

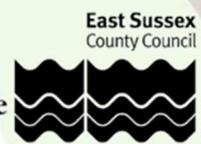


Internal Audit Report

The Implementation of Altair

Final

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Prepared for: East Sussex County Council
Date: January 2022



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1. Introduction and Background

- 1.1. Until April 2021, the administration of the Pension Fund was managed through a collaboration with Surrey County Council as part of Orbis Business Operations. In April, responsibility transferred to East Sussex County Council and a new, locally hosted, instance of the administration software (Altair) was established. Altair is the same system that was used by Surrey County Council to manage the East Sussex Pension Fund.
- 1.2. The objective of the audit was to provide assurance that controls are in place and are operating as expected to manage key risks to the successful establishment of the new instance of Altair.
- 1.3. Appendix A of this report details management's responsibilities with regard to control.

2. Scope

- 2.1. The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:
 - Data transfer, including scanned documentation, is complete and accurate;
 - Access rights to Altair are set up appropriate, in accordance with users' needs; and
 - Governance arrangements, including procedures and guidance, are effective in minimising the risk of fraud or error.

3. Conclusion and Key Findings

- 3.1. No issues have been identified in our work that have not also been identified, and reported, in other audits. As a result, no findings - and corresponding actions - are included in this report. Similarly, no audit opinion is given because these findings have already influenced the audit opinions of other audits.
- 3.2. Data transfer took place in two stages. The first transfer was from the Surrey system to an East Sussex test version of Altair. Reconciliation took place to ensure that the data were transferred completely and accurately to this site. The second transfer copied the data from the test site to the live site and further reconciliation took place. Our testing of these reconciliations confirmed that the data transfer was successful.
- 3.3. Access was set up in the new instance of Altair, based on copies of users' access rights in the Surrey system. Users, identified as needing access only to the Surrey system, were not copied over, but a number of users whose access needs could not be determined were set up in the East Sussex system, and each user transferring over was given identical access rights to those they had in the Surrey system. As a result, not all users were set up with the correct access rights and some users were set up who did not need access to the East Sussex System at all.

- 3.4. Where necessary, system administration rights were added to a small number of roles, prior to the transfer, to ensure that tasks, previously undertaken by Surrey staff, could continue. A number of users had been set up with multiple user IDs (users with more than one role in Altair) in the Surrey system, often set up as part of projects, and these access permissions had never been withdrawn. At the time users were set up in East Sussex, it was not always clear which user ID was the correct one to transfer. In these cases, all user IDs were transferred, pending analysis of those roles to determine the correct one to use. Work has since been undertaken to remove superfluous user accounts, including duplicates.
- 3.5. The Altair User Role Requirements and Access Control Agreement requires that users' roles be reviewed on a quarterly basis to ensure that only authorised users have access to Altair, and that any users, who no longer need access, can be identified and removed from the system. As mentioned above, the importing of users from the Surrey system has resulted in the need to identify and remove a number of users, confirming that reviews have taken place. The process of reviewing access permissions continues, to ensure that users' access permissions are consistent with their operational needs.
- 3.6. A Service Definition Document sets out how technical support will be provided to support Altair in East Sussex, including roles and responsibilities. However, there is no structured, comprehensive, set of procedures and guidance available for Altair's users. Separate documents are available to cover individual transactions, but these are disparate and unstructured and do not set out the overall process for pension administration. This may weaken the effective governance of pension administration. An action was agreed in the last Pensions Administration – People, Processes and Systems audit report to establish a comprehensive suite of procedures and guidance by August 2022.
- 3.7. In conclusion, we have found that the transferring of data from the old system to the new was carried out effectively. However, there remains work to be done to ensure that all users of the system have access permission in accordance with their needs and comprehensive guidance is needed, covering the end-to-end administration process.

4. Acknowledgement

- 4.1. We should like to thank all staff who assisted during the course of this audit.

Appendix A

Management Responsibilities

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

This report, and our work, should not be taken as a substitute for management's responsibilities for the application of sound business practices. We emphasise that it is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.