

Pensions Fund Processes and System 2015/16

The review of the East Sussex Pension Fund Processes and Systems is an annual review examining controls over the calculation and payment of pensions, transfers to and from the pension fund and the collection and recording of pension contributions (including contributions from other admitted bodies). This review formed part of the 2015/16 annual audit plan and was finalised during the first quarter of this financial year.

Whilst our review found that the key controls over areas such as the calculation of employee / employer contributions and pensioner payments were in place, a number of weaknesses in the administration of the Fund, undertaken by the Pensions Administration Team, meant that we were still only able to provide an opinion of **partial assurance**, unchanged from that issued in our previous audit of this system.

At the time of the audit, we found that the Pensions Administration Team had not undertaken appropriate action to address all known issues associated with backlogs in work and key activities. It is understood that staff shortages and loss of expertise within the service have impacted the ability of the Administration Team to cope with workloads but we been informed that that this is now being addressed by management. Workloads are currently mismatched against available resources and improvements need to be made in the routine monitoring of certain tasks.

Particular areas identified requiring further improvement were:

- Undertaking a reconciliation between SAP and the pensions system (Altair) to ensure the accuracy of personal data and in particular, home address information, to ensure annual benefit statements are only sent to the correct addresses;
- Resolving all previous instances where information had been sent to incorrect recipients, including directly contacting all members of the scheme affected by previous errors;
- Ensuring annual benefits statements are issued in a timely manner and in accordance with the guidance issued by the pension regulator;
- Taking urgent action to deal with specific backlogs and outstanding tasks relating to pension lump sum payments, transfer in quotes, combining of pension benefits and other pension choices.

All of the recommendations arising from the review have been agreed with management as part of a formal action plan for improvement and it is our understanding that, in a number of cases, immediate action is being taken to address the weaknesses identified. A full follow up review to confirm the progress made will be undertaken as part our 2016/17 audit plan.