

## Appendix 1:

**Table 1 – Key Controls Report 2024/25 - Progress against outstanding internal audit recommendations:**

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	Progress at November 2024
1	2	Risk Register	<p>There are elements of the Fund’s current risk management system that require improvement and some gaps identified, such as:</p> <ol style="list-style-type: none"> <li>1) No documented risk management policy in place:</li> <li>2) No guidance for officers on risk wording:</li> <li>3) No set risk appetite:</li> <li>4) Dates missing from the risk register to identify when a risk was added, reviewed, or updated; and</li> <li>5) No recording of inherent risk on the register.</li> </ol> <p>The Council has recently launched a new risk management framework, and the expectation is that the Pension Fund should now be working towards compliance with the Council’s own risk management framework.</p>	<p>The Pension Fund’s arrangements will be further developed to align with the Council’s framework. Plans are in place to perform a gap analysis and identify the necessary actions with the Pension Fund Committee.</p> <p>Officers will work with the S151 officer to ascertain what the risks to the Council are and where these sit as they do not form part of the operational risk register.</p>	31 December 2024	<b>85%</b>	<p><b>Agreeing risk management arrangements</b></p> <ol style="list-style-type: none"> <li>1) A paper was submitted to the Pension Fund Committee on 11 July, outlining the overall risk management situation. The recommendations were approved by Committee. Officers liaised with the s151 Officer, and the Corp. services team concerning the scoping and implementation arrangements. These were agreed.</li> </ol> <p><b>Updating the Fund’s risk register</b></p> <ol style="list-style-type: none"> <li>2) Officers have implemented their project plan. A revised template has been drafted and Fund Managers requested to update their areas of risk by cause, event and effect, as well as allocate risk appetite scores in line with new impact framework. New and strategic risk are also being incorporated and a paper is being presented to the Committee in December. If approved, a policy will also be drafted and submitted to the Committee in due course once all work has been completed.</li> </ol> <p><b>Integration with the Council’s Risk Management framework</b></p> <ol style="list-style-type: none"> <li>3) As above.</li> </ol>
2	2	Quality Assurance	<p>A new Quality Assurance (QA) process, with a QA and Sample Checking Guide was approved in April 2024. The new process addresses weaknesses, namely:</p> <ol style="list-style-type: none"> <li>1) The number of cases to be quality checked (25 per week); and</li> <li>2) A clear separation between the quality assurance and authorisation process.</li> </ol>	<p>Officers will create a log of the QA work that is taking place and will continue to develop this log and monitor the number of QA checks taking place each week.</p> <p>The policy has been updated to address the</p>	31 December 2024	<b>70%</b>	<ol style="list-style-type: none"> <li>1) Sample checking is being carried out and results are shared on the Fund’s health check performance dashboard for full transparency.</li> <li>2) Full implementation of these actions is pending the successful recruitment of a Quality Assurance Lead.</li> </ol>

			<p>However, the following issues exist with the process:</p> <ol style="list-style-type: none"> <li>1) There is no separate record (log) of the quality checks that are being carried out. This would help provide assurances that samples are representative the data to allow trend analysis work:</li> <li>2) There is no monitoring of how many QA checks are carried out against the target; and</li> <li>3) It should be written into the guide that the authorisation &amp; QA of work should be separated, so that one person cannot complete both functions on a case.</li> </ol>	issue of quality checkers also carrying out authorisations.			
3	3	Introduction of "i Connect", the Employer Scorecard and Administrative Charges	<p>The Business Plan 2024-27 includes an objective to have all Employers using "i Connect" by 2027. In addition, the Fund should implement an Employer Scorecard and Administrative Charging for participating employers who are not using "i-Connect" correctly.</p> <p>The fund should also consider charging interest for late payments &amp; completing the implementation of i-Connect before 2027.</p>	Officers will continue to encourage employers to join i-Connect. Officers have carried out research into how other Fund's administer interest for late payments and our own policy on this will be agreed as part of the overarching Administration Strategy.	31 December 2024	99%	<p><b>All employers migrated to i-Connect.</b></p> <ol style="list-style-type: none"> <li>1) The officers project plan to complete the migration of scheme employers to i-Connect is progressing well with many of the large employers now on i-Connect, including SBC. There are currently about 14 employers outstanding, down from 35 to migrate, noting that the process will fall into a business-as-usual arrangement whereby only new employers etc will need to be added to i-Connect as they arise.</li> </ol> <p><b>Implement Employer Scorecards</b></p> <ol style="list-style-type: none"> <li>2) Officers have developed a scorecard for regular issuance to employers, however its issuance has been delayed due to officer recruitment needs. It will start to be issued by the Communications team in the new year and will at a later date add employer covenant results, currently being circulated separately.</li> </ol> <p><b>Administrative charging, including interest for late i-Connect submission.</b></p> <ol style="list-style-type: none"> <li>3) A policy approving administrative charging of Scheme Employers to recover the Fund's additional costs placed on it as a result of poor administration practices by employers was made by the Committee in October.</li> </ol>

4	3	Complaints Monitoring & Reporting	<p>Audit noted that the report from Altair contained a different number of complaints in 23/24 from that published in the final performance report. This indicates that the process relies heavily on manual intervention to obtain accurate complaints data.</p> <p>Altair reporting should be improved by upgrading Altair's existing workflows.</p>	<p>Officers agreed to update complaint reporting workflows to include clear column headings, mandatory field completions and closure determination statuses.</p>	30 September 2024	<b>100% COMPLETED</b>	<p><b>Update Altair Complaints reporting.</b></p> <ol style="list-style-type: none"> <li>1) Changes to Altair workflows and Insights reporting has been made. In effect, the reporting output is now being tested/review to confirm if it fulfils the requirement.</li> <li>2) Report testing complete. Evidence file to be presented to SWAP.</li> </ol>
5	2	KPIs, Reports & Monitoring of Staff Productivity <b>(Outstanding 2023 action)</b>	<p>We reviewed the KPI reports and identified the following issues:</p> <p><b>Inaccuracy of KPIs</b></p> <ol style="list-style-type: none"> <li>1) Aggregation KPIs were not accurate and excluded aggregations where a workflow had not been set up.</li> <li>2) The Status 2 KPIs fall under the leavers data but did not include Status 2 members where a workflow had not been set up and did not include 'Status 2 Chase' workflows.</li> <li>3) The backlog of transfers in allocations was not flagged as an issue.</li> <li>4) The weekly KPI reports were not consistent with themselves as each week the closing position for the previous week did not agree to the new opening position.</li> </ol> <p><b>KPIs not captured.</b></p> <ol style="list-style-type: none"> <li>1) No KPIs to monitor the progress of overpayment aged debt chasing.</li> <li>2) No KPIs to monitor new joiners processing.</li> <li>3) No KPIs to monitor amendments processing.</li> </ol> <p><b>Data Quality reporting</b></p> <p>Active member data quality reporting is only completed on an ad hoc basis and the results are not reported to management to monitor.</p> <p><b>Staff Productivity</b></p>	<p>Officers will review the KPIs and address the inaccuracy issues identified.</p> <p>Officers will introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>Officers will regularly monitor the data quality for active members and ensure the requirements set by The Pensions Regulator are met.</p> <p>Officers will implement the staff productively monitoring report in the Employer Services Team.</p>	31 October 2024	<b>100% COMPLETED</b>	<p>It is considered by officers that all the elements within this recommendation have been completed. It was recognised that evidence will need to be prepared to demonstrate to SWAP that this action has been completed.</p> <p><b>Inaccuracy of KPIs.</b></p> <ol style="list-style-type: none"> <li>1) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>KPIs not captured.</b></p> <ol style="list-style-type: none"> <li>2) To demonstrate the monitoring arrangements for overpayments and aged debt chasing.</li> </ol> <p><b>Data Quality Reporting</b></p> <ol style="list-style-type: none"> <li>3) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>Staff Productivity Reporting</b></p> <ol style="list-style-type: none"> <li>4) To evidence that the recommendation has been fulfilled</li> </ol>

			The Member Services Team monitors staff productivity weekly through reporting however the same reporting has not yet gone live for the Employer Services Team.				
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