



Specialist Professional Services

# Final Internal Audit Report

**Audit Title:**

Avon Pension Fund - Transfers Out

**Date of Issue:**

February 2026

**Prepared for:**

Avon Pension Fund (APF)



## Assurance Rating

Based on our review, Internal Audit have concluded the following assurance rating:

### Level 3 - Reasonable Assurance

The systems of internal control are satisfactory, and reasonable assurance can be provided. However, there are a number of areas which require improvement.

## Executive Summary

Overall, we have given a Reasonable Assurance rating. Documented procedures and guidance were found to be in place although these were undergoing review at the time of testing.

Management oversight of transfers out includes Key Performance Indicators (KPI's) on the timeliness of processing which are routinely reported to the Pensions Board and Committee. These indicate good performance with respect to actual transfers, but that performance with respect to quotes could be improved.

ICT controls are in place which help to reduce the risk of unauthorised access or changes to member records within the pensions administration system, Altair. The system includes functionality which helps automate the task of checking member records for potential errors or data issues prior to the production of quotations. At the time of testing, Altair was found to be running the latest software version.

Separation of duties is an integral part of transfers out, and evidence shows that quotation checks are in all cases undertaken by a second officer. Authorisation thresholds also ensure that high value transfers are approved by either the Member Services Team Leader or a Pensions Manager.

Despite these internal controls being in place, there are areas where further improvements

are possible, albeit none of these were considered high-priority.

## Recommendations for Improvement

A total of 11 recommendations have been raised as a result of our review.

Recommendations are given priority ratings which reflect the significance of the findings and the need for remediation.

Priority	Recommendations
▲ High	0
▲ Medium	5
▲ Low	6

Full details of recommended actions, responsible officers and implementation dates are included in the report Action Plan.

## Follow Up Review

Work detailed in the Action Plan is to be actioned before the end of December 2026.

After this date, One West will conduct a follow up review to assess the implementation of recommendations and responsible officers will be required to provide an update on progress with the agreed actions.

## Audit Personnel

Lead Auditor: Gary Spratley  
Audit Manager: Pat Jenkins



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## Audit Methodology

This audit has been undertaken in accordance with the 2025/26 Internal Audit planned programme of work, as approved by the Committee.

Audit work has been conducted in conformance with the Global Internal Audit Standards (GIAS).

Discussions were held with the client to ensure that the audit scope and test programme provided adequate coverage of the main risk areas.

The fieldwork phase of the audit has included discussions with staff in order to walkthrough the end-to-end processes and understand how controls are implemented.

Supporting evidence and records were then reviewed in order to verify whether the identified controls were implemented consistently and effectively, for a sample of cases.

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## Audit Scope

The objective of the review was to provide independent assurance on whether the APF are managing risks associated with the Transfer Out of pension benefits effectively and in accordance with any regulatory and scheme requirements.

The agreed audit brief and test programme was issued in November 2025, and established the following control objectives:

Ensure that suitable governance processes are in place, including:

- Policies and procedures
- Monitoring and reporting of performance
- Restricted systems access
- Authorisation and separation of duties
- Suitably skilled and experienced staff

Ensure that statutory requirements are met, including:

- Fraud identification, prevention and reporting
- Eligibility of applicants
- Timeliness of processing
- Quality assurance checking of calculations and data
- Record retention

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## Background

### Overview of Transfers Out

Transfers out of the Avon Pension Fund (APF) allow members to move their accrued benefits to another pension arrangement, such as:



- Another registered Local Government Pension Scheme (LGPS) fund administrator
- Another public service pension scheme under Club transfer rules
- Another registered UK pension scheme
- A Qualifying Recognised Overseas Pension Scheme (QROPS)

Transfers typically occur when a member leaves employment or wishes to consolidate pensions.

If a member wishes to transfer out of the LGPS, the member relinquishes all LGPS benefits, including death grants and dependants' pensions. Additional Voluntary Contributions (AVCs) can be transferred separately.

### Regulatory Environment

There are several pieces of legislation which establish the framework for Transfers Out. These include:

- Pensions Act 1993 - Statutory Right to Transfer (subject to certain criteria being met)
- LGPS Regulations 2013 - Calculation and Process Rules (including for instance the requirement to use Government Actuary Department (GAD)-set actuarial factors)
- Conditions for Transfers Regulations 2021 - Anti-Scam and Due-Diligence Checks
- Pensions Schemes Act 2015 - Regulated Financial Advice Requirement (applies in instances where the transfer is to a scheme offering flexible DC (Defined Contribution) benefits, and the Cash Equivalent Transfer Value (CETV) is £30,000 or more)
- Occupational and Personal Pension Schemes (Disclosure) Regulations 2013 - requires LGPS authorities to provide a formal transfer value statement, with details of the basis of calculation

### Avon Pension Fund Approach

The Member Service Team is responsible for processing interfund and transfer out requests, and for undertaking any necessary checks that may be required.

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## Summary of Findings

### Policies and Procedures

There are no internal policies relating specifically to Transfers Out, as many of the requirements stem from the Regulatory Requirements. We were able to confirm that a range of procedure documents and guidance documents were in place. These included three documents covering Interfund Transfers, and a further eight documents relating to Transfers Out. These documents appeared to be sufficiently detailed and provided a good degree of coverage of key processes and expected controls. Unfortunately, on the day of testing the documents were not found in the central network folder, as we understand they were currently under review by the Training Team. Indeed, at least one document contained notes and queries in the margins indicating it to be a work in progress.



### Monitoring and Reporting

A degree of management oversight of this area was confirmed. The quarterly 'Pension Fund Administration Performance Report' which is presented to both the Pensions Board and Committee includes relevant Key Performance Indicators (KPI's) such as the percentage of transfer out quotes and actuals that have been completed within the scheme's internally set target timescales.

The most recent report from the Pensions Board meeting in December 2025 shows that targets for actual transfers for the preceding twelve months were in most instances met or exceeded, being 100% in most periods. There had however been a dip in the previous quarter, with targets for actual transfers not being met. With regard to target timescales for quotations, these were shown as consistently below target across the previous twelve months.

### ICT Controls

We discussed the high-level controls applied to Altair to ensure that only authorised users are able to amend member records and produce quotations for transfers out.

Password settings for Altair have been configured at the highest level that the software allows. This includes enforcing the use of a minimum number of mixed character types. Minimum password length has been set, as has the number of password attempts before a lock out occurs. It was also stated that access to the system is restricted to managed devices through the use of IP whitelisting. As such, users must also have passed any network authentication controls in order to be able to access the system. Taken together, this can be seen as a form of Multi-Factor-Authentication (MFA), which is seen as good practice by the National Cyber Security Centre (NCSC).

Additionally, evidence of role-based access was provided. This allows for different access levels and abilities to be assigned depending on the nature of the role. Each permission can be set as view/amend/delete. Different teams across APF have different roles available, further subdivided into level 1, 2, and 3, which correspond with the seniority of the role within the team.

The ability to authorise transfers out (prior to processing by payroll) is also controlled within the system; however this is achieved through the task workflows. The correct procedure requires transfers with a value of between £100k and £150k to be approved by a Team Leader, and transfers above this require management approval. We obtained screenshots from the Senior Business Analyst demonstrating that these values are enforced within the system, and our sample testing confirmed these limits have been applied.

Tasks are also configured within the system to enforce separation of duties. A further screenshot was obtained showing how a particular step within the process, in this instance to do with the checking of calculations, could not be done by the same officer that undertook the calculation itself, and again this was borne out by our sample testing and also by a review of system reports which showed that in 100% of cases, checks were undertaken by a different officer to the one preparing the calculation.

We also made enquiries regarding the updating of the system, including patches and any standing data such as GAD factors. Given that the system is fully hosted, updates are typically applied by Heywood on a quarterly basis, and advance notice is provided to APF to minimise any potential disruption. The latest version of Altair, v25.4, was in use at the time of testing.



Infrequently, updates of standing data may need to be applied locally, most recently in January 2024, however there is currently no evidence retained of post update checks and sign off to demonstrate that the changes were verified.

### Staff Training and Induction

The current APF structure includes a Technical Compliance section, which in turn includes a Training Team and Officers. We contacted the Training Team for evidence of induction processes and training provided to Member Services, with the focus on Transfers Out.

A standard induction checklist is in place, and was found to contain 61 separate activities, with timescales ranging from prior to the start date up to several months after the start date. Whilst the activities are much broader in scope and serve as a general introduction to APF, several entries were related to transfers out, such as those covering member services overview and aggregations.

Each new starter also has a one-month plan to supplement the induction checklist. The plan details various activities by day and week that are to be covered.

We confirmed that the above induction records were in place for two recent starters on the Member Services team. Some gaps were noted however such as missing dates/no use of the check boxes on the checklist, and similarly some dates absent from the month one plan, which reduces somewhat the assurance provided by these documents.

The Training Team also provided a summary of professional and in-house training provided to Member Services in relation to Transfers Out. We found this to provide good evidence of ongoing training, support and development of staff overall. From April 2022 until December 2025, 22 staff were shown as having attended courses run by the LGA, with a further 4 booked to attend courses in Spring 2026. The summary shows formal qualifications were also held, 12 staff with the Chartered Institute of Payroll Professionals (CIPP) and a further 4 due to complete qualifications with the LGA. In each case these qualifications are understood to contain modules on Transfers Out, including discussions of pension scam risks.

The summary also shows numerous instances of training sessions being provided in house with a focus on Transfers Out, each session typically covering one of the related task flows within the Altair system. Whilst these internal sessions did appear to be up to date for many staff, two instances were noted where the records suggest additional training is currently outstanding and needed.

### Pension Scams

The risk of pension scams has significantly increased in recent years and there are dangers for scheme members and officers alike who must be alerted to these risks and ensure they are managed effectively. This is a particular concern within the realm of Transfers Out, where scheme members may fall foul of criminal organisations who are seeking to gain access to their funds. Information published on The Pensions Regulator website indicates that 'in 2024, losses from pension fraud totalled £17.5 million, with an average loss of approximately £34,000 per individual.' These are of course only the confirmed losses, as with most types of fraud, the true figures are almost certainly much higher, as many cases of fraud tend to go unreported.



We found that APF have a good degree of processes in place to help mitigate potential pension scams. Whilst not prominent on the homepage, the website nevertheless contained a page containing information on pension scams, which contained a good amount of information.

Members requesting a quotation are provided with a standard leaflet warning of pension scam risks, and should they choose to proceed with a transfer they are required to complete and return a 'member questionnaire', which includes several questions designed to trigger red flag warnings that would then require further investigation by APF.

Standard procedures also require that, prior to a transfer, background checks are undertaken by APF and evidenced. These include a check with the Financial Conduct Authority (FCA) website register, as well as Companies House. These checks apply to both receiving schemes, and any independent financial advisors that may have been used by the member. Our sample testing confirmed these checks had been undertaken and evidenced, however the quality of the supporting evidence could in some cases be improved.

Regarding independent financial advice, this is mandatory for all transfers (other than interfund) of over £30k, however we were somewhat surprised to find the requirement only meant that the advisor had to be independent of APF, not independent of the receiving scheme. This came to light during our walkthrough of a high value transfer to a defined contributions scheme, where the advisor relied on by the member was employed by the same group of companies as the receiving scheme. Nevertheless, all necessary checks by APF had been conducted and evidence retained, so compliance with regulatory requirements had been met. Due to the size of the transfer in this case, there was also evidence of an additional telephone call made to the member by a Senior Pensions Officer, as a final check.

Overall, then, we found that there are good processes in place, driven largely by regulatory requirements.

One aspect that may be improved further is in the production of an overarching fraud risk assessment for APF, as this does not currently exist. The driver for this particular recommendation is the recently introduced corporate criminal offence of 'failure to prevent fraud,' which forms part of the Economic Crime and Corporate Transparency Act 2023. This applies to all public sector organisations and the supporting guidance states that having a suitable fraud risk assessment in place would be seen as one of the key pieces of evidence for mitigating allegations of failure to prevent fraud.

### Timeliness of Processing

APF have established Key Performance Indicators (KPI's) which include timescales for providing transfer quotations and for processing of the transfer itself. These are reported to the Pension Board and Committee periodically. Across the previous twelve months, targets for processing of transfers were generally met, however the targets for provision of quotations were generally not met. In the case of member 46424, which was the subject of our interfund walkthrough, we noted that although a request for information had been made in July 2024, it was not until this was chased in June 2025 that the information was provided.

Statutory timescales also apply in relation to transfers out, and cover the provision and acceptance of quotations, and the payment of transfers. Where transfers do not occur within the statutory timescales, scheme administrators are required to pay interest or generate a revised calculation. In a fairly recent case, where the payment occurred in April 2025, an incorrect amount was paid to



the receiving scheme due to a failure in recalculating, which was only brought to light by the receiving scheme. Within our test sample of Transfers Out, it was evidence that recalculations had occurred in most instances, although evidence of a revised calculation was not provided by the end of testing for member 161598.

### Quotation Calculations

Calculations involve many variables and rely on the use of appropriate multipliers, known as GAD Factors, which are published on LGA website.

For a sample of cases, we used the published GAD factors together with Artificial Intelligence (AI) tools to conduct a reasonableness check of the calculations within the quotations. This did not identify any issues within the sample. One query was generated involving interpolated factors, which the Team Leader was able to resolve by providing manual calculations demonstrating how interpolated factor was determined, which we could then trace back to the published data.

### Data Retention Policy

A policy is published on the APF website, which clearly states the overall retention periods for member records. In most instances, these records will be retained for at least the lifespan of the member/pensioner, however where entitlement to benefits ends, such as following a complete Transfer Out, the retention period is then fifteen years.

The ability to delete expired member records is impeded to some degree by system limitations, which APF mitigate by stating that the data will instead be 'put beyond use.'



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## Positive Observations

- Procedure and guidance documents are in place as an aid to staff when processing Transfers Out.
- There are clear separations of duty which ensure that CETV quotations are independently checked and verified by a Senior Pensions Officer.
- A tiered approach has been adopted for the authorisation of Transfers Out, with any transfer between £100k and £150k requiring Team Leader approval, and transfers above this amount requiring Manager approval.
- Processes are in place for conducting due diligence and verification checks relating to the status of independent financial advisors, as well as any non-club pension providers.
- When conducting due diligence checks, officers use official sources such as gov.uk websites for these checks.
- When communicating with third party organisations, officers use contact details published on official sources such as gov.uk websites.
- The level of due diligence checks scales with risk, with interfund transfers being the lowest risk, club transfers somewhat higher risk, and non-club transfers the highest risk.
- A Training Team is in place which co-ordinates and oversees the training of APF staff, including Member Services.
- A structured and documented approach to staff induction is in place.
- Relevant officers have completed qualifications from different bodies which include modules covering Transfers Out.
- Whilst not always met, Key Performance Indicators have been set and are regularly monitored and reported.
- The Altair system is updated quarterly by Heywood, including any relevant standing data and patches.
- Unauthorised changes to member data is restricted.
- Password settings are at the highest level allowed by the system and role profiles provide tailored access.

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**Weaknesses and areas for improvement identified during the course of the audit review are captured in the report Action Plan.**

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**Action Plan - Medium Priority Findings**

Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<p><b>M1</b></p> <p><b>Key Performance Indicators</b>                      APF have established internal KPI's for transfer out quotations and actuals which revolve around processing at least 80% of cases within a fixed time period.</p> <p>The most recent data from the Pensions Board meeting in December 2025, shows that performance for actual transfers is good overall, reaching 100% in most months, although there has been a dip to below the target in last quarter.</p> <p>Quotations however have consistently missed the 80% target, with scores ranging from lows of 8.8% to highs of 52%.</p> <p>We note that the KPI's are somewhat aspirational when compared with statutory timescales.</p>	<p>Failure to achieve KPI's may result in reputational damage or customer dissatisfaction.</p>	<p>APF should attempt to improve KPI performance, in particular for transfer out quotations.</p> <p>Consideration might also be given to relaxing the KPI requirement slightly.</p>	<p>Agreed.</p> <p>Transfers out are prioritised along with other KPI tasks.</p> <p>Every effort will be made to meet the KPIs in line with other business needs</p>
<p><b>Responsible Officer</b></p>	<p>RC, Member Services Manager</p>	<p><b>Target Implementation Date</b></p>	<p>December 2026</p>



Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<p><b>M2</b></p> <p><b><u>Counter Fraud Risk Assessments</u></b>                      Under the Economic Crime and Corporate Transparency Act 2023, a new offence of 'Failure to prevent fraud' was introduced, with the official guidance stating that risk assessments were one of the six principles necessary to demonstrate good governance.</p> <p>Whilst APF internal procedures and guidance undoubtedly include actions that will help to prevent fraud and scams, we are not aware of any specific counter fraud risk assessment undertaken by APF. Similarly, we did not find any reference to fraud risks within the risk register reported to the Board in December 2025.</p>	<p>In the event of a fraud occurring, APF may not be able to fully demonstrate that all reasonable steps had been taken with regard to prevention.</p>	<p>APF should consider undertaking and documenting a fraud risk assessment and including fraud risk within the risk register.</p>	<p>Agreed.</p> <p>APF will seek further guidance on counter fraud regulations.</p>
<p><b>Responsible Officer</b></p>	<p>CM, Governance and Risk Advisor</p>	<p><b>Target Implementation Date</b></p>	<p>December 2026</p>



	Identified Weakness	Potential Implication	Recommendation	Agreed Actions
M3	<p><b><u>Supporting Evidence for Scam Checks</u></b> Transfer out for member 52956.</p> <p>The scans provided as supporting evidence for the Financial Conduct Authority and Companies House checks were of such poor quality as to be mostly illegible.</p>	<p>Ability to demonstrate the appropriate checks had been completed is compromised.</p>	<p>Management and the Training Team should ensure that those gathering supporting evidence for retention are reminded that this should be clear and legible.</p>	<p>Agreed.</p> <p>Refresher training and procedure guides to be re-issued to team to ensure all supporting evidence is clear.</p>
	<p><b>Responsible Officer</b></p>	<p>PR, Member Services Team Leader</p>	<p><b>Target Implementation Date</b></p>	<p>April 2026</p>

	Identified Weakness	Potential Implication	Recommendation	Agreed Actions
M4	<p><b><u>Transfer Quotations</u></b> A club transfer was paid in April 2025 to the Civil Service Pension. The amount transferred was based on a quote that was more than six months old, and as such the guarantee period had expired.</p> <p>The error was identified by the receiving scheme and a new calculation and adjustment payment followed; however this</p>	<p>Members pensions may be negatively affected.</p>	<p>APF should ensure that all staff are suitably aware of the expiry period for quotes and that these are actively checked prior to transfer.</p>	<p>Agreed.</p> <p>Refresher training and procedure guides to be re-issued to team to ensure there is a clear understanding of expiry periods for transfer calculations.</p>



	<p>illustrates that even with separation of duties and quality checks in place, errors can be made.</p> <p>A less astute receiving scheme would have been less likely to have picked up on this error.</p> <p>Our sample testing also included the transfer for member 161598. In this instance the only quote provided to us was dated 23 January 2025 (relevant date), but the payroll instruction for payment did not occur until 11 August 2025, more than six months later.</p>			
<b>Responsible Officer</b>	PR, Member Services Team Leader	<b>Target Implementation Date</b>	April 2026	

	Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<b>M5</b>	<p><b><u>System Data – Post Update Checks</u></b></p> <p>Altair is a hosted system and most standing data, such as GAD factors, are updated by Heywood during scheduled quarterly system updates. In</p>	<p>Standing data may be incorrect, leading to unreliable pension calculations.</p>	<p>Where local updates of standing data occur, post update checks should be conducted, signed off, and retained.</p>	<p>Agreed.</p> <p>The number of data points updated can be significant in some cases. Where this is the case, we can sample/dip test the new data points as necessary.</p>



	<p>some instances, it is necessary to process an update of standing data locally, the last occurrence being in January 2024.</p> <p>Where this occurs, there is currently no record retained of post update checks/sign off, as evidence that the standing data has updated correctly.</p>			<p>We will retain evidence of these checks, including the date, completing officer, and sign off by a Team Lead or higher.</p>
	<p><b>Responsible Officer</b></p>	<p>MW, Senior Business Analyst</p>	<p><b>Target Implementation Date</b></p>	<p>Immediate</p>



**Action Plan - Low Priority Findings**

Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<p><b>L1</b></p> <p><b><u>Procedures and Guidance</u></b>                      As at the time of the testing, there was only one procedure document available to staff in the designated network folder.</p> <p>It was indicated that the bulk of the documents were currently under review.</p> <p>Copies of procedures such as the 'Interfund Out Processing Guide' contained multiple comments in the margins, also indicating they were currently a work in progress.</p> <p>A further observation regarding procedures was that these did not typically contain document control information such as:                      Version number                      Date                      Author                      Approver</p>	<p>Lack of access to procedures, or lack of certainty regarding versioning, may lead to inconsistent or incorrect application.</p>	<p>The procedure and guidance documents should be promptly reviewed and returned to the central folder to ensure they are available to staff.</p> <p>These documents should include a simple table or other method for version control information.</p>	<p>Agreed</p> <p>To complete the review of all transfer out guides and get these approved and signed off.</p>
<p><b>Responsible Officer</b></p>	<p>APF Training Team</p>	<p><b>Target Implementation Date</b></p>	<p>September 2026</p>



	Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<b>L2</b>	<p><b><u>McCloud Remedy</u></b>                      We note from the Pension Fund Administration Performance Report taken to the Pension Board on 3 June 2025 that, with regard to the McCloud remedy, APF have finished processing certain types of transfer out cases such as non-club and interfund, but there are more complex cases still to be resolved, including for instance club transfers.</p>	Member data is not fully reliable.	APF should continue work on updating affected member records, to ensure that the McCloud remedy is fully integrated and accounted for.	<p>Agreed.</p> <p>APF, with the full support of the Pension Board, have decided to exercise its discretion to make a determination in respect of McCloud. This will give the fund until 31 August 2026 to complete all remaining remedy cases.</p>
	<b>Responsible Officer</b>	CN, Pensions Operations Manager	<b>Target Implementation Date</b>	August 2026

	Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<b>L3</b>	<p><b><u>Induction Evidence</u></b>                      Induction spreadsheet summaries were provided for two recent starters in Member Services. Whilst these included standard checklists and schedules, the documents did not make it clear whether all activities had been completed, for example:</p>	This may reduce the level of assurance provided by the documents that all induction activities were completed.	APF should ensure that induction records make it clear whether all activities were completed as planned.	<p>Agreed.</p> <p>To review the process of completion of these and follow up with admin team leaders for relevant sign off as needed.</p>



<p>Checkboxes alongside the checklists had not been used. Dates for the completion of activities had not always been recorded (in some instances these were recorded on one example but not the other).</p>			
<p><b>Responsible Officer</b></p>	<p>APF Training Team</p>	<p><b>Target Implementation Date</b></p>	<p>June 2026</p>

Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<p><b>L4</b></p> <p><b><u>Training Gaps</u></b> Based on a summary spreadsheet of staff training activity, although there is a good amount of both formal and on-the-job training provided, the data suggests that not all staff were fully up to date. For example, CH and KL both had gaps showing in their training.  Furthermore, our sample of cases included two where uncertainty or errors had occurred, potentially as a result of inexperience.  Member 192957: Incorrect</p>	<p>This may increase the risk of errors occurring or inconsistent practices being applied.</p>	<p>The Training Team and Line Managers should ensure all training is fully up to date.  All relevant staff have a thorough awareness of rules relating to aggregations and where necessary independent technical advice is sought at an early stage.  Where the member has expressed uncertainty, APF should consider contacting them for further discussion or to advise as necessary.</p>	<p>Agreed.  APF training team will create a simple competency matrix spreadsheet that will encompass learning from the initial induction sessions through to the more detailed training. This will show when training has taken place and where training gaps are. Senior Officers and Team leaders from the admin teams should be checking work and feeding into the training team where further knowledge is needed based on error rates.</p>



	<p>handling of prior benefits with a separate Scheme Administrator resulted in funds having to be returned.</p> <p>Member 198264: Incorrect discharge forms were issued, which, based on the supporting evidence, was avoidable.</p> <p>We note these cases were resolved at the time.</p>			
	<b>Responsible Officer</b>	APF Training Team	<b>Target Implementation Date</b>	June 2026

	Identified Weakness	Potential Implication	Recommendation	Agreed Actions
<b>L5</b>	<p><b><u>Supporting Evidence for Scam Checks</u></b> Non-club transfer out for member 65969.</p> <p>Supporting evidence for the Financial Conduct Authority (FCA) checks consisted of screenshots, but these did not provide any indication of whether the company was authorised to manage pensions and to give advice relating to the transfer of pensions, the</p>	<p>Lack of robust supporting evidence could be seen as an indicator that due diligence checks were not thorough.</p>	<p>Screenshots supporting independent checks should clearly show that the receiving scheme is authorised to conduct specific activities in relation to pensions.</p>	<p>Agreed.</p> <p>Refresher training and procedure guides to be re-issued to team to ensure there is a clear understanding of the need for clear screenshots and evidence.</p>



	<p>latter being relevant due to the independent financial advice being provided to the member by an employee of the receiving scheme.</p> <p>Our own online search using the FCA website was able to find these details.</p> <p><a href="#">Firm details   FCA</a></p>			
	<b>Responsible Officer</b>	PR, Member Services Team Leader	<b>Target Implementation Date</b>	April 2026

	<b>Identified Weakness</b>	<b>Potential Implication</b>	<b>Recommendation</b>	<b>Agreed Actions</b>
<b>L6</b>	<p><b><u>System Report Data Quality</u></b> There appeared to be some data quality issues relating to the Transfer Out Deferred Quote Export system report provided.</p> <p>For example, member 187636, a quotation was produced and checked in August 2025, yet the TV_QUOTE_SENT date was shown as March 2022.</p>	Unreliable data can impede analysis and decision making.	APF should identify the cause of the data discrepancies and take action to ensure that the data is fully up to date and reliable.	<p>Agreed.</p> <p>Improved reporting has been developed in SQL/SSRS and has already been implemented.</p>



	<p>In total there were 78 entries within the report where the TV_QUOTE_SENT date was earlier than the BTVOQ - Case Created date.</p> <p>This suggests that either data within the system, or the reporting functionality, is not fully reliable.</p>			
	<p><b>Responsible Officer</b></p>	MW, Senior Business Analyst	<p><b>Target Implementation Date</b></p>	Immediate



## Guide to Assurance Ratings

Assurance Rating	Opinion
Level 5 Full Assurance	The systems of internal control are excellent with a number of strengths evident. No weaknesses have been identified, and full assurance can be provided.
Level 4 Substantial Assurance	The systems of internal control are good with a number of strengths evident and substantial assurance can be provided.
Level 3 Reasonable Assurance	The systems of internal control are satisfactory, and reasonable assurance can be provided. However, there are a number of areas which require improvement.
Level 2 Limited Assurance	The systems of internal control are weak and only limited assurance can be provided. Prompt action is necessary to improve the current situation and reduce the levels of risk exposure.
Level 1 No Assurance	The systems of internal control are poor, and no assurance can be provided. There are fundamental weaknesses, and urgent action is necessary to reduce the high levels of risk exposure.

## Report Distribution

This report has been shared with key audit clients and service area management. You may wish to further share this report with colleagues directly involved in this area and any other interested parties.

## Acknowledgements

Internal Audit thank management and service staff for the cooperation and assistance throughout this audit review.