

## WILTSHIRE COUNCIL

### WILTSHIRE PENSION FUND COMMITTEE

6 October 2022

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#### **PENSIONER PAYROLL DATABASE RECONCILIATION PROJECT UPDATE**

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

1. The purpose of this report is to provide for the Committee's consideration, a further update on the detailed, and ongoing reconciliation project between the pension administration system (Altair) and pensioner payroll system (SAP).

##### **Background**

2. This paper provides an update on the progress of this ongoing project.

##### **Current situation**

3. The current situation of the rectification project is as follows, for the greater than £5 per month cases:

<b>Membership type</b>	<b>Stage 1: GMP reconciliation with HMRC records</b>	<b>Stage 2: Altair consistency between initial and current pension values</b>	<b>Stage 3/4: Cross comparison between Altair/SAP at an initial individual record level review &amp; Peer Review</b>
Pensioners	Complete	18 (-22)	776 (-65)
Dependants	Complete	4 (-103)	211 (+93)
<b>Totals</b>	Complete	22 (-125)	987 (+28)

4. The following notes provide some additional context to the numbers stated above:
  - a). Only cases where the initial analysis suggested a payment discrepancy of £5 per month or more are currently included in the above analysis. A recommended approach for dealing with the under £5 cases on mass was agreed at a previous meeting.
  - b). As a previous Committee meeting it was decided that remaining stage 3 or 4 cases will be passed to a third party administrator to free up the strain on internal resources (with the exception of a small number of started but not completed cases).

##### **Considerations for the Committee**

5. As reported to the Committee on 28 July 2022, the Fund's Treasurer commissioned SWAP to carry out an internal audit review into the project, due to the high priority of the project and the ongoing issues. This report has now been finalised, and is attached as Appendix 1. SWAP have made several recommendations, and have provided an overall assurance rating of "limited assurance".
6. The Fund's tender invitation, to invite a third party administrator to complete the remaining cases, has now closed and officers are currently reviewing responses with

view to making an appointment during October. It is not possible to share further details on this within this paper until the tender process is complete.

7. However, since the last meeting, unfortunately a new issue was identified in the way that 15 pensions were altered on the payroll system which in some cases has resulted in incorrect adjustments. These are being investigated further at the time of writing and we anticipate making corrections in time for the October payroll.
8. Officers continue to undertake a full monthly reconciliation between the Altair and SAP to act as a key control to ensure no new cases arise and ensure that the overall gaps between Altair and SAP are being closed. This reconciliation started in April 2022.
9. Information on the full picture of the scale and magnitude of the differences between the two systems is covered in detail in the KFC report (item 10). At the current time, 68.3% of records have a difference between the two systems (over a threshold of 10p p.a.). It is important to note that these do not all represent an actual incorrect payment, but nevertheless are an administrative problem for the Fund and need to be corrected before moving to an integrated payroll. The vast majority of the differences are low value. The overall magnitude of the difference is around £53k per month (gross value of all unders and overs), representing around 0.8% of the total payroll. The variances can be categorised as follows:
  - Difference of <£5pm – 10,878 records (92%)
  - Difference of £5-50pm – 758 records (6%)
  - Difference of >£50pm – 204 records (2%)
10. The corrections to the under £5 per month cases (on Altair or SAP), as referred to in paragraph 4a, is planned to take place before the end of the calendar year. As per the breakdown, shown in paragraph 8, this should significantly reduce down the discrepancies.

### **Environmental Impact**

11. There is no environmental impact from this report.

### **Financial Considerations**

12. There are no new financial considerations related to this update paper.

### **Risk Assessment**

13. There are no new risks related to this paper.

### **Legal Implications**

14. There are no new legal implications related to this paper.

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

15. There are no implications at this time.

## **Proposals**

16. Committee is asked to note this update and is invited to make any comments or recommendations that it has in relation to this piece of work.

### **Jennifer Devine**

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

### **Appendices:**

Appendix 1 – SWAP Report