting frameworks.</p> <p>Mitigations relating to the Evolve project involve the implementation of Altair's payroll system in the Autumn to take on new pensioners in a phased approach.</p>
Other External Risks	No "other" risks currently identified.	Low	n/a	



**Administrative use only**

Risk Assessment		73
Low	42	58%
Medium	20	27%
High	11	15%

	Nov-22	Dec-22		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Low	38	38		39	39					
Medium	28	23		18	23					
High	4	11		13	11					

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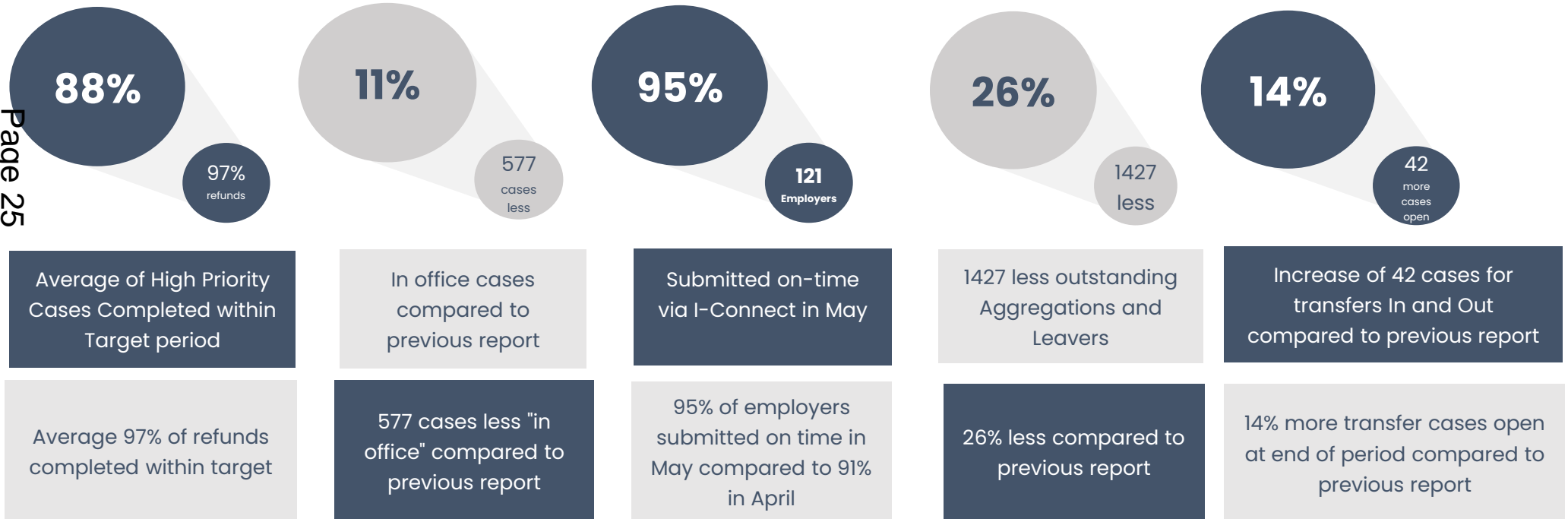
# Appendix 3 – Administration KPI's



An analysis of the administrative performance over the period

From 1 May 2023 – 30 June 2023

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# Internally set targets (Fund)

The Fund's internally set administration targets are set to help meet the goals of the Fund's business plan. The Fund also must meet certain disclosure targets, but these will now only be monitored on an exceptions basis (i.e. if we are failing).

**Table 1: Performance over 1 May to 30 June 2023**

Priority Category	Process	SLA (Working days)	Tolerable Performance	Closing cases prior report	Terminated Cases	Cases Open at Start	Cases received	Cases processed	Cases open at end	Case Change	Completed on target
High	Deaths	5/10/20 days	95%	437	-119	318	396	423	291		84%
High	Retirements	10/20 days	95%	540	-134	406	475	518	363		80%
High	Refunds	10 days	95%	9	-7	2	117	112	7		98%
Medium	Transfers Out	10/20 days	90%	270	-43	227	180	119	288		30%
Medium	Transfers In	10/15/20 days	90%	25	-7	18	12	6	24		50%
Medium	Aggregations	23 days - 1 year	90%	3165	-779	2386	652	827	2211		55%
Medium	Leavers	23 days - 46 days	90%	3370	-544	2826	1297	1547	2576		51%
Medium	Divorce	20 - 25 days	90%	24	-1	23	38	7	54		86%

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Open cases at end of period	Reply Due	In Office	Of which: Currently within SLA	Of which: Already beyond SLA
Deaths	243	48	19	29
Retirements	188	175	137	38
Refunds	7	0	0	0
Transfers Out	138	150	71	79
Transfers In	14	10	5	5
Aggregations	214	1997	602	1395
Leavers	193	2383	488	1895
Divorce	22	32	23	9
<b>Total</b>	<b>1019</b>	<b>4795</b>	<b>1345</b>	<b>3450</b>

\*Table 1 shows the Fund's process times against the timeframes set out in the administration strategy

Table 2: Monthly breakdown of completion on target percentage

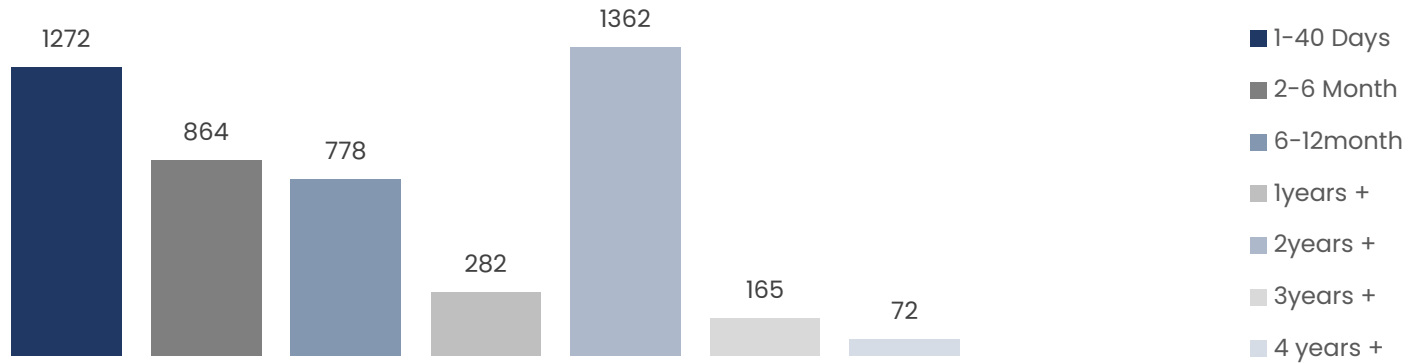
Priority Category	Process	SLA (Working days)	Tolerable Performance	Quarterly Average (Jan-Mar)	April	May	June
				Completed on target			
High	Deaths	5/10/20 days	95%	85%	85%	79%	92%
High	Retirements	10/20 days	95%	82%	83%	77%	84%
High	Refunds	10 days	95%	97%	94%	100%	96%
Medium	Transfers Out	10/20 days	90%	42%	62%	34%	29%
Medium	Transfers In	10/15/20 days	90%	56%	67%	33%	67%
Medium	Divorce	20 - 25 days	90%	62%	100%	0%	86%
Medium	Aggregations	23 days - 1 year	90%	67%	80%	75%	46%
Medium	Leavers	3 days - 46 day	90%	51%	51%	54%	49%

Table 3: 'In Office' (as at 30 June 2023)

Priority level	Process	Age Analysis (working days)							Total
		1-40	2-6 months	6-12months	1year +	2year +	3year +	4 year +	
High	Deaths	41	7	0	0	0	0	0	48
High	Retirements	165	5	3	2	0	0	0	175
High	Refunds	0	0	0	0	0	0	0	0
Medium	Transfers Out	119	31	0	0	0	0	0	150
Medium	Transfers In	9	1	0	0	0	0	0	10
Medium	Aggregations	324	342	90	159	1043	17	22	1997
Medium	Leavers	587	473	685	121	319	148	50	2383
Medium	Divorce	27	5	0	0	0	0	0	32

\*The lead and aggregation scores are reliant on bringing case numbers down and therefore the existing KPI target scores are likely to worsen while older cases are cleared. With both Officers and Hymans working on aggregations we can see that this is starting to have an impact on the statistics.

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**4. i-Connect onboarding progress figures at end of period**

Active Members

Employers

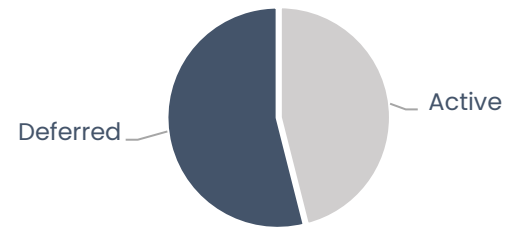
	Number onboarded	Number left to onboard	Completion rate
<b>Active members</b>	Data unattainable at this time - to be arranged for next report		
<b>Employers</b>			

\*Table 4 shows the progress in onboarding employers on to i-Connect. i-Connect onboarding is currently on hold while we establish solid foundations for the checking and monitoring of receipt of employer data.

\*Outstanding employers updates (major employers): \*Swindon Borough Council (SBC) and FS4S (a payroll provider), Wiltshire Police and New College (which collectively cover over 90% of remaining active membership not already onboarded). In all cases, their onboarding has been complicated by changes they have made to their payroll system.

**5. MS (My Wiltshire Pension) take up**

	As at 04/07/2023		
	Active	Deferred	Total
<b>Registered</b>	11,587	13,575	<b>25,162</b>
<b>Total</b>	23,841	32,010	<b>55,851</b>
<b>Percentage</b>	43%	57%	<b>100%</b>



\*Excludes members with password resets or disabled account.

## Internal targets - Employers

### 6. i-Connect submission performance

Size of Scheme	Apr			May			June		
	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target
<b>Small</b>	114	11	91%	106	6	95%	40	0	100%
<b>Medium</b>	7	2	78%	7	1	88%	2	0	100%
<b>Large</b>	1	0	100%	1	0	100%	0	0	0%
<b>Total</b>	122	13	90%	114	7	94%	42	0	100%

\*size of scheme - small <250members, medium 250 members +, large >1000 members

\*Newly onboarded employers are not included with the performance statistics as typically more support is needed in the initial months and therefore the normal deadlines do not apply.

\*All employers onboarded on to i-Connect are required to submit their return by the 19<sup>th</sup> of the month following the month the data relates to.

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## tPR Data performance measures

The Pension Regulator (tPR) helps regulate each LGPS's Fund compliance with various legislation. In respect of administrative performance, tPR focuses on Common and Conditional data measures. The Fund is required to submit its scores against these measures each year as part of its Scheme Return

98

### tPR Common Data

Percentage score at 1 November 2022  
-1% increase since 1 November 2021

Common Data various data measures it expects all Pension Funds to hold (e.g., name, address etc).

96

### tPR Conditional Data

Percentage score at 1 November 2022  
+1% increase since 1 November 2021

*Conditional/Scheme Specific data scores are those data types which are needed for the administration of that specific scheme. For the LGPS, the Scheme Advisory Board (SAB) has determined the relevant data items.*

98.7

### Active Annual Benefit Statements (ABS)

Percentage score at 31 August 2022  
-0.8% increase since 31 August 2021

*The Fund is required under the LGPS Regulations to produce active ABSs by the 31 August of each year. The Fund currently uploads all ABS to the member portal.*

*The active Annual Benefit Statement score is slightly short of the target of 99%. Most of failures relate to Swindon Borough Council employees, due to their ongoing administrative difficulties following their change of payroll system early this year.*

*However, this score is still relatively high compared to previous years:*

*2021: 99.5%; 2020: 96.9%; 2019: 95.0%; 2018: 93.9%.*

100

### Pension Saving Statements

Percentage score at 6 October 2022

*All Pension Saving Statements (relating to annual allowance tax charges) were sent on time despite a number of delays with receiving data from certain employers (in particular, Swindon Borough Council). All active members were analysed (c23,000) to see whether they exceeded the annual allowance limit and the final exercise resulted in 90 statutory statements being sent and 36 members being likely to need to pay a tax charge.*

## Performance commentary for the year

The **common and conditional scores** for this year have remained close to last year.

The Fund is already above average and some of the remaining gap to 100% is hard to fill due to factors outside of the Fund's control.

For the Common Data metric, virtually all the remaining data issues relate to missing postal addresses, where the member has failed to keep us up to date when they have changed address. Furthermore, as the Fund's main form of communication is now electronic, the member's postal address is becoming less important, and it is more difficult to identify if it is correct.

For the Scheme Specific measure, many of the errors are of a technical nature due to the way the metric is calculated but these require further review.

The **Active Annual Benefit Statement** score (98.7%) for this year is slightly short of the target of 99%. Most of failures relate to Swindon Borough Council employees, due to their ongoing administrative difficulties following their change of payroll system early this year.

Most of the remaining failures are resolved but officers are still liaising with Swindon Borough Council to clear the last remaining issues.

However, this score is still relatively high compared to 2018-2020, albeit lower than 2021.

2021: 99.5%

2020: 96.9%

2019: 95.0%

2018: 93.9%.

All **Pension Saving Statements** were sent on time despite a number of delays with receiving data from certain employers (in particular, Swindon Borough Council). All active members were analysed (c23,000) to see whether they exceeded the annual allowance limit and the final exercise resulted in 90 statutory statements being sent and 36 members being likely to need to pay a tax charge.







## 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 7 June 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>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 Fund was not following the write off process for values above this amount.</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> <p>We will ensure the aged debt is reviewed</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><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.</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	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			Cross referenced cases are reviewed to established whether the debt should be written off. <b>The write off process.</b> 3) The Scheme of sub-delegation & 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.
3	2	Lumpsum Payments	<b>Deaths:</b> 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.  <b>Transfers out:</b> 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.	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.  We will ensure that all team members are aware of who has authority to sign off lump sum payments and to what level.	30 April 2023 <a href="#">Revised date 31 July 2023</a>	<b>70%</b>	<b>Death casework</b> 1) A report has been prepared by the Systems team. Member services are also finalising the letter. <b>Transfer out – Sign offs.</b> 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. JD to liaise with Andy Brown in relation to authorisation limits. £250k was suggested. 3) A review and update of all related procedures will need to take place on introduction of the immediate payments system.
4	2	Transfers into the Fund	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.	We will ensure Altair is updated with any historical missing liabilities.  Any delays will be accurately highlighted in the weekly KPI report. This action is also reflected in the Finding J below regarding KPIs.	31 December 2023	<b>80%</b>	<b>Updating historical transfer-in liabilities on Altair</b> 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). The outstanding value unallocated in January was £880k. <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>	<p>30 April 2023 <a href="#">Revised date 30 June 2023</a></p>	90%	<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) A QA/checking review to be considered. Sample reviews to be replaced with a more comprehensive peer review arrangement. These include 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 robust workflow allocation process to manage this work. Furthermore, no</p>	<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.</p> <p>Determine if there are any other historical</p>	<p>30 September 2023</p>	60%	<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 a further 600 just need to be checked.</li> <li>2) Officers monitor Hymans KPI reports and on issues, which have largely now been resolved. The report/log includes a comment section.</li> </ol> <p><b>Additional pockets of work</b></p> <ol style="list-style-type: none"> <li>3) 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>targets have been set for processing the work and the manager believed that the team saw the importance of it.</p>	<p>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>4) Officers continue to progress the management of the in-house aggregation backlog with the introduction of the SI Team. Here again, it is noted that whilst the work is completed, checking of that work also needs to be completed, with 500 cases outstanding.</p> <p>5) SI 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>6) A matrix of work for inclusion the business plan is ongoing. Due to the restructure, 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>7) Officers have upgraded the KPI reporting to split outsourced and in-house 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 present. Forecasting clearance of outstanding work is therefore difficult.</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> <p>To monitor performance and</p>	30 September 2023 <i>Revised date 31 March 2024</i>	60%	<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 SI 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 the business plan. Progress reporting</p>

				address underperformance.  The leaver backlog is fully analysed as a priority, and a plan to clear cases not outsourced.			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	100% COMPLETED	<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. <b>Address change</b> – 10% of address 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	30 June 2023	60%	<b>Review IWAS prioritisations</b> 1) IWAS is largely considered to be operating the right order of prioritisation, albeit it is recognised that aggregation checking is not being identified as a priority. This is now being addressed. 2) Although the IWAS tool identifies work priorities, as required, output has not improved. Officers are considering the root causes relating to this and are allocating daily task lists. <b>Implement IWAS into the Employer Services Team</b> 3) A strategy to manage Employer Services work has been put in place, although time for it to bed in still needs to happen. This has been split between cyclical and non-cyclical tasks. On appointment of a Work Management Officer (currently suspended) the intention will be to prioritise the cyclical work first and then consider the non-standard tasks within the team.

			Findings in the Aggregations and Status 2 sections also highlighted this issue.				
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>Inaccuracy of KPIs</b></p> <ol style="list-style-type: none"> <li>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.</li> </ol> <p><b>KPIs not captured.</b></p> <ol style="list-style-type: none"> <li>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 the monitoring of amendments has been deferred.</li> </ol> <p><b>Data Quality reporting</b></p> <ol style="list-style-type: none"> <li>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.</li> </ol> <p><b>Employer Services Productivity reporting</b></p> <ol style="list-style-type: none"> <li>4) Reporting to be split into standard cyclical work and non-standard work. Performance levels now being reported &amp; circulated to team members. The impact of poor employer data and issuance of ABSs is also being assessed.</li> </ol>



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 Revised date 30 September 2023	60%	<p><b>Member Service Team Quality Assurance checks</b></p> <p>1) Consideration of the benefits of QA checks is under review. Recipe cards are replacing sample checking in the MS team in addition to daily allocations of work.</p> <p><b>Employer Service Team Quality Assurance checks</b></p> <p>2) A QA/checking review to be considered. Sample reviews to be replaced with a more comprehensive peer review arrangement. These include Recipe cards, which are essentially a combination of checklists and work instructions. Whilst in place, time is required for the cards to be in and be finally signed off.</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% COMPLETED	<p><b>35 outstanding payroll cases</b></p> <p>1) It is understood that only about 3 or 4 of the 35 cases remain outstanding. 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 are 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	100% COMPLETED	<p><b>Risk Register updates</b></p> <p>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.</p>

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