

AUDIT	Agreed management action	Ref	Related to finding...	Owner	Date to be completed	Revised date for completion	Status	RAG	Response Comments
Payroll Initial	<p>When the audit log function was enabled the system slowed down significantly and had to be disabled. Now reviewing the possibility and impact of only turning on specific screens. A feasibility study to assess this is now underway.</p> <p>The areas to be switched on will be discussed and shared with Audit.</p>	4.1	<p>Previous discussions with the project team indicated that the audit log had not been switched on across Agresso as it significantly slows the system.</p> <p>Without this facility there is a risk that inappropriate changes cannot be identified and traced to users.</p>	Julie Jackson	31-Jan-16	30-Sep-16	Completed	G	07/09: Feasibility study completed and areas to be switched on are now under detail discussion with LCC audit and People Management through a series of workshops. Payroll creating files of data to provide audit checks to validate pay in the interim while the system audit logging solution is agreed 31/08: Workshops in progress with LCC (inc audit) to confirm what audit logs are required. Aim to have screens identified and agreed by 30Sep which will then allow process and reporting to follow (which will be BAU operational)
Payroll Initial	<p>Currently Headteachers approve their own expenses after Bursars input them.</p> <p>The expenses should be inputted by Headteachers and then approved by Bursars.</p> <p>LCC have agreed this will be an acceptable process, but still awaiting final agreed action from Serco.</p>	5.1	<p>Although there is separation of duties between the input and approval of Headteachers' pay and expense claims, the current workflow results in self-authorisation.</p> <p>Internal control arrangements have always required payments to be authorised by an officer other than the payee.</p> <p>The approval workflow is driven by the relation between the Positions of the inputter and authoriser. We understand that changes to this may impact on other processes within Agresso.</p>	Abi Tierney	31-Mar-16		Completed	G	31/08: This work has completed and process agreed at schools board. Communication went out to schools in July newsletter
Payroll Initial	Some limits have already been set and work continues to set limits for the remaining codes.	19.1	We can confirm that upper limits have now been entered on some P&D expense codes such as car parking, but there are no limits on entries where the rate per mile can be entered manually. As a result there remains a risk that excessive amounts could be claimed and not identified when managers authorise mileage claims and other expenses (initial testing has identified a small number of occasions where this has occurred).	Julie Jackson	31-Mar-16	30-Sep-16	Completed	G	07/09: This has been completed and in part of BAU audit reconciliation of higher and lower values
Payroll Initial	<p>This only applies to a very few staff who have more than one role at LCC. When such staff have sick leave the system gets confused about which role to allocate the sickness absence.</p> <p>Manual checking and changes are deployed to address this issue until such time as the system issue can be resolved.</p>	22.1	Sickness processing continues to make use of a 'workaround' (SQL report) outside of Agresso payroll. The errors identified in payroll payments demonstrate that this 'workaround' does not calculate sickness payments accurately on a consistent basis.	Julie Jackson	31-Mar-16	30-Sep-16	Completed	g	05/09: Agresso testing has concluded and the fix is now in the live environment ready for running of Absence Transfer 31/08: Fix received from Unit 4 w/e 26Aug which is undergoing testing at present to confirm if resolves issue. Anticipate that this could be promoted to live if all testing is successful by end Sep16
Payroll Initial	Further work / investigation is need to understand this issue as it should already be available.	24.1	<p>Pay advances are currently made to employees by the LCC Treasury Team via Faster Payments. Payroll provide a list of payments (with individual's bank details) whenever advances are required, often several times a week.</p> <p>This payment method should only be a temporary arrangement - it incurs charges for each transaction, creates additional work for Treasury and there is a risk of error in providing and entering the details for payment.</p>	Julie Jackson	31-Jan-16	30-Sep-16	Completed	G	31/08: Given the significant reduction in advances (only 10 in Aug16) this is less critical. Investigation complete on what is feasible for supplementary payroll runs. Further discussion would be required with LCC (KT) & Payroll to discuss supplementary payroll runs

Payroll Initial	Review of access right currently being undertaken. More levels of access are being developed and then individual roles will be allocated to the extended range of access levels.	Access to the HR Admin role is not sufficiently restricted / controlled. This role allows amendment to the Council's establishment and structure, and the creation of new Positions.  We also observed that: <ul style="list-style-type: none"> <li>• there are system users who still have access to Agresso even though they have left the Council</li> <li>• other individuals have the HR Admin role (e.g. some employees within Revenue Services) where they need access to undertake certain tasks but should not have full access to this role.</li> </ul>	Julie Jackson	31-Jan-16	30-Sep-16	Monitor	A	05/09: Action is to be tracked against ref 11.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Payroll Initial	Review of access right currently being undertaken. More levels of access are being developed and then individual roles will be allocated to the extended range of access levels.	At present there is no enforced segregation of duties between HR Admin and payroll processes or within the payroll system itself:  <ul style="list-style-type: none"> <li>• HR Admin staff set up employee records (including bank details) as well as having access to create Positions within the establishment structure.</li> <li>• Some users with the HR Admin role also have the payroll role and vice versa.</li> <li>• Whilst 3 different payroll roles have been created in the Development system, these have not yet been fully tested for implementation in the Production environment. All users have a standard payroll access.</li> </ul> <p>Current access presents a risk of fraud. The current difficulties with payroll posting and reporting increase the risk that fraud and error may not be detected</p>	Colin Airs	31-Jan-16	30-Sep-16	Monitor	A	05/09: Action is to be tracked against ref 11.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Payroll Initial	Review of access right currently being undertaken. More levels of access are being developed and then individual roles will be allocated to the extended range of access levels.	We previously reported that access to be able to amend Payment & Deduction (P&D) codes in the live Agresso system is not sufficiently restricted. These codes underpin payroll payments and deductions and determine how data entered to the system is processed.  We understand that this issue remains unchanged and staff who have update access to the P&D register include payroll staff, Unit 4 consultants, and employees with either the HR System Admin role or full system access (Serco IT).  Such wide access increases the risk of inappropriate changes to the P&D codes. We are aware that errors have occurred due to incorrect amendments being made to P&D codes	Julie Jackson	31-Jan-16	30-Sep-16	Monitor	A	05/09: Action is to be tracked against ref 11.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also

Payroll Initial	<p>A comprehensive list of exception reports have been produced and are waiting to be developed by the Agresso Team.</p> <p>Training on how to make the best use of the exception reports will be part of the roll out process when these reports are available.</p>	<p>Our review has confirmed that the arrangements to check payrolls have been improved since April / May / June to detect and correct errors prior to payment. However, we still have concerns around the consistency, coverage and timeliness of these checks.</p> <p>These include:</p> <ul style="list-style-type: none"> <li>time and resource spent to address queries is impacting on time available for input and checking processes</li> <li>whether sufficient staff have the level of knowledge to identify errors</li> <li>the Unit 4 system variance report was still not available in September 2015 – a comparison of current and previous month's pay was manually created</li> <li>exception reports available do not pick up specific errors (e.g. mismatch between NI code and allocation to a pension scheme, unbalanced payslips)</li> <li>ensuring complete retention of all reports relating to payroll processing (e.g. tax load, backpay report, error &amp; warnings, net pay comparison) - dating back to April 2015</li> </ul> <p>Whilst we were able to confirm that reports had been generated, checked and retained on Corporate payrolls in September, we have not received a response from Serco on the checks completed on the schools (SC) payroll.</p> <p>The checking of exception reports is the most important control to minimise the occurrence of errors.</p>	Julie Hill	TBC		Partially Complete	A	12/09 exception reports identified and being used by Payroll Team. Action is ongoing, training is being scheduled.
Payroll Initial	<p>A separate project has been ongoing since October to identify all over and under payments and decide the process / time scales for collecting outstanding monies.</p> <p>Process to include the outlining how overpayments will be reversed in the payroll system</p>	<p>A process has not yet been implemented to correct payroll information where overpayments have occurred and cannot be corrected through adjustments to future payments (e.g. where the employee has left employment). This process amends postings in the general ledger and payroll control accounts.</p> <p>If these amendments are not made, payroll data and accounting information will be incorrect at year end. This is also likely to impact on the accuracy of data submitted by RTI.</p>	Colin Airs	31-Mar-16	30-Nov-16	Partially Complete	A	12/9: this is part of the project to contact all employees by end of October
Payroll Initial	<p>A separate project has been ongoing since October to identify all over and under payments and decide the process / time scales for collecting outstanding monies.</p> <p>Process to include the outlining how overpayments will be reversed in the payroll system</p>	<p>Issues with data input and processing, particularly in the first 4 months after implementation are known to have caused overpayments to staff. As limited checking was completed in this period, there is a risk that overpayments made have not been detected or reported by employees.</p> <p>The results of our initial testing in this area confirm that there are unrecovered overpayments (some of which are significant), particularly from the first 4 months.</p> <p>We recognise that budget holder checking should help to identify errors</p>	Colin Airs	31-Mar-16	30-Nov-16	Partially Complete	A	12/9: this is part of the project to contact all employees by end of October

Payroll Initial	Clarify the support available and relationship with Unit 4 post implementation		As previously highlighted, there is currently an over reliance on one individual (the HR/Payroll Consultant) who has both payroll expertise and the understanding of Agresso payroll functionality. This individual's time is split between supporting the operational teams, resolving complex system errors and addressing outstanding project tasks. The conflicting demands on this individual are delaying resolution of outstanding operational and system issues. More significantly, the pressure on this individual juggling conflicting high priority tasks is not sustainable.	Julie Jackson	31-Jan-16		Partially Complete	A	Support arrangements have been reviewed and additional resources identified. New Agresso Consultant started on 13th Sept.
Payroll AUDIT	The Council will develop a tracker system and progress will be monitored via the monthly Operational Group chaired by the Council's HR Service Delivery Lead.	1.1	45% of the recommendations agreed in the previous payroll audit report in December 2015 were not implemented by the due date. The following Key controls areas have outstanding recommendations: <ul style="list-style-type: none"> <li>-Systems access</li> <li>-Exception reporting</li> <li>-Overpayments</li> <li>-Third party payments and reporting</li> </ul> We have concerns that the recommendations included in this report will also not be implemented on a timely basis by Serco. See Appendix A for details of the previous recommendations and the actions implemented.	Marie Robertson - Strategic PM Advisor	01-Sep-16		Completed	G	Tracker has been developed and agreed with Serco. Progress also to be monitored by the Audit Committee and Monthly People Management Service Review Meeting.
Payroll AUDIT	A performance report will be requested from Serco which will be a standard agenda item on the Serco/LCC HR and Portfolio Board.	1.2	45% of the recommendations agreed in the previous payroll audit report in December 2015 were not implemented by the due date. The following Key controls areas have outstanding recommendations: <ul style="list-style-type: none"> <li>-Systems access</li> <li>-Exception reporting</li> <li>-Overpayments</li> <li>-Third party payments and reporting</li> </ul> We have concerns that the recommendations included in this report will also not be implemented on a timely basis by Serco. See Appendix A for details of the previous recommendations and the actions implemented.	Marie Robertson - Strategic PM Advisor	30-Sep-16		Completed	G	MR to request from Serco. Agreed to go to Service Review meeting rather than Portfolio Board.

<p>Payroll AUDIT</p>	<p>The payroll Services uses a standard Errors and Warning Report. Serco will work with Unit 4 to redesign the Errors and Warning Report to remove the limitations.</p>	<p>2.1</p> <p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	<p>Julie Jackson, Business Development Operations Manager</p>	<p>30-Sep-16</p>		<p>Partially Complete</p>	<p>A</p>	<p>26/08: RT still on track to give the codes. Unknown on agresso plan - RISK 16/08: Scoping has been completed. Next step is to complete configuration by end of September.</p>
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<p>Payroll AUDIT</p>	<p>Identify all exception reports that are required and then scope and redesign so they are fit for purpose</p>	<p>2.2</p> <p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Aug-16</p>		<p>Completed</p>	<p>G</p>	<p>10/08: Exception reports have been identified. Scoping and configuration work to be undertaken.</p>
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<p>Payroll AUDIT</p>	<p>The Payroll Manager is undertaking a review of the skills of the Payroll Team and will design and deliver a training programme to ensure that the necessary skills are available within the team.</p>	<p>2.3</p> <p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Aug-16</p>		<p>Completed</p>	<p>G</p>	<p>26/08: Training sessions set-up with CIPP and Serco HR Sys Admin 10/08: Skills matrix for the payroll team has been identified and the training programme is being devised.</p>
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<p>Payroll AUDIT</p>	<p>A monthly Checklist will be designed and implemented to effectively capture all payroll responsibilities and this will contain a secondary check and require a sign off by payroll manager before payroll is finalised</p>	<p>2.4</p> <p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Aug-16</p>		<p>Completed</p>	<p>G</p>	<p>26/08: In progress - basic checklist done and in use final version to be in place by end Sep 10/08: Draft underway for pilot in August.</p>
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Payroll AUDIT	Completed - process in place but Payroll manager to ensure that these checks are evidence in future.	<p>2.5</p> <p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	Colin Airs/Rita Turner	31-Aug-16	30-Sep-16	Partially Complete	A	<p>12/09: confirmed still on track for completion prior to end of September</p> <p>26/08: In progress - basic checklist done and in use final version to be in place by end Sep</p> <p>10/08: Pilot to be run on August Corporate payroll</p>
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<p>Payroll AUDIT</p>	<p>This is already being undertaken and training is being completed through the team on how to action this</p>	<p>2.6</p> <p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Oct-16</p>		<p>Completed</p>	<p>G</p>	<p>10/08: Continuing monitoring will form part of the standard payroll process with data sign off by Payroll Manager.</p>
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<p>Payroll AUDIT</p>	<p>Performance of LCC Managers in processing forms and being responsible for the accuracy of the information processed, is to be included in the performance report</p>	<p>2.7</p>	<p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	<p>Julie Jackson, Business Development Operations Manager (Kulvinder Kaur, PM)</p>	<p>31-Oct-16</p>		<p>Partially Complete</p>	<p>A</p>	<p>10/08: Communication will be provided to schools on processing forms as part of the re-launch for schools improvement plan in September 2016. 13.09.16 - the number of manual forms submitted is going to be monitored as part of the new SLA between LCC and Serco People Management.</p>
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<p>Payroll AUDIT</p>	<p>Workshop set up on 7th of July with School Bursars to review the reports required for schools and implement improvements for new school year in September</p>	<p>2.8</p> <p>The checking of errors and warnings reports, Gross to net reports and Net pay variances are the most important controls to minimise the occurrence of errors prior to payment</p> <p>We have concerns around the consistency, coverage and timeliness of the following exception reporting checks:</p> <p>1) The Errors and warnings report control check is performed in order to detect and correct errors prior to payment. It is a fundamental control which supports the accuracy and completeness of the payroll. However, the report includes a large number of items which are not required to be looked at (eg Transaction in workflow, Transaction draft status). These items are shown on a cumulative basis and are not being cleared off the report. Also there is no evidence that this control has been performed consistently throughout 2015/16.</p> <p>2) Since December 2015 Individual School's Gross to Net pay report are sent to schools to check the accuracy of the payroll details prior to the payment run being processed. However during 15/16 schools could not perform this check because several crucial payroll entries are not being shown in the report (eg additional hours, mileage). Also the Gross payroll figure is the total of all positions, not just the position at one school which represents a data protection issue.</p> <p>3) Since September 2015 Net pay variances have been reviewed monthly by Serco to obtain explanations for any large variances. This check has not been performed on a consistent basis and there was no evidence of the action taken as a result of the review.</p> <p>These reports are fundamental controls support the accuracy and completeness of the payroll. They are important to provide</p>	<p>Julie Jackson, Business Development Operations Manager</p>	<p>30-Sep-16</p>		<p>Completed</p>	<p>G</p>	<p>13.09.16 New Gross report used for September Payroll. 26/08: New gross report has been developed - now requires testing. 16/08: LCC are working with Serco to agree cut off date for manual forms and communication plan for this. 10/08: Report is currently under development with the Agresso Team.</p>
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<p>Payroll AUDIT</p>	<p>The original instructions to Managers will be reinforced by LCC People Management through revised communications to remind Managers of their responsibilities in this regard.</p> <p>Improving performance in this area also need to be owned and driven through Director Area Management Teams, and commitment and ownership via CMB will assist in ensuring this is effectively implemented.</p> <p>Performance of LCC Managers in authorising all starter/ leaver/ change of circumstance reports and being responsible for the accuracy of the information processed, needs to be included in the performance report, outlined in point 1, above.</p>	<p>3.1</p>	<p>Key control checks are required in order to ensure that payroll is processed accurately and completely and authorised correctly. Our testing highlighted the following areas where we have concerns about the standard of the checks performed:</p> <p>1) The HR Recruitment team regularly authorise the manual or E-Starter form in place of the authorised signatory (Line manager). Council managers have therefore delegated their responsibility over the accuracy of the payroll information processed on Agresso. This increases the risk of fraudulent starters being processed.</p> <p>2) 24% of leavers tested had overpayments. This was mainly due to the leaver form not being processed on a timely basis. At present no check is performed on a monthly basis to ensure that all leavers forms received in that month have been processed. This check would reduce the risk of overpayment. A schools monthly leavers log was set up in October 2015 to monitor leavers but this was not completed on a consistent basis and was also accidentally deleted off the Serco server in January 2016.</p> <p>3) The Serco HR teams at present do perform some random accuracy checks on the Starter / leaver and Change of Circumstance information processed on Agresso. However no consistent and complete log is maintained of the volume or timing of the checks performed. It is therefore not possible for the council to be given assurance that adequate accuracy and quality checks have been performed.</p>	<p>Marie Robertson - Strategic PM Advisor</p>	<p>31-Jul-16</p>	<p>30-Nov-16</p>	<p>Partially Complete</p>	<p>A</p>	<p>Communications have been drafted and are in the process of being agreed. Need to confirm with Serco about what date managers should only use electronic forms.</p>
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<p>Payroll AUDIT</p>	<p>Serco will investigate the best method for logging starters / leavers / change circumstances and implement Log Schedules</p>	<p>3.2</p>	<p>Key control checks are required in order to ensure that payroll is processed accurately and completely and authorised correctly. Our testing highlighted the following areas where we have concerns about the standard of the checks performed:</p> <p>1) The HR Recruitment team regularly authorise the manual or E-Starter form in place of the authorised signatory (Line manager). Council managers have therefore delegated their responsibility over the accuracy of the payroll information processed on Agresso. This increases the risk of fraudulent starters being processed.</p> <p>2) 24% of leavers tested had overpayments. This was mainly due to the leaver form not being processed on a timely basis. At present no check is performed on a monthly basis to ensure that all leavers forms received in that month have been processed. This check would reduce the risk of overpayment. A schools monthly leavers log was set up in October 2015 to monitor leavers but this was not completed on a consistent basis and was also accidentally deleted off the Serco server in January 2016.</p> <p>3) The Serco HR teams at present do perform some random accuracy checks on the Starter / leaver and Change of Circumstance information processed on Agresso. However no consistent and complete log is maintained of the volume or timing of the checks performed. It is therefore not possible for the council to be given assurance that adequate accuracy and quality checks have been performed.</p>	<p>Mark Davies</p>	<p>31-Dec-16</p>		<p>Not Implemented</p>	<p>A</p>	<p>This is part of the bigger optimisation project looking at the Employee Lifecycle, through starters, movers and leavers. A scoping document has been drafted.</p>
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Payroll AUDIT	Implement secondary check of log items (linked to action above).	3.3	<p>Key control checks are required in order to ensure that payroll is processed accurately and completely and authorised correctly. Our testing highlighted the following areas where we have concerns about the standard of the checks performed:</p> <p>1) The HR Recruitment team regularly authorise the manual or E-Starter form in place of the authorised signatory (Line manager). Council managers have therefore delegated their responsibility over the accuracy of the payroll information processed on Agresso. This increases the risk of fraudulent starters being processed.</p> <p>2) 24% of leavers tested had overpayments. This was mainly due to the leaver form not being processed on a timely basis. At present no check is performed on a monthly basis to ensure that all leavers forms received in that month have been processed. This check would reduce the risk of overpayment. A schools monthly leavers log was set up in October 2015 to monitor leavers but this was not completed on a consistent basis and was also accidentally deleted off the Serco server in January 2016.</p> <p>3) The Serco HR teams at present do perform some random accuracy checks on the Starter / leaver and Change of Circumstance information processed on Agresso. However no consistent and complete log is maintained of the volume or timing of the checks performed. It is therefore not possible for the council to be given assurance that adequate accuracy and quality checks have been performed.</p>	Mark Davies	31-Dec-16		Not Implemented	A	This is part of the bigger optimisation project looking at the Employee Lifecycle, through starters, movers and leavers. A scoping document has been drafted.
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Payroll AUDIT	Investigate option for starter e-forms to be automatically loaded in Lagan to create a log that can be cross-checked with Agresso and then implement. These logs will then be checked on a regular basis and the outcome of the checks documented and stored	3.4	<p>Key control checks are required in order to ensure that payroll is processed accurately and completely and authorised correctly. Our testing highlighted the following areas where we have concerns about the standard of the checks performed:</p> <p>1) The HR Recruitment team regularly authorise the manual or E-Starter form in place of the authorised signatory (Line manager). Council managers have therefore delegated their responsibility over the accuracy of the payroll information processed on Agresso. This increases the risk of fraudulent starters being processed.</p> <p>2) 24% of leavers tested had overpayments. This was mainly due to the leaver form not being processed on a timely basis. At present no check is performed on a monthly basis to ensure that all leavers forms received in that month have been processed. This check would reduce the risk of overpayment. A schools monthly leavers log was set up in October 2015 to monitor leavers but this was not completed on a consistent basis and was also accidentally deleted off the Serco server in January 2016.</p> <p>3) The Serco HR teams at present do perform some random accuracy checks on the Starter / leaver and Change of Circumstance information processed on Agresso. However no consistent and complete log is maintained of the volume or timing of the checks performed. It is therefore not possible for the council to be given assurance that adequate accuracy and quality checks have been performed.</p>	Colin Airs/Rita Turner	30-Nov-16		Not Implemented	A	This is part of the bigger optimisation project looking at the Employee Lifecycle, through starters, movers and leavers. A scoping document has been drafted.
Payroll AUDIT	This instruction will be issued by LCC People Management through the communication to Managers and to DMT's, as outlined in point 3 above.	4.1	<p>We identified from our testing a consistent lack of information trail</p> <p>1) 23% of starters, 37% leavers, 22% changes and 17% claim forms tested were not located by Serco</p> <p>2) 11% of the forms/ claims tested had limited information held on the system.</p> <p>3) 7% of school starters tested had limited or no supporting documentation held by Serco.</p> <p>4) 20% of school starters had no evidence by Serco that DBS checks were completed before the employee started work.</p> <p>5) 4% of school leavers and 2 corporate no resignation letters were held by Serco.</p> <p>Whilst errors in the processing of information should be identified by the authoriser this lack of information trail means that there is an increased risk :</p> <ul style="list-style-type: none"> <li>- that incorrect changes cannot be identified and traced to users</li> <li>- that fraudulent claims are authorised and processed</li> <li>- that required starter supporting documentation checks are not performed by schools.</li> <li>- that incorrect date changes are not identified which result in overpayments.</li> </ul>	Marie Robertson - Strategic PM Advisor	31-Jul-16	30-Nov-16	Partially Complete	A	Linked to Action 24 Point 3 above.



Payroll AUDIT	Completed - System established	4.2	<p>We identified from our testing a consistent lack of information trail</p> <p>1) 23% of starters, 37% leavers, 22% changes and 17% claim forms tested were not located by Serco                  2) 1% of the forms/ claims tested had limited information held on the system.                  3) 7% of school starters tested had limited or no supporting documentation held by Serco.                  4) 0% of school starters had no evidence by Serco that DBS checks were completed before the employee started work.                  5) 4% of school leavers and 2 corporate no resignation letters were held by Serco.</p> <p>Whilst errors in the processing of information should be identified by the authoriser this lack of information trail means that there is an increased risk :</p> <ul style="list-style-type: none"> <li>- that incorrect changes cannot be identified and traced to users</li> <li>- that fraudulent claims are authorised and processed</li> <li>- that required starter supporting documentation checks are not performed by schools.</li> <li>- that incorrect date changes are not identified which result in overpayments.</li> </ul>				Completed	G	
Payroll AUDIT	To be implemented as part of Rectification Phase 1.	4.3	<p>We identified from our testing a consistent lack of information trail</p> <p>1) 23% of starters, 37% leavers, 22% changes and 17% claim forms tested were not located by Serco                  2) 1% of the forms/ claims tested had limited information held on the system.                  3) 7% of school starters tested had limited or no supporting documentation held by Serco.                  4) 0% of school starters had no evidence by Serco that DBS checks were completed before the employee started work.                  5) 4% of school leavers and 2 corporate no resignation letters were held by Serco.</p> <p>Whilst errors in the processing of information should be identified by the authoriser this lack of information trail means that there is an increased risk :</p> <ul style="list-style-type: none"> <li>- that incorrect changes cannot be identified and traced to users</li> <li>- that fraudulent claims are authorised and processed</li> <li>- that required starter supporting documentation checks are not performed by schools.</li> <li>- that incorrect date changes are not identified which result in overpayments.</li> </ul>	Julie Jackson, Business Development Operations Manager	31-Dec-16		Not Implemented	A	Communications have been drafted related to the use of forms and mandatory fields and are in the process of being agreed.

Payroll AUDIT	Serco have already started work on this action to produce a schools documentation checklist form.	4.4	<p>We identified from our testing a consistent lack of information trail</p> <p>1) 23% of starters, 37% leavers, 22% changes and 17% claim forms tested were not located by Serco</p> <p>2) 11% of the forms/ claims tested had limited information held on the system.</p> <p>3) 7% of school starters tested had limited or no supporting documentation held by Serco.</p> <p>4) 20% of school starters had no evidence by Serco that DBS checks were completed before the employee started work.</p> <p>5) 4% of school leavers and 2 corporate no resignation letters were held by Serco.</p> <p>Whilst errors in the processing of information should be identified by the authoriser this lack of information trail means that there is an increased risk :</p> <ul style="list-style-type: none"> <li>- that incorrect changes cannot be identified and traced to users</li> <li>- that fraudulent claims are authorised and processed</li> <li>- that required starter supporting documentation checks are not performed by schools.</li> <li>- that incorrect date changes are not identified which result in overpayments.</li> </ul>	Mark Davies	30-Sep-16	Partially Complete	A	
Payroll AUDIT	<p>The Payroll manager is producing a skills matrix of the Payroll Team and will develop a training programme to ensure that the service has the necessary knowledge and training.</p> <p>A full audit of overpayments is being undertaken back to April 2015.</p>	5.1	<p>Issues with data input and processing and incorrect manual corrections particularly in the first 4 months after Agresso implementation are known to have caused overpayments to staff.</p> <p>We identified an average 29% error rate in our testing of starters, leavers and change of circumstance for the first 6 months and 17% error rate for the final 6 months which resulted in overpayments.</p> <p>Although these results suggest that improvements have been made the level of error throughout the year still gives rise to concern over:</p> <ul style="list-style-type: none"> <li>- The knowledge and experience of the payroll staff</li> <li>- The adequacy of the exception reporting control</li> <li>- Configuration of the system</li> <li>- Processes supporting error correction and quality control processes operated by Serco.</li> </ul> <p>The work being performed by PWC and Serco project team will help provide some assurance over system configuration</p>	Colin Airs/Rita Turner	26-Aug-16	Completed	G	<p>26/08: Serco can confirm that the skills matrix tracker is built to meet the known knowledge requirements</p> <p>10/08 - Training matrix in development stage. Training being organised with CIPP with a focus on schools and teachers payroll.</p> <p>Overpayments have been identified through various forms and a master tracker is established to track and rectify.</p>

<p>Payroll AUDIT</p>	<p>The Payroll manager is producing a skills matrix of the Payroll Team and will develop a training programme to ensure that the service has the necessary knowledge and training.</p>	<p>5.2</p>	<p>Issues with data input and processing and incorrect manual corrections particularly in the first 4 months after Agresso implementation are known to have caused overpayments to staff.</p> <p>We identified an average 29% error rate in our testing of starters, leavers and change of circumstance for the first 6 months and 17% error rate for the final 6 months which resulted in overpayments.</p> <p>Although these results suggest that improvements have been made the level of error throughout the year still gives rise to concern over:</p> <ul style="list-style-type: none"> <li>-The knowledge and experience of the payroll staff</li> <li>-The adequacy of the exception reporting control</li> <li>-Configuration of the system</li> <li>-Processes supporting error correction and quality control processes operated by Serco.</li> </ul> <p>The work being performed by PWC and Serco project team will help provide some assurance over system configuration</p>	<p>Colin Airs/Rita Turner</p>	<p>Ongoing</p>		<p>Partially Complete</p>	<p>A</p>	<p>10/08: This will be ongoing activity within the Payroll Team with the necessary skill sets identified payroll specific.</p>
<p>Payroll AUDIT</p>	<p>Knowledge base being used to develop detailed guidance readily available for payroll and admin staff.</p>	<p>5.3</p>	<p>Issues with data input and processing and incorrect manual corrections particularly in the first 4 months after Agresso implementation are known to have caused overpayments to staff.</p> <p>We identified an average 29% error rate in our testing of starters, leavers and change of circumstance for the first 6 months and 17% error rate for the final 6 months which resulted in overpayments.</p> <p>Although these results suggest that improvements have been made the level of error throughout the year still gives rise to concern over:</p> <ul style="list-style-type: none"> <li>-The knowledge and experience of the payroll staff</li> <li>-The adequacy of the exception reporting control</li> <li>-Configuration of the system</li> <li>-Processes supporting error correction and quality control processes operated by Serco.</li> </ul> <p>The work being performed by PWC and Serco project team will help provide some assurance over system configuration</p>	<p>Colin Airs/Rita Turner</p>	<p>30-Nov-16</p>		<p>Partially Complete</p>	<p>A</p>	<p>14.09.16 A lot of work has been done to populate Knowledge Based with detailed guidance. Meeting taking place on 15.9.14 to agree roll out. 10/08: Review of current drafts and update accordingly.</p>

<p>Payroll AUDIT</p>	<p>The responsibility for the management of the training provision is currently the subject of commercial discussions with Serco. The approach to training is being considered within the scope of the Optimisation Project, in particular with a focus on achieving self- service objectives.</p>	<p>5.4</p> <p>Issues with data input and processing and incorrect manual corrections particularly in the first 4 months after Agresso implementation are known to have caused overpayments to staff.</p> <p>We identified an average 29% error rate in our testing of starters, leavers and change of circumstance for the first 6 months and 17% error rate for the final 6 months which resulted in overpayments.</p> <p>Although these results suggest that improvements have been made the level of error throughout the year still gives rise to concern over:</p> <ul style="list-style-type: none"> <li>-The knowledge and experience of the payroll staff</li> <li>-The adequacy of the exception reporting control</li> <li>-Configuration of the system</li> <li>-Processes supporting error correction and quality control processes operated by Serco.</li> </ul> <p>The work being performed by PWC and Serco project team will help provide some assurance over system configuration</p>	<p>Wendy Henry</p>	<p>31-Mar-17</p>		<p>Not Implemented</p>	<p>A</p>	<p>Commercial discussions on provision of training are ongoing.</p>
<p>Payroll AUDIT</p>	<p>Serco has established a Resources Team which is tasked with reviewing and processing all overpayments from 2015/16. This work will include undertaking the audit described above</p>	<p>5.5</p> <p>Issues with data input and processing and incorrect manual corrections particularly in the first 4 months after Agresso implementation are known to have caused overpayments to staff.</p> <p>We identified an average 29% error rate in our testing of starters, leavers and change of circumstance for the first 6 months and 17% error rate for the final 6 months which resulted in overpayments.</p> <p>Although these results suggest that improvements have been made the level of error throughout the year still gives rise to concern over:</p> <ul style="list-style-type: none"> <li>-The knowledge and experience of the payroll staff</li> <li>-The adequacy of the exception reporting control</li> <li>-Configuration of the system</li> <li>-Processes supporting error correction and quality control processes operated by Serco.</li> </ul> <p>The work being performed by PWC and Serco project team will help provide some assurance over system configuration</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Oct-16</p>		<p>Partially Complete</p>	<p>A</p>	<p>10/08: Team identified with QTAC software installed for 6 users. Master tracker established to provide status updates on overpayments and for reporting purposes.</p>

<p>Payroll AUDIT</p>	<p>Develop automated reports to identify and report on overpayments. Internal payroll process to capture overpayments will be reviewed</p>	<p>6.1 In 56% of the cases tested where errors were identified the overpayments were not included on the overpayments schedule. We notified payroll team who then included them on the overpayment schedule. 20 overpayment cases included in the overpayment schedules were selected for re-performance. 9 of these overpayment calculations were wrong.. Corporate and Fire overpayments recovered per the Finance recovery schedule have not been included in the overpayments schedule These findings increase the risk that : -Serco are understating the number and value of overpayments made in 2015/16  -There are unrecovered overpayments  -Overpayments recovered have not been calculated correctly.  -The knowledge and experience of the payroll staff is not of a sufficient standard to calculate complex overpayment calculations.</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Oct-16</p>		<p>Complete</p>	<p>G</p>	<p>13.09.16 Errors and Warning reports will also pick up highs and lows and identify potential errors. Tracker on overpayments now complete and in use and will continue to be updated. These reports will be produced from the tracker that is in development so Serco will be able to report on different areas (i.e. Fire, Teachers etc.) and different issues (i.e. Pension, NI, Sick Pay) and by cost centre.</p>
<p>Payroll AUDIT</p>	<p>This was highlighted by the Council as part of the monitoring of KPI 6 in the Book of Measures, whereby a sample of records should be checked. This process has not yet been agreed as part of the review of the KPI's exercise.  This will be completed by Serco as part of the audit of overpayments. Training will be provided where identified and linked to the training programme and matrix.</p>	<p>6.2 In 56% of the cases tested where errors were identified the overpayments were not included on the overpayments schedule. We notified payroll team who then included them on the overpayment schedule. 20 overpayment cases included in the overpayment schedules were selected for re-performance. 9 of these overpayment calculations were wrong.. Corporate and Fire overpayments recovered per the Finance recovery schedule have not been included in the overpayments schedule These findings increase the risk that : -Serco are understating the number and value of overpayments made in 2015/16  -There are unrecovered overpayments  -Overpayments recovered have not been calculated correctly.  -The knowledge and experience of the payroll staff is not of a sufficient standard to calculate complex overpayment calculations.</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Oct-16</p>		<p>Partially Complete</p>	<p>A</p>	<p>Serco have identified the areas that are going into KPI6 and have completed the first batch for Corporate in August.</p>

Payroll AUDIT	<p>The Council has been trying to establish more detailed monitoring arrangements to satisfy itself that Serco are progressing with the recovery of overpayments in a timely manner. This is delayed because the detailed overpayments schedule has not however been provided to the Council.</p> <p>Serco will investigate and develop automated reports to identify and report on overpayments.</p>	6.3	<p>In 56% of the cases tested where errors were identified the overpayments were not included on the overpayments schedule. We notified payroll team who then included them on the overpayment schedule.</p> <p>20 overpayment cases included in the overpayment schedules were selected for re-performance. 9 of these overpayment calculations were wrong..</p> <p>Corporate and Fire overpayments recovered per the Finance recovery schedule have not been included in the overpayments schedule</p> <p>These findings increase the risk that :</p> <ul style="list-style-type: none"> <li>-Serco are understating the number and value of overpayments made in 2015/16</li> <li>-There are unrecovered overpayments</li> <li>-Overpayments recovered have not been calculated correctly.</li> <li>-The knowledge and experience of the payroll staff is not of a sufficient standard to calculate complex overpayment calculations.</li> </ul>	Sue Fletcher and Rita Turner/Colin Airs	31-Oct-16		Completed	G	13.09.16 A detailed master database has been developed with input from LCC.
Payroll AUDIT	<p>Serco is already working with the Council to recover all identified over payments. The Payroll Resources Team has been established to deal with the backlog of issues and ensure these are resolved</p>	7.1	<p>Due to issues with system functionality in the first few months after implementation a large number of pay advances were made.</p> <p>Pay advances are made to employees by LCC Treasury Team via Faster payments. Payroll provide Treasury with a list of payments whenever advances are required.</p> <p>This payment method was only meant to be a temporary arrangement since it incurs charges for each transaction and increases the risk of error when entering details for payments. This system is however still in place at year end.</p> <p>In total 3102 pay advances were made in 2015/16 with a total value of £2m. We can confirm that 84% of these pay advances were recovered in full. However in 7% of cases totalling £97,281.59 the advances made exceeded the amounts recovered and in 9% of the cases totalling £129,548.36 the recovery amount exceeded the advances. For these cases the ledger does not agree to the payroll system. We have concerns that insufficient reconciliation between the ledger and the payroll system is being performed (See appendix B for details of cases).</p> <p>Although the number of faster payments has dropped during the year in April 2016 158 faster payments were still made with a value of £86.9k. This level of faster payments is still rather high since Faster payments incur charges for each transaction. They also require more administration to ensure that they are recovered and administered correctly on the payroll system.</p>	Colin Airs/Rita Turner	31-Dec-16		Partially Complete	A	Serco have begun the process to identify all staff impacted and ensure issues are resolved.

<p>Payroll AUDIT</p>	<p>The pay advance process is owned by LCC. Serco will contribute to any review of this process.</p>	<p>7.2</p>	<p>Due to issues with system functionality in the first few months after implementation a large number of pay advances were made.          Pay advances are made to employees by LCC Treasury Team via Faster payments. Payroll provide Treasury with a list of payments whenever advances are required.          This payment method was only meant to be a temporary arrangement since it incurs charges for each transaction and increases the risk of error when entering details for payments. This system is however still in place at year end.</p> <p>In total 3102 pay advances were made in 2015/16 with a total value of £2m. We can confirm that 84% of these pay advances were recovered in full. However in 7% of cases totalling £97,281.59 the advances made exceeded the amounts recovered and in 9% of the cases totalling £129,548.36 the recovery amount exceeded the advances. For these cases the ledger does not agree to the payroll system. We have concerns that insufficient reconciliation between the ledger and the payroll system is being performed          (See appendix B for details of cases).</p> <p>Although the number of faster payments has dropped during the year in April 2016 158 faster payments were still made with a value of £86.9k. This level of faster payments is still rather high since Faster payments incur charges for each transaction. They also require more administration to ensure that they are recovered and administered correctly on the payroll system.</p>	<p>LCC Finance / Colin Airs</p>	<p>31-Aug-16</p>	<p>TBC</p>	<p>Partially Complete</p>	<p>A</p>	<p>LCC have confirmed how they would like the pay advance process to be improved. Serco will now review this proposal and come back with a process for implementing.</p>
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<p>Payroll AUDIT</p>	<p>Council will monitor through operations group in July</p>	<p>7.3</p>	<p>Due to issues with system functionality in the first few months after implementation a large number of pay advances were made.          Pay advances are made to employees by LCC Treasury Team via Faster payments. Payroll provide Treasury with a list of payments whenever advances are required.          This payment method was only meant to be a temporary arrangement since it incurs charges for each transaction and increases the risk of error when entering details for payments. This system is however still in place at year end.</p> <p>In total 3102 pay advances were made in 2015/16 with a total value of £2m. We can confirm that 84% of these pay advances were recovered in full. However in 7% of cases totalling £97,281.59 the advances made exceeded the amounts recovered and in 9% of the cases totalling £129,548.36 the recovery amount exceeded the advances. For these cases the ledger does not agree to the payroll system. We have concerns that insufficient reconciliation between the ledger and the payroll system is being performed          (See appendix B for details of cases).</p> <p>Although the number of faster payments has dropped during the year in April 2016 158 faster payments were still made with a value of £86.9k. This level of faster payments is still rather high since Faster payments incur charges for each transaction. They also require more administration to ensure that they are recovered and administered correctly on the payroll system.</p>	<p>Marie Robertson - Strategic PM Advisor</p>	<p>31-Jul-16</p>		<p>Partially Complete</p>	<p>A</p>	<p>13.09.16 Reporting not taking place and will be monitored through Service Review Meeting in September and then ongoing.</p>
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<p>Payroll AUDIT</p>	<p>Serco will implement a check as part of the checklist process to ensure that advanced recoveries are made prior to payroll sign off.</p>	<p>7.3</p>	<p>Due to issues with system functionality in the first few months after implementation a large number of pay advances were made.          Pay advances are made to employees by LCC Treasury Team via Faster payments. Payroll provide Treasury with a list of payments whenever advances are required.          This payment method was only meant to be a temporary arrangement since it incurs charges for each transaction and increases the risk of error when entering details for payments. This system is however still in place at year end.</p> <p>In total 3102 pay advances were made in 2015/16 with a total value of £2m. We can confirm that 84% of these pay advances were recovered in full. However in 7% of cases totalling £97,281.59 the advances made exceeded the amounts recovered and in 9% of the cases totalling £129,548.36 the recovery amount exceeded the advances. For these cases the ledger does not agree to the payroll system. We have concerns that insufficient reconciliation between the ledger and the payroll system is being performed          (See appendix B for details of cases).</p> <p>Although the number of faster payments has dropped during the year in April 2016 158 faster payments were still made with a value of £86.9k. This level of faster payments is still rather high since Faster payments incur charges for each transaction. They also require more administration to ensure that they are recovered and administered correctly on the payroll system.</p>	<p>Colin Airs/Rita Turner</p>	<p>30-Sep-16</p>		<p>Completed</p>	<p>G</p>	<p>Tested in August and is now part of BAU checklist from September payroll onwards</p>
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Payroll AUDIT	This action forms part of the work programme for the Resources Team. The team will be processing all outstanding payroll issues relating to the 2015/16 Financial year	8	<p>We completed in December 2015 an analytical review of payments made from April to July 2015. We reviewed 908 payments and produced a list of 292 potential errors +/- £800 that did not appear to have been corrected.</p> <p>This review highlighted several potential error types, the most significant being:</p> <ul style="list-style-type: none"> <li>- Statutory maternity</li> <li>- Statutory sick pay</li> <li>- incorrect mileage rates</li> <li>- negative net pay</li> <li>- advances not recovered</li> <li>- employees paid double their salary and</li> <li>- incorrect manual corrections.</li> </ul> <p>This list of potential error cases was passed to payroll in January 2015 but we were disappointed to find that they have still not been reviewed at the year end.</p> <p>As part of this audit we performed some follow up work on a sample of 30 cases identified as having potential errors. This testing identified that 60% of these potential errors were in fact incorrect and resulted in an overpayment of £75k. Of this total £45k had been corrected through other reporting mechanisms but the remainder still need to be corrected to ensure payment, payroll and ledger entries are accurate.</p>	Colin Airs/Rita Turner	31-Dec-16		Not Implemented	A	The project for processing all outstanding payroll issues relating to the 2015/16 financial year is on track. The timescales are tight given the level of issues uncovered in PwC Audit.
Payroll AUDIT	<p>The Council will, as part of the performance report referred to in point 1 above, to the HR and Portfolio Board, request a regular update of the payroll establishment; audit of payroll knowledge and skills in line with industry standards; training and development plans; recruitment and retention plans; quality assurance processes and plans.</p> <p>It will be necessary to ensure that Serco are willing to disclose this information.</p>	9.1	<p>Our review of payments made during the year identified that in 23% of the cases tested overpayments occurred as a result of incorrect information processing or manual corrections being made.</p> <p>The volume of errors identified gives us concern over the knowledge and experience of the payroll staff especially since PWC are also likely to identify several complex cases which could potentially be wrong.</p> <p>During our audit there was and continues to be a high turnover of key payroll staff. This results in a loss of systems knowledge and expertise. Until new key staff have been appointed there remains uncertainty over the ability of the payroll team to satisfactorily correct any errors identified and provide assurance over future payroll accuracy.</p>	Marie Robertson - Strategic PM Advisor	30-Sep-16		Partially Complete	A	<p>Data will be shared on a monthly basis and discussed at the Service Review Meeting by exception. A skills and knowledge audit is being conducted by Colin Airs, Serco payroll manager CIPP payroll training is to be jointly run for Serco payroll team and LCC key representatives.</p> <p>05/09: CIPP training session held 5Sep</p>

Payroll AUDIT	<p>The Council will put in place immediate interim arrangements to address this issue, however this identifies a significant resource pressure for the Council's Client Team who are already working beyond full capacity. This level of expertise was not built into the structure when establishing the client team prior to commencing the Serco contract, and had not been in place when managing the Mouchel contract.</p> <p>The importance of strengthening this client role and ensuring a robust strategic overview in relation to the end to end payroll process is fully recognised, especially considering the financial and operational impact on both the Council and schools when the whole system does not operate effectively.</p>	9.2	<p>During our audit we identified a lack of payroll and pension expertise in the Council. Currently client expertise focusses on HR. Given the technical and complex nature of both payroll and pension it is important that the client understands the technical aspects to be able to undertake more informed contract management, oversight and monitoring.</p>	Colin Airs / Marie Robertson	26-Aug-16	30-Sep-16	Completed	G	initial CIPP session held 5Sep with Serco Payroll - invite for further session would be forward to Marie Robertson to attend
Payroll AUDIT	<p>All cases have been identified. The Resources Team will ensure that any overpayments have been recovered as part of the recovery of overpayments process.</p>	10.1	<p>We identified from our testing three system parameter issues:</p> <p>1) Mileage claims over 10,000 per annum are being paid at 45p per mile whereas they should only be paid at 25p for all mileage above 10000. There are 10 cases where the mileage is &gt; 10000 - in all these cases therefore there is a potential overpayment. The system has been adjusted for March to take account of this fact but the overpayments have not yet been calculated or recovered.</p> <p>2) 1 expense claim the person worked part time yet was paid overtime all at 1.5 rate. Up to 37 hours threshold should have been paid at rate of 1 resulting in an overpayment.</p> <p>3) Discussion with staff identified that parameters could be switched on and off. We found that the upper limit mileage rate was initially entered on P&amp;D codes but was then switched off by Serco. The Council should seek confirmation and assurance from Serco around its change control process over the payroll system, including how new P&amp;D codes are processed or amended (Development - test- production).</p> <p>4) There remains a risk that excessive amounts could be claimed and not identified when manager authorise the claim.</p>	Colin Airs/Rita Turner	31-Dec-16		Partially Complete	A	Serco have begun the process to identify all staff impacted and ensure issues are resolved.

<p>Payroll AUDIT</p>	<p>Completed - this change has been tested, implemented and checked that it is working correctly</p>	<p>10.2</p>	<p>We identified from our testing three system parameter issues:</p> <p>1) Mileage claims over 10,000 per annum are being paid at 45p per mile whereas they should only be paid at 25p for all mileage above 10000. There are 10 cases where the mileage is &gt; 10000 - in all these cases therefore there is a potential overpayment. The system has been adjusted for March to take account of this fact but the overpayments have not yet been calculated or recovered.</p> <p>2) 1 expense claim the person worked part time yet was paid overtime all at 1.5 rate. Up to 37 hours threshold should have been paid at rate of 1 resulting in an overpayment.</p> <p>3) Discussion with staff identified that parameters could be switched on and off. We found that the upper limit mileage rate was initially entered on P&amp;D codes but was then switched off by Serco. The Council should seek confirmation and assurance from Serco around its change control process over the payroll system, including how new P&amp;D codes are processed or amended (Development - test- production).</p> <p>4) There remains a risk that excessive amounts could be claimed and not identified when manager authorise the claim.</p>				<p>Completed</p>	<p>G</p>	
<p>Payroll AUDIT</p>	<p>This will be included as part of the communications plan.</p>	<p>10.3</p>	<p>We identified from our testing three system parameter issues:</p> <p>1) Mileage claims over 10,000 per annum are being paid at 45p per mile whereas they should only be paid at 25p for all mileage above 10000. There are 10 cases where the mileage is &gt; 10000 - in all these cases therefore there is a potential overpayment. The system has been adjusted for March to take account of this fact but the overpayments have not yet been calculated or recovered.</p> <p>2) 1 expense claim the person worked part time yet was paid overtime all at 1.5 rate. Up to 37 hours threshold should have been paid at rate of 1 resulting in an overpayment.</p> <p>3) Discussion with staff identified that parameters could be switched on and off. We found that the upper limit mileage rate was initially entered on P&amp;D codes but was then switched off by Serco. The Council should seek confirmation and assurance from Serco around its change control process over the payroll system, including how new P&amp;D codes are processed or amended (Development - test- production).</p> <p>4) There remains a risk that excessive amounts could be claimed and not identified when manager authorise the claim.</p>	<p>Marie Robertson - Strategic PM Advisor</p>	<p>31-Jul-16</p>	<p>30-Nov-16</p>	<p>Partially Complete</p>	<p>A</p>	<p>Communications have been drafted and are in the process of being agreed.</p> <p>05/09: LCC to confirm status and any revised date</p>

<p>Payroll AUDIT</p>	<p>This is being reviewed as part of Agresso Rectification and a fix will be identified and implemented.</p>	<p>10.4</p>	<p>We identified from our testing three system parameter issues:</p> <p>1) Mileage claims over 10,000 per annum are being paid at 45p per mile whereas they should only be paid at 25p for all mileage above 10000. There are 10 cases where the mileage is &gt; 10000 - in all these cases therefore there is a potential overpayment. The system has been adjusted for March to take account of this fact but the overpayments have not yet been calculated or recovered.</p> <p>2) In 1 expense claim the person worked part time yet was paid overtime all at 1.5 rate. Up to 37 hours threshold should have been paid at rate of 1 resulting in an overpayment.</p> <p>3) Discussion with staff identified that parameters could be switched on and off. We found that the upper limit mileage rate was initially entered on P&amp;D codes but was then switched off by Serco. The Council should seek confirmation and assurance from Serco around its change control process over the payroll system, including how new P&amp;D codes are processed or amended (Development - test- production).</p> <p>4) There remains a risk that excessive amounts could be claimed and not identified when manager authorise the claim.</p>	<p>Julie Jackson</p>	<p>31-Dec-16</p>		<p>Completed</p>	<p>G</p>	<p>10/08: Draft checklist underway for pilot in August. Will also be flagged in errors and exception report. 16/08: The Agresso Rectification Plan is on track, including addressing the mileage issue. 26/08: Mileage issue resolved in Agresso.</p>
<p>Payroll AUDIT</p>	<p>Payroll Check list will include exception reporting that covers flags on large amounts of overtime.</p>	<p>10.4</p>	<p>We identified from our testing three system parameter issues:</p> <p>1) Mileage claims over 10,000 per annum are being paid at 45p per mile whereas they should only be paid at 25p for all mileage above 10000. There are 10 cases where the mileage is &gt; 10000 - in all these cases therefore there is a potential overpayment. The system has been adjusted for March to take account of this fact but the overpayments have not yet been calculated or recovered.</p> <p>2) In 1 expense claim the person worked part time yet was paid overtime all at 1.5 rate. Up to 37 hours threshold should have been paid at rate of 1 resulting in an overpayment.</p> <p>3) Discussion with staff identified that parameters could be switched on and off. We found that the upper limit mileage rate was initially entered on P&amp;D codes but was then switched off by Serco. The Council should seek confirmation and assurance from Serco around its change control process over the payroll system, including how new P&amp;D codes are processed or amended (Development - test- production).</p> <p>4) There remains a risk that excessive amounts could be claimed and not identified when manager authorise the claim.</p>	<p>Colin Airs/Rita Turner</p>	<p>31-Aug-16</p>	<p>30-Sep-16</p>	<p>Partially Complete</p>	<p>A</p>	<p>12/09: Partially completed, high/low report in place but further monitoring required. Will be using it again in September and then will become business as usual. 31/08: Mileage issue was resolved as part of Agresso stabilisation. Payroll ops confirm that high &amp; low checking in place - clarification on tolerances to be closed out with Lcc</p>

Payroll AUDIT	System roles and levels have been defined on Agresso. These are currently being audited. A couple of changes are being made due to visibility to Payslips for Payroll officers then roles will be rolled out to the remaining of the teams.	11.1	<p>We identified from our testing three system access issues:</p> <p>1) There is still no enforced separation of duties within the Agresso payroll module as all payroll staff have the same standard payroll access. Separation of duties ensures that no one individual can complete a process from end to end and is designed to reduce the risk of fraud.</p> <p>2) From discussions with HR we identified that User ID is not automatically shut down when an employee leaves and therefore an employee could potentially still access the system once they have left.</p> <p>3) For school employees with positions at different schools there is a potential data protection issue since the bursar and head teacher have access to see all the information relating to the other positions held by the employee.</p>	Julie Jackson, Business Development Operations Manager	30-Aug-16	30-Sep-16	Partially Complete	A	12/09: Payroll Manager has identified the required levels of access for team. There are a couple of queries outstanding regarding additional access for some individuals. To be confirmed by end of week. 26/08: Roles set-up and tested. Payroll operations to confirm names in roles w/e 2Sep to then have roles implemented w/e 9Sep
Payroll AUDIT	Serco is reviewing starters and leavers process from end to end and will implement improvements as part of HR optimisation	11.2	<p>We identified from our testing three system access issues:</p> <p>1) There is still no enforced separation of duties within the Agresso payroll module as all payroll staff have the same standard payroll access. Separation of duties ensures that no one individual can complete a process from end to end and is designed to reduce the risk of fraud.</p> <p>2) From discussions with HR we identified that User ID is not automatically shut down when an employee leaves and therefore an employee could potentially still access the system once they have left.</p> <p>3) For school employees with positions at different schools there is a potential data protection issue since the bursar and head teacher have access to see all the information relating to the other positions held by the employee.</p>	G. Roberts/A Tierney	31-Dec-16		Not Implemented	G	This is part of the bigger optimisation project looking at the Employee Lifecycle, through starters, movers and leavers. A scoping document has been drafted. This project is on track.
Payroll AUDIT	System roles and levels have been defined on Agresso. A couple of changes are being made due to visibility to Payslips for Payroll officers then roles will be rolled out to the remaining of the teams	11.3	<p>We identified from our testing three system access issues:</p> <p>1) There is still no enforced separation of duties within the Agresso payroll module as all payroll staff have the same standard payroll access. Separation of duties ensures that no one individual can complete a process from end to end and is designed to reduce the risk of fraud.</p> <p>2) From discussions with HR we identified that User ID is not automatically shut down when an employee leaves and therefore an employee could potentially still access the system once they have left.</p> <p>3) For school employees with positions at different schools there is a potential data protection issue since the bursar and head teacher have access to see all the information relating to the other positions held by the employee.</p>	Julie Jackson, Business Development Operations Manager	30-Sep-16		Partially Complete	A	Roles set-up and tested. Payroll operations to confirm names in roles to then have roles implemented w/e 9Sep

Payroll AUDIT	Completed Pay-overs for last year are now correct and have been reconciled.  BAU from April onwards	12a.1	<p>The Senior Control Officer has implemented processes to reconcile payroll to AP prior to payment over of statutory and voluntary deductions. At 31 March 2016 this did not include HMRC as issues remain with posting the correct entries to AP. The reconciliations between payroll and AP are being completed for the month being paid, this has not included review over the full year although we understand that this is being completed by Finance as part of closedown.</p> <p>It is essential that payroll and AP are fully reconciled for all deductions on an ongoing basis during the year to confirm payment and the authority's accounts are complete and accurate.</p> <p>At present we understand that although responsibility for payroll reconciliations is defined within the SCO's job description, he does not have view only access to AP or finance to be able to undertake this role.</p>	Russell Kidger, Senior Control Officer & Matt Dobson, HR/Payroll Consultant	31-Aug-16	30-Sep-16	Partially Complete	A	12/09: Review for last year - completed No HMRC issues. Submitting RTI in time on 22/09 when this action can then be completed. 10/08 - Access has been granted. Internal reconciliation will be undertaken.
Payroll AUDIT	This action relies on LCC to authorise this level of access.  (Currently the SCO has to go through other officers to obtain the information)	12a.2	<p>The Senior Control Officer has implemented processes to reconcile payroll to AP prior to payment over of statutory and voluntary deductions. At 31 March 2016 this did not include HMRC as issues remain with posting the correct entries to AP. The reconciliations between payroll and AP are being completed for the month being paid, this has not included review over the full year although we understand that this is being completed by Finance as part of closedown.</p> <p>It is essential that payroll and AP are fully reconciled for all deductions on an ongoing basis during the year to confirm payment and the authority's accounts are complete and accurate.</p> <p>At present we understand that although responsibility for payroll reconciliations is defined within the SCO's job description, he does not have view only access to AP or finance to be able to undertake this role.</p>	Russell Kidger, Senior Control Officer & Matt Dobson, HR/Payroll Consultant	31-Jul-16		Completed	G	10/08 - Access has been provided for this purpose. Action now closed
Payroll AUDIT	LG - Completed  FRS - Will be actioned when current submission problem is resolved.  This process is in place	12b	<p>The systems set up since the Senior Control Officer came into post in December 2015 ensure that payover reports generated from payroll are reconciled to the payment made for the majority of third party payments. Evidence is retained to confirm this is the case.</p> <p>At March 2016 there remain two exceptions: Information on deductions is submitted to HMRC on the Real Time Information (RTI) Full Payment Summary (FPS) report each month. Whilst discussion indicated that the totals on this report had been checked to actual payment each month there is no evidence to confirm this.</p> <p>The Contributions reported submitted to West Yorkshire Pension Fund each month is not yet accurate and the SCO has not had the access to be able to reconcile. There are known discrepancies between the information on the report and pay-over due to the inclusion of non LGPS scheme members on the report.</p> <p>Reconciliation of reports to payment is essential to confirm accuracy and completeness.</p>	Russell Kidger, Senior Control Officer & Matt Dobson, HR/Payroll Consultant	31-Jul-16		Completed	G	10/08: HRMC has been balanced. We are aware of due and what has been submitted. RK in contact with HRMC. West Yorkshire Pension Fund payments have also been submitted. Action now closed.

Payroll AUDIT	This is being addressed in Agresso Rectification	13	From discussion with payroll staff we identified that some positions automatically have allowances. These allowances could be specific to an employee but when that employee leaves or moves positions those allowances remain with that "position". This could result in some new starters or "internal movers" receiving allowances to which they are not entitled.	Julie Jackson, Business Development Operations Manager	30-Sep-16		Partially Complete	A	26/08: Documented which ones are at risk and manual check will be in place by end Sep to capture any changes in employment (movers)
Payroll AUDIT	At year end Finance produced a list of all employees with a default salary code moved each case to the correct cost centre. They are now performing this review on a monthly basis. Also this issue will be monitored as part of the performance report	14	2 starters, 2 travel claims and 1 expense claim tested were found to use default (suspense) salary codes They were still on these codes at year end.  The budget centres for these cases are therefore being understated.	Marie Robertson - Strategic PM Advisor	30-Sep-16		Partially Complete	A	MR to confirm format of report and how it will be monitored with Serco.
Payroll AUDIT	The Payroll Manager will undertake a review of this issue.	15	From reviewing payslips we noted several cases where a manual correction was made which should have overridden the system adjustment. However the system appears to ignore the manual adjustment and makes the same adjustment in the following month. This issue seems to have been more of a problem in April to July15.  We were unable to obtain an explanation why the system performs this "override" action when a manual correction was made. In the majority of cases where we identified this occurrence it resulted in an overpayment and therefore this issue increases the risk of overpayments occurring.	Colin Airs/Rita Turner	30-Sep-16		Partially Complete	A	10/08: Error reason has been identified and system configuration is required and this has been raised with the Agresso Project Team to assist with resolution. There is a workaround in place ahead of system configuration.
Pension AUDIT	A new payroll manager has been appointed with significant experience of operating and optimising large complex payrolls. He will start on 11th July.	1.1	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information processing or manual corrections being made.  We also have concerns around Serco's capacity to address the issues identified, which will be supplemented by feedback from PWC analytical work and the internal pension contribution checking that we understand has been initiated by the Project Team.	Abi Tierney	31-Jul-16		Completed	G	31/08: Colin Airs and Rita Turner are in post
Pension AUDIT	A pension expert is being identified to support the improvements.	1.2	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Colin Airs	31-Aug-16		Completed	G	31/08: New pension expert recruited and started with the Serco team 22Aug
Pension AUDIT	A skills assessment will be completed of the team and a training plan implemented to address any gaps.	1.3	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Colin Airs	30-Sep-16		Partially Complete	A	
Pension AUDIT	Instructions and check lists on how to update pensions will be developed to ensure any issues or gaps are picked up and corrected before they become an error.	1.4	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Colin Airs	31-Aug-16	30-Sep-16	Partially Complete	A	12/09: To be covered in training session with Sharron. Date TBC but will due during September. 31/08: New checklists have been produced and are in use by the teams. The new pension expert will continue to verify and quality assure during September



Pension AUDIT	Update all employee records with opt out data and eligibility criteria, and look at all the people who we know don't have a pension scheme in to ensure they are updated.	1.5	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Colin Airs	30-Sep-16		Partially Complete	A	26/08: ongoing review and should complete by end Sep
Pension AUDIT	If pension scheme is mandatory scheme in the record, once data has been cleansed, then we will have an exceptions report for anyone who does not have a pension deduction.	1.6	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Colin Airs	31-Oct-16		Partially Complete	A	As part of the errors and warning report anyone without a pension deduction will be flagged.
Pension AUDIT	As part of a performance report to the Recovery Board and the HR and Payroll Portfolio Board, request a regular update of the payroll establishment; audit of payroll knowledge and skills in line with industry standards; training and development plans; recruitment and retention plans; quality assurance processes and plans.	1.7	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Vicki Sharpe	30-Sep-16		Partially Complete	A	Serco will share Skills Matrix when completed, as well as forward training plan.
Pension AUDIT	The Council will develop a tracker system and progress will be monitored via the monthly Operational Group chaired by the Council's HR Service Delivery Lead.	1.8	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Vicki Sharpe	31-Aug-16		Completed	G	31/08: Tracker in place
Pension AUDIT	A performance report will be requested from Serco which will be a standard agenda item on the HR & Payroll Portfolio Board and the Recovery Board	1.9	The types and level of errors identified in our testing of contributions raises concerns around the knowledge and experience of payroll staff and particularly the understanding of pension schemes. 59% of the errors detected were due to incorrect information	Vicki Sharpe	30-Sep-16		Partially Complete	A	A performance report will be provided to the Service Review Meeting from September onwards.
Pension AUDIT	The Council will put in place immediate interim arrangements to address this issue.	2.1	There is a lack of payroll and pension expertise in the Council – currently client expertise focusses on HR. Given the technical and complex nature of both payroll and pensions it is important that the client understands the technical aspects to be able to undertake more informed contract management oversight and monitoring.	Fiona Thompson	30-Sep-16		Completed	G	Vicki Sharpe is now the designated LCC contract lead for Pensions
Pension AUDIT	The Council will ensure that the lead client role for pensions provides a strategic overview on the review of Payroll Operational delivery to ensure that the end to end pensions' process is fit for purpose.	2.2	There is a lack of payroll and pension expertise in the Council – currently client expertise focusses on HR. Given the technical and complex nature of both payroll and pensions it is important that the client understands the technical aspects to be able to undertake more informed contract management oversight and monitoring.	Fiona Thompson	30-Sep-16		Completed	G	Marie Robertson is now the designated LCC lead for Payroll
Pension AUDIT	Pension reports have been written by the Agresso Team. There is a new team of 8 people in place and they will use these reports to complete a root and branch review of all pensions to ensure that every employee has had the correct deductions since April 2015.	3.1	During the year a number of employees have ceased paying pension contributions when they have not opted out of pension schemes. Review indicates that this a process issue and occurs when an employee has a change of Position entered onto Agresso and a pension scheme is not entered onto the system. As a result employees have been overpaid, and more significantly there is a risk that pensionable service is reduced. It is unclear whether all these cases have been identified (although we have highlighted this issue to PWC for inclusion in their data analytics work).	Colin Airs	31-Oct-16		Partially Complete	A	12/09 Reports have been completed by Agresso Team. This work is being continued by the Pension Team with PWC.

Pension AUDIT	There is ongoing liaison with the Pension Authorities and this will continue throughout the process. As and when corrections are made these will be fed over to the relevant Pension Administrators.	3.2	During the year a number of employees have ceased paying pension contributions when they have not opted out of pension schemes. Review indicates that this a process issue and occurs when an employee has a change of Position entered onto Agresso and a pension scheme is not entered onto the system. As a result employees have been overpaid, and more significantly there is a risk that pensionable service is reduced. It is unclear whether all these cases have been identified (although we have highlighted this issue to PWC for inclusion in their data analytics work).	Colin Airs	30-Sep-16		Partially Complete	A	12/9 Pilot successful at 31/08 Will be repeated in September and then become business as usual.
Pension AUDIT	Payroll team, supported by pension team will run monthly variance reports from the payment proposals to check and compare month on month any missing contributions.	3.3	During the year a number of employees have ceased paying pension contributions when they have not opted out of pension schemes. Review indicates that this a process issue and occurs when an employee has a change of Position entered onto Agresso and a pension scheme is not entered onto the system. As a result employees have been overpaid, and more significantly there is a risk that pensionable service is reduced. It is unclear whether all these cases have been identified (although we have highlighted this issue to PWC for inclusion in their data analytics work).	Colin Airs	30-Sep-16		Partially Complete	A	Pilot 31/08 and will be repeated in September and then become business as usual.
Pension AUDIT	Agresso team have provided reports to undertake reconciliation exercise incorporating e.g. schemes, EE's and ER's payments etc There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	4.1	Pension contributions have not been deducted on payments of SSP to employees during 2015/16. We understand that this is due to missing information in the 'workaround' needed for sickness processing. Our testing also highlighted that pension contributions were not taken on SMP for the period April to June and we have identified employees in receipt of SPP in August that have not paid contributions on the amount received. Employers' contributions have not been deducted on these payments. Failure to take contributions and treat this pay as pensionable will reduce Pensionable Pay notified to WYPF for members of the LGPS impacting on the annual contribution to the CARE pension. This issue also affects the tax paid by an employee during the year and impacts on the contributions received by Pension	Colin Airs	31-Oct-16		Partially Complete	A	Work ongoing with PwC to review the contributions and the P&D codes.
Pension AUDIT	Currently workaround is being applied within the system – As part of rectification Agresso project will be working on the solution for SSP and SMP.	4.2	Pension contributions have not been deducted on payments of SSP to employees during 2015/16. We understand that this is due to missing information in the 'workaround' needed for sickness processing. Our testing also highlighted that pension contributions were not taken on SMP for the period April to June and we have identified employees in receipt of SPP in August that have not paid contributions on the amount received. Employers' contributions have not been deducted on these payments. Failure to take contributions and treat this pay as pensionable will reduce Pensionable Pay notified to WYPF for members of the LGPS impacting on the annual contribution to the CARE pension. This issue also affects the tax paid by an employee during the year and impacts on the contributions received by Pension	Julie Jackson	30-Sep-16		Partially Complete	A	05/09: Agresso testing has concluded and the fix is now in the live environment ready for running of Absence Transfer

Pension AUDIT	Serco is following agreed policies for recovering overpayments and making up under payments. Serco is also liaising with pension authorities in complex cases to ensure these are resolved in line with legislation.	4.3	<p>Pension contributions have not been deducted on payments of SSP to employees during 2015/16. We understand that this is due to missing information in the 'workaround' needed for sickness processing.</p> <p>Our testing also highlighted that pension contributions were not taken on SMP for the period April to June and we have identified employees in receipt of SPP in August that have not paid contributions on the amount received.</p> <p>Employers' contributions have not been deducted on these payments.</p> <p>Failure to take contributions and treat this pay as pensionable will reduce Pensionable Pay notified to WYPF for members of the LGPS impacting on the annual contribution to the CARE pension. This issue also affects the tax paid by an employee during the year and impacts on the contributions received by Pension</p>	Colin Airs	Ongoing		Partially Complete	A	Ongoing liason with Pension Authorities.
Pension AUDIT	LCC People Management will monitor the management of the recovery of overpayments by Serco. Those cases caused by under payment of pensions contributions, will be reported to Vicki Sharpe to oversee that errors/queries are responded to on an individual basis, and all requirements for repayment plans agreed within the required timescales.	4.4	<p>Pension contributions have not been deducted on payments of SSP to employees during 2015/16. We understand that this is due to missing information in the 'workaround' needed for sickness processing.</p> <p>Our testing also highlighted that pension contributions were not taken on SMP for the period April to June and we have identified employees in receipt of SPP in August that have not paid contributions on the amount received.</p> <p>Employers' contributions have not been deducted on these payments.</p> <p>Failure to take contributions and treat this pay as pensionable will reduce Pensionable Pay notified to WYPF for members of the LGPS impacting on the annual contribution to the CARE pension. This issue also affects the tax paid by an employee during the year and impacts on the contributions received by Pension</p>	Sue Fletcher Vicki Sharpe	ongoing		Partially Complete	A	Monitoring will be ongoing.
Pension AUDIT	Agresso team will produce a report of P&D codes to support pension calculations and consistency across groups.	5.1	Our testing identified a P&D code (First Aid on the SC payroll) where the main deduction code is set up as non-pensionable but the arrears and adjustment P&D codes were pensionable. This inconsistency is clearly incorrect.	Julie Jackson	30-Sep-16		Partially Complete	A	12/09 Discission to take place 13/9 Meeting with LJ this week. Codes have been provided. Review now need to be completed.
Pension AUDIT	Agresso team in agreement with LCC will be reviewing payslips and incorporating potential changes e.g. allowances, expenses etc.	6.1	Payslips do not display the percentage at which employee pension contributions are being deducted. This makes it difficult to confirm that rates applied are correct and that any change in rate during the year is appropriate.	Julie Jackson	30-Sep-16		Partially Complete	A	Payslip workshop with LCC w/c 12Sep to confirm change requirements to then allow confirmation of plan dates to complete the system changes
Pension AUDIT	All reconciliation of Pension payovers to payroll and reports have been completed. The LGPS was completed in April, which was within the designated timescale.	7.1	<p>Reconciliation of Pension payovers to payroll and reports was not undertaken until October 2015. The appointment of the Senior Control Officer has addressed this in all cases but the LGPS (at March 2016 – due to issues with the Contribution Report).</p> <p>Our reconciliation of pension P&amp;D codes for LGPS, Teachers', NHS and Prudential AVCs to payments made identified only small discrepancies over the year for the 2 main schemes. LGPS was underpaid by £1559.67 (0.005% of total deductions) and Teachers' Pensions was overpaid by £3945.70 (0.02% of total deductions).</p> <p>Payments for NHS and Prudential reconciled to what had been paid by employees and employer.</p>	Completed			Completed	G	

Pension AUDIT	Payroll team, supported by pension team will run monthly variance reports from the payment proposals to check and compare month on month any missing contributions.	7.2	Reconciliation of Pension payovers to payroll and reports was not undertaken until October 2015. The appointment of the Senior Control Officer has addressed this in all cases but the LGPS (at March 2016 – due to issues with the Contribution Report). Our reconciliation of pension P&D codes for LGPS, Teachers', NHS and Prudential AVCs to payments made identified only small discrepancies over the year for the 2 main schemes. LGPS was underpaid by £1559.67 (0.005% of total deductions) and Teachers' Pensions was overpaid by £3945.70 (0.02% of total deductions). Payments for NHS and Prudential reconciled to what had been paid by employees and employer.	Colin Airs	30-Sep-16		Monitor	A	05/09: Action is to be tracked against ref 3.3 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	LCC discretionary policies were formally agreed in 2014 and documented. These are still valid. Vicki Sharpe to work with WYPF to raise awareness for staff on how pension bandings are allocated.	8.1	Discussion during the audit indicated that there was an understanding that the pension band allocated within the LGPS was based on salary as 1 April plus additional pensionable payments made in the previous 12 months. This was the approach taken in 2015/16 - we are aware of employees whose salary changed at 1 April 2015 and as a result the pension band was increased / decreased accordingly. When the approach to be taken for 2016/17 was queried by Serco, WYPF were able to highlight the 2014 Discretionary Policy which states that pension bands should be based on the previous 12 months pensionable pay. This approach has therefore been applied for 2016/17. Given the different approaches in the 2 years under the same policy there is a risk that members may query / complain about the rate at which pension is deducted - particularly for those where under the 2015/16 method the deduction would have decreased.	Vicki Sharpe	30-Sep-16		Partially Complete	A	WYPF are now clear about the discretionary policies which were agreed in 2014 and these have not changed. The communication for staff is better timed nearer to April 2017. VS is meeting with WYPF to agree this communication.
Pension AUDIT	Agresso team have provided reports to undertake reconciliation exercise incorporating e.g. schemes, EE's and ER's payments etc. There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	9.1	The pension band to be applied to the pay of an employee in the Local Government Pension scheme is determined by an entry on their payroll record known as the Expected Pensionable Pay (P7EP). Our testing identified examples where this entry was missing. This often occurred when there has been a change to the employee's Position. As a result, Agresso defaults to making deductions at the lowest contribution band rather than the rate that should apply based on pensionable pay. Whilst this does not affect the pension accruing for the individual, the LGPS scheme regulations are not being correctly applied and there will be an impact on the Pension Fund as contributions are reduced.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Payroll team, supported by pension team will run monthly variance reports from the payment proposals to check any changes from the April 2016 rate.	9.2	The pension band to be applied to the pay of an employee in the Local Government Pension scheme is determined by an entry on their payroll record known as the Expected Pensionable Pay (P7EP). Our testing identified examples where this entry was missing. This often occurred when there has been a change to the employee's Position. As a result, Agresso defaults to making deductions at the lowest contribution band rather than the rate that should apply based on pensionable pay. Whilst this does not affect the pension accruing for the individual, the LGPS scheme regulations are not being correctly applied and there will be an impact on the Pension Fund as contributions are reduced.	Colin Airs	30-Sep-16		Monitor	A	05/09: Action is to be tracked against ref 3.3 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also

Pension AUDIT	Agresso team have provided reports to undertake reconciliation exercises incorporating e.g. schemes, EE's and ER's payments etc. There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	10.1	Testing on the Corporate payroll identified that in April and May 2015 employer's contributions had not been deducted on variable payments such as additional hours. Underpayment of contributions to the LG Pension Fund may impact on the actuarial review and result in increased employers' rates.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Agresso team have provided reports to undertake reconciliation exerciser incorporating e.g. schemes, EE's and ER's payments etc. There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	11.1	The employer contributions for the 50:50 LGPS scheme have been based on double the actual monthly pensionable pay during 2015/16. This appears to be due to system configuration rather than process error. Employee contributions were paid at lower rates and are based on actual pensionable pay. LCC has overpaid the Pension Fund for these employees.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Agresso team have provided reports to undertake reconciliation exercises incorporating e.g. schemes, EE's and ER's payments etc There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	12.1	Review of a sample of employees contributing to the Corporate 100% LGPS pension scheme identified errors in 54% (27 out of 50). The majority relate to non-deduction of pension contributions on SSP, SMP and SPP. We also identified employees where: <input checked="" type="checkbox"/> a change resulted in contributions falling to 5.5% <input checked="" type="checkbox"/> new part time employees overpaid contributions as they were allocated to a band at the full time equivalent <input checked="" type="checkbox"/> starters paid initially paid contributions at 5.5% (up to June) rather than the band appropriate to their starting salary <input checked="" type="checkbox"/> employer's contributions had not been deducted when arrears of employee's contribution were taken The errors identified were highlighted to Serco at the beginning of February but had not been corrected at the end of March 2016.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Payroll teams implement a workaround to manually input pension contributions on SSP on a monthly basis whilst fix is confirmed  Position number	12.2	Review of a sample of employees contributing to the Corporate 100% LGPS pension scheme identified errors in 54% (27 out of 50). The majority relate to non-deduction of pension contributions on SSP, SMP and SPP. We also identified employees where: <input checked="" type="checkbox"/> a change resulted in contributions falling to 5.5% <input checked="" type="checkbox"/> new part time employees overpaid contributions as they were allocated to a band at the full time equivalent <input checked="" type="checkbox"/> starters paid initially paid contributions at 5.5% (up to June) rather than the band appropriate to their starting salary <input checked="" type="checkbox"/> employer's contributions had not been deducted when arrears of employee's contribution were taken The errors identified were highlighted to Serco at the beginning of February but had not been corrected at the end of March 2016.	Colin Airs	31-Jul-16		Completed	G	This has been completed and was done in July and August and will continue.

Pension AUDIT	Monthly check to ensure appropriate EE and ER adjustments are completed.	12.3	<p>Review of a sample of employees contributing to the Corporate 100% LGPS pension scheme identified errors in 54% (27 out of 50). The majority relate to non-deduction of pension contributions on SSP, SMP and SPP. We also identified employees where:</p> <ul style="list-style-type: none"> <li>☒ a change resulted in contributions falling to 5.5%</li> <li>☒ new part time employees overpaid contributions as they were allocated to a band at the full time equivalent</li> <li>☒ starters paid initially paid contributions at 5.5% (up to June) rather than the band appropriate to their starting salary</li> <li>☒ employer's contributions had not been deducted when arrears of employee's contribution were taken</li> </ul> <p>The errors identified were highlighted to Serco at the beginning of February but had not been corrected at the end of March 2016.</p>	Colin Airs	31-Oct-16		Partially Complete	A	Part of the monthly check list.
Pension AUDIT	<p>Agresso team have provided reports to undertake reconciliation exercises incorporating e.g. schemes, EE's and ER's payments etc</p> <p>There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.</p>	13.1	<p>35% (17 out of 50) of our sample LGPS members from the Schools payroll had errors in either the employee or employer pension deducted (or both). In addition to the expected errors for employees with SSP and doubled employers deductions for the 50:50 scheme, we found:</p> <ul style="list-style-type: none"> <li>☒ an employee where pension was deducted in error against First Aid arrears or adjustments but not from the First Aid P&amp;D code</li> <li>☒ a delay of 2 months in taking Teachers' Pension deductions when an employee started an additional job</li> <li>☒ employees allocated to the incorrect pension band based on their starting salary</li> <li>☒ an incorrect split of pension contributions between the LGPS and Teachers' Pension scheme for an employee paid additional hours in 2 jobs</li> <li>☒ 5 employees with one-off calculation errors on either employee or employer contributions during the year</li> </ul>	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Operations teams to ensure pensions' set up is correct start date	13.2	<p>35% (17 out of 50) of our sample LGPS members from the Schools payroll had errors in either the employee or employer pension deducted (or both). In addition to the expected errors for employees with SSP and doubled employers deductions for the 50:50 scheme, we found:</p> <ul style="list-style-type: none"> <li>☒ an employee where pension was deducted in error against First Aid arrears or adjustments but not from the First Aid P&amp;D code</li> <li>☒ a delay of 2 months in taking Teachers' Pension deductions when an employee started an additional job</li> <li>☒ employees allocated to the incorrect pension band based on their starting salary</li> <li>☒ an incorrect split of pension contributions between the LGPS and Teachers' Pension scheme for an employee paid additional hours in 2 jobs</li> <li>☒ 5 employees with one-off calculation errors on either employee or employer contributions during the year</li> </ul>	Colin Airs	30-Sep-16		Partially Complete	A	Being completed as part of the review of pensions.

Pension AUDIT	Agresso team have provided reports to undertake reconciliation exercises incorporating e.g. schemes, EE's and ER's payments etc There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	14.1	Investigation of LGPS 100% employer's contributions for April 2015 identified 18 employees where the deduction was excessive (the largest value being £11,271). We estimate that this has resulted in an overpayment of almost £70k by LCC to the Pension Fund.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Agresso team have provided reports to undertake reconciliation exercises incorporating e.g. schemes, EE's and ER's payments etc There is a new team of 8 people in place and they will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	15.1	In June 2015 the LGPS 100% employer's deduction on the Corporate payroll was double what it should have been. This was adjusted in August 2015 but our data analysis identified 175 employees where a deduction was made in June but there was no refund in August. Whilst review identified some of these as leavers between the 2 dates others were not. In all cases a refund should have been processed to correct the payments between LCC and the LGPS Pension Fund. On those identified the overpayment by LCC to the LGPS is estimated at £90k.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Reports have been provided to the resources operational team for analysis of the bandings. The resources operations team will use these reports to complete a root and branch review and full reconciliation of all pensions to ensure that every employee has had the correct deductions since April 2015.	16.1	We sampled some employee records on the Corporate payroll to confirm the LGPS pension contribution band applied corresponded to previous year's pensionable pay. This identified apparent discrepancies - particularly employees paying at a higher band than would be expected. This generally corresponded to a higher rate of deduction being made on SAP. If incorrect bands are applied, LCC is not complying with scheme regulations and the Pension Fund is not receiving the appropriate contributions. The bands have been reviewed and revised from 1 April 2016 based on the previous year's pensionable pay held in Agresso. A sample review identified that the figure for Expected Pensionable Pay was as expected for the majority tested. There were differences on 2 records examined but this was not significant enough to make the % applied incorrect.	Colin Airs	31-Oct-16		Partially Complete	A	05/09: Action is to be tracked against ref 4.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Vicki Sharpe to oversee that errors/queries relating to incorrect bandings are responded to on an individual basis, corrected where needed and all requirements for repayment plans agreed within the required timescales	16.2	We sampled some employee records on the Corporate payroll to confirm the LGPS pension contribution band applied corresponded to previous year's pensionable pay. This identified apparent discrepancies - particularly employees paying at a higher band than would be expected. This generally corresponded to a higher rate of deduction being made on SAP. If incorrect bands are applied, LCC is not complying with scheme regulations and the Pension Fund is not receiving the appropriate contributions. The bands have been reviewed and revised from 1 April 2016 based on the previous year's pensionable pay held in Agresso. A sample review identified that the figure for Expected Pensionable Pay was as expected for the majority tested. There were differences on 2 records examined but this was not significant enough to make the % applied incorrect.	Vicki Sharpe /Pensions payroll team	Ongoing		Partially Complete	A	This will be done my the monthly review meeting between VS and Pensions.

Pension AUDIT	As part of the root and branch review, the resources team will also make corrections to pension and personnel records.	17.1	Discussions with the Payroll Pensions team determined that they use payslips and payment transaction reports to collate the information to pass to WYPPF for calculation of pension estimates and pension payments. During 2015/16 this has relied heavily on the information from SAP, but as time progresses more information will be drawn from Agresso. Given the errors / overpayments since April 2015 and that these have not all been revised on the system we are concerned that there is a risk that incorrect information may be used for pension calculations.	Colin Airs	31-Oct-16		Partially Complete	A	Being completed as part of the review of pensions.
Pension AUDIT	There will be monthly checks in place pick up any discrepancies.	17.2	Discussions with the Payroll Pensions team determined that they use payslips and payment transaction reports to collate the information to pass to WYPPF for calculation of pension estimates and pension payments. During 2015/16 this has relied heavily on the information from SAP, but as time progresses more information will be drawn from Agresso. Given the errors / overpayments since April 2015 and that these have not all been revised on the system we are concerned that there is a risk that incorrect information may be used for pension calculations.	Colin Airs	31-Oct-16		Partially Complete	A	Checklist in Place for August and will be tested again in September and then be business as usual.
Pension AUDIT	Any adjustments made as a result of review will also be communicated to pension authorities.	17.3	Discussions with the Payroll Pensions team determined that they use payslips and payment transaction reports to collate the information to pass to WYPPF for calculation of pension estimates and pension payments. During 2015/16 this has relied heavily on the information from SAP, but as time progresses more information will be drawn from Agresso. Given the errors / overpayments since April 2015 and that these have not all been revised on the system we are concerned that there is a risk that incorrect information may be used for pension calculations.	Colin Airs	Ongoing		Partially Complete	A	Being done as errors are found.
Pension AUDIT	Where figures are being sent to pension administrators a manual assessment of the entire record is completed, issues are noted and further updates to pension administrators are provided when applicable.	17.4	Discussions with the Payroll Pensions team determined that they use payslips and payment transaction reports to collate the information to pass to WYPPF for calculation of pension estimates and pension payments. During 2015/16 this has relied heavily on the information from SAP, but as time progresses more information will be drawn from Agresso. Given the errors / overpayments since April 2015 and that these have not all been revised on the system we are concerned that there is a risk that incorrect information may be used for pension calculations.	Colin Airs	Ongoing		Partially Complete	A	Being done as errors are found.



Pension AUDIT	Through regular monitoring meetings, the LCC Client will require regular highlight reports to ensure audit of detailed records to demonstrate how errors have been corrected and to be able to deal with Pensions / pay queries in future years.	17.5	Discussions with the Payroll Pensions team determined that they use payslips and payment transaction reports to collate the information to pass to WYPF for calculation of pension estimates and pension payments. During 2015/16 this has relied heavily on the information from SAP, but as time progresses more information will be drawn from Agresso. Given the errors / overpayments since April 2015 and that these have not all been revised on the system we are concerned that there is a risk that incorrect information may be used for pension calculations.	Vicki Sharpe	Ongoing		Partially Complete	A	This will be done my the monthly review meeting between VS and Pensions.
Pension AUDIT	Serco will review the guidance from Teachers' Pensions and seek advice as necessary to confirm the correct rules and make amendments to system configuration as required	18.1	From April 2015 employees in the Teachers' Pension scheme pay contributions at a percentage band derived from their monthly pay rather than the FTE as had previously been the case. As a result the % paid can vary from month to month. Teachers' Pensions have provided guidance on how to calculate the monthly pay (and therefore the % band to apply) in various circumstances such as: ☑ reduction in pay due to sickness and maternity leave ☑ backdated payment of arrears ☑ treatment of individual teaching contracts Based on our interpretation of guidance these rules are not being applied within Agresso. As a result changes in the % deducted are occurring where we do not believe this should be the case. Employees will either be under or over paying contributions.	Colin Airs	30-Sep-16		Partially Complete	A	Information confirmed on what the correct rules across the various Teacher pension schemes should be and investigation ongoing into what changes could be required to the system config
Pension AUDIT	Agresso team will investigate this issue during rectification to establish what was built within the system for Teachers Pension.	18.2	From April 2015 employees in the Teachers' Pension scheme pay contributions at a percentage band derived from their monthly pay rather than the FTE as had previously been the case. As a result the % paid can vary from month to month. Teachers' Pensions have provided guidance on how to calculate the monthly pay (and therefore the % band to apply) in various circumstances such as: ☑ reduction in pay due to sickness and maternity leave ☑ backdated payment of arrears ☑ treatment of individual teaching contracts Based on our interpretation of guidance these rules are not being applied within Agresso. As a result changes in the % deducted are occurring where we do not believe this should be the case. Employees will either be under or over paying contributions.	Julie Jackson	30-Sep-16		Completed	G	Agresso team have concluded investigation and produced a report on Teachers pensions and the underlying system build and issues encountered since go live.
Pension AUDIT	This task will be completed as part of the root and branch review of all pensions. Serco will liaise with Teachers Pensions to agree how these will be recovered.	19.1	Our testing on new teachers set up on Agresso between April and October 2015 identified that for 60% (12 out of 20) contributions had not been deducted for the first month or 2 months. This is a process issue where the scheme has not added to the employee's record on appointment. No backdated adjustments have been made when the employees have been brought into the scheme later in the year.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 17.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also

Pension AUDIT	This task will be completed as part of the root and branch review of all pensions.	20.1	In our sample of 30 teachers who had transferred from SAP we found 9 errors in pension payments (30%). Our testing identified issues with 15 of the 20 employees who started with schools since April 2015 (75%). In addition to the expected errors already identified within this report we found: ☒ 2 employees paid more than full pay when off sick ☒ unpaid leave had not been deducted before calculating pension due for the month ☒ a teacher with multiple positions as a swimming instructor that has 2 different conditions of service (and pension scheme) applied	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 17.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Serco have created a report of all new starters from April 2015 – March 2016 and this has been sent to TPS.	21.1	When we completed our discussions to identify how starters, changes and leavers were notified to Teachers' Pensions we identified there was no clear process in place and there was backlog. In March we were told that the backlog had been addressed but we have not confirmed this. Changes in staff on the Schools' Team raises a concern that further backlogs may occur in processing notifications.	Completed			Completed	G	
Pension AUDIT	For leavers, Serco has added them to the Year-end submission which was submitted on 6th July.	21.2	When we completed our discussions to identify how starters, changes and leavers were notified to Teachers' Pensions we identified there was no clear process in place and there was backlog. In March we were told that the backlog had been addressed but we have not confirmed this. Changes in staff on the Schools' Team raises a concern that further backlogs may occur in processing notifications.	Completed			Completed	G	
Pension AUDIT	Serco are up to date on the retirement notifications and can confirm there is no back log.	21.3	When we completed our discussions to identify how starters, changes and leavers were notified to Teachers' Pensions we identified there was no clear process in place and there was backlog. In March we were told that the backlog had been addressed but we have not confirmed this. Changes in staff on the Schools' Team raises a concern that further backlogs may occur in processing notifications.	Completed			Completed	G	
Pension AUDIT	For 15/16 all leavers are going to be on the year end submission. And from July onwards Serco are doing monthly starters and leavers lists and sharing these with Pension Authorities and NHS.	21.4	When we completed our discussions to identify how starters, changes and leavers were notified to Teachers' Pensions we identified there was no clear process in place and there was backlog. In March we were told that the backlog had been addressed but we have not confirmed this. Changes in staff on the Schools' Team raises a concern that further backlogs may occur in processing notifications.	Colin Airs	31-Jul-16	30-Sep-16	Partially Complete	A	12/09: Submitted annual return for TP. On track to ensure all Starters/Leavers for Frie/TPF/NHS since April16 are submitted YE done LGPS monthly report being done, VC doing fire still not looked at TP Aim 30Sep to be up and running back to Apr 16
Pension AUDIT	Completing monthly starters and leavers reports for Pension Administrators.	21.5	When we completed our discussions to identify how starters, changes and leavers were notified to Teachers' Pensions we identified there was no clear process in place and there was backlog. In March we were told that the backlog had been addressed but we have not confirmed this. Changes in staff on the Schools' Team raises a concern that further backlogs may occur in processing notifications.	Pensions Team	31-Oct-16		Partially Complete	A	12/09: Submitted annual return for TP. On track to ensure all Starters/Leavers for Frie/TPF/NHS since April16 are submitted YE done LGPS monthly report being done, VC doing fire still not looked at TP Aim 30Sep to be up and running back to Apr 16

Pension AUDIT	Work with schools to encourage teachers to register and use Tponline to keep TPS up to date with all changes.	21.6	When we completed our discussions to identify how starters, changes and leavers were notified to Teachers' Pensions we identified there was no clear process in place and there was backlog. In March we were told that the backlog had been addressed but we have not confirmed this. Changes in staff on the Schools' Team raises a concern that further backlogs may occur in processing notifications.	Pensions Team	30-Sep-16		Partially Complete	G	Messages to encourage teachers to use Tponline will be included in the schools comms w/c 12Sep
Pension AUDIT	Agresso team have provided report to the resourcing operational team to complete root and branch review.	22.1	Review of a sample of employees contributing to the NHS pension schemes identified errors in 60% (6 out of 10) records reviewed. The majority have occurred where there has been a change to the employee's Position, resulting in failure to take deductions (particularly employers') or a reduction to the lowest rate of 5%. Errors also included: <input checked="" type="checkbox"/> deducting LGPS contributions rather than NHS for 2 months of the year <input checked="" type="checkbox"/> taking deductions on part of a month's pay rather than the full month <input checked="" type="checkbox"/> applying a higher band than appropriate being for 3 months of the year We identified other errors in our sample that had been corrected by the end of March but the records of these employees had not.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 16.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also
Pension AUDIT	Agresso team have provided report to the resourcing operational team to complete root and branch review	23.1	Employer's contributions were deducted at 14% rather than 14.3% until December 2015, and for 7 employees deductions for part of the year were based on double the actual monthly pensionable pay. Whilst corrections were made in March 2016, the calculation of employer's refund has not taken into account other errors that have occurred on employer's pension for some employees during the year.	Colin Airs	31-Oct-16		Monitor	A	05/09: Action is to be tracked against ref 16.1 as same action addresses both findings. Status set to monitor and outcome will be checked to confirm closes out concern on this element also

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