Preface

The ISC’s Best Practise Guide to the Detection of Superannuation Fraud was last revised in 1998. Other than minor revisions to reflect the change of regulator and the growth in superannuation assets, information in the booklet and accompanying checklist remains largely unchanged.
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Introduction

Australia’s superannuation savings pool stands currently at around $500 billion and forms the basis of an industry which shows little evidence of fraudulent activity. However, projections show that this figure will continue to grow significantly in the next twenty years and with it, the incentive for fraud.

This trend places an increasing onus on superannuation fund trustees1 to ensure that adequate internal controls are established within their funds to safeguard members’ assets against fraud. The absence of appropriate internal controls can potentially give rise to problems for trustees, the funds they manage and their members.

This guide provides trustees with a practical approach to fraud detection and prevention, and should not be considered a substitute for professional advice.

It focuses on the areas of greatest risk through the use of case studies and identifies how these risks can be minimised through the use of internal controls.

A Superannuation Fraud Checklist for Trustees has been prepared to accompany the guide. Trustees should use the checklist on a regular basis as part of their strategy to minimise the risk of fraud within their fund. The guide and checklist have been designed to cater for all types and sizes of superannuation fund and, therefore, not all information will apply to all funds.

For further information on the prevention and/or detection of fraud, trustees are advised to speak to their responsible supervisor at the Australian Prudential Regulation Authority (APRA) or call the APRA Contact Centre on 1300 13 10 60.

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1 For the purposes of this guide, the term ‘trustee’ refers to directors of corporate trustees and to individual trustees.
How to use the guidebook and checklist

The aim of *How to Reduce the Risk of Fraud – A Best Practice Guide for Trustees* and the checklist is to assist trustees to:

- identify areas of a fund that are most at risk from fraud, and
- implement appropriate procedures to minimise the risk of fraud.

**Fraud control strategy**

The how, why and when of fraud

**What is fraud?**

Fraud can be defined as ‘an intentional misstatement of information to obtain financial benefits through improper, unauthorised or illegal actions’. In simple terms, this means the covering up of theft. A most notable example of fraud was the alleged misappropriation of almost $1 billion from the pension funds of two Mirror Group companies in the United Kingdom by the late Robert Maxwell in 1990.

**How does it occur?**

Fraud is based upon concealment or the hiding of information. The types of fraud that most commonly occur in the superannuation industry include the:

- diversion of funds
- conflict of interest between trustees, administrators and investment managers
- misappropriation of assets
- improper registration and use of the fund’s assets.

The majority of fraud in any industry is committed by those close to the operation of the fund such as employees or service providers.

**These are typically first time offenders in a position of trust and, due to weak or the total absence of internal controls, have ample opportunity to commit the crime.**
Examples
• A trustee with sole authority for the redemption of fund investments stole $975,000 from his superannuation fund. The reconciliation procedures in place were not able to identify the theft in time to recover the assets.
• An employee of an internally-administered superannuation fund diverted $2,000,000 from the superannuation fund into a personal bank account by exploiting weak internal control procedures.
• A fund accountant diverted $50,000 of contribution receipts to a personal bank account and concealed the fraud for six months. The fraud was not discovered in time to recover the assets.

How is a superannuation fund vulnerable to fraud?

There is the potential for fraudulent activity to occur every time a transaction takes place within a superannuation fund. The following diagram shows the flow of transactions within a superannuation fund. Any of the transactions below could be subject to fraud and it is the responsibility of the trustees of a superannuation fund to ensure that assets:

• flowing into the fund reach their destination intact
• residing within the fund are safeguarded
• flowing out of the fund relate to valid transactions.

In addition, certain assets and certain transactions are inherently more susceptible to fraud. The larger the asset balances, and the more frequently the transactions occur, the greater the risk of fraud within the fund.

Opportunity + motivation = fraud

Opportunity
Minimising opportunity is the most important element in fighting fraud.

The opportunity to commit fraud can arise in any type of fund, large or small. Gaps in controls, and over-reliance or misplaced trust in colleagues or key employees can increase the potential for fraud.

Motivation
The reasons and motivations to commit fraud are invariably personal and unpredictable and, as a result, difficult to detect and prevent.

Management can reduce the motivation for employees to commit fraud by:

• providing adequate remuneration and reward
• highlighting standards of integrity
• emphasising codes of conduct.
Individuals react differently, making the effectiveness of these initiatives difficult to monitor. An employee with high standards of integrity may respond well; others may not, making opportunity the more effective approach to fraud prevention.

**Fraud signals**

The signals that should alert trustees to potential fraud in a fund are:

- dominant trustees/senior management
- deterioration of earnings
- dispersed business – inadequate reporting
- long staff hours
- high staff turnover in key positions
- frequent changes of solicitors/auditors
- uncorrected control weaknesses
- conflicts of interest
- premature reporting
- variances in analytical reviews
- large year-end transactions
- unusual payments
- unexpected audit difficulties and/or difficulty in obtaining audit evidence
- poor staff morale
- large commissions
- defensive responses to queries
- member complaints
- unnecessary complexity.

Should any of these signals be present, trustees should obtain full explanations from relevant personnel in the fund. An unsatisfactory response could indicate that fraud is evident and a full review of the fund and its internal control structure may be warranted.

**The role of internal control**

Internal control refers to the processes, methods and procedures established by trustees to provide reasonable assurances that the procedures adopted by the trustees to meet the fund’s objectives are being properly and appropriately met. An effective internal control structure provides reasonable assurances to trustees that:

- the fund’s business is being conducted in an orderly and efficient manner
- irregularities are being prevented as far as is possible, and promptly detected and dealt with when they occur
- assets are safeguarded from unauthorised use or disposal
- records completely and accurately reflect the entire operational activities of the fund and permit the timely preparation of financial information.

**Control design and implementation**

The four ‘golden rules’ for the design and implementation of internal controls are:

- controls should provide an effective safeguard over the assets or control over the transactions
- controls should be fully-documented and communicated to relevant personnel
monitoring systems should ensure the proper operation of key internal controls on a day-to-day basis

regular independent reviews of the procedures should ensure that the controls continue to operate as intended and are still appropriate following any changes to the fund.

It is the trustee’s responsibility to ensure that an internal control structure is in place no matter what the size and/or complexity of the fund. The internal controls should evolve as the fund develops and grows.

The responsibility for the design and implementation of effective internal control rests firmly with the trustees.

The internal control structure of a fund in its start-up stage is generally less defined than that of a growing or mature fund. A very small fund can often be controlled adequately through the direct supervisory activities of trustee directors. As the fund grows, control tends to become more decentralised, particularly with the introduction of external service providers such as administrators, investment managers and custodians.

Trustees must ensure that their internal control procedures are adequate for the fund. They must take into account the size and nature of the transactions and the extent to which the fund management and administration functions are outsourced to service providers. Even though trustees can outsource duties to external service providers, the responsibility to protect the fund from fraud cannot be delegated.

Internal controls come at a price. This may be in the form of additional personnel or equipment or as an indirect cost through increased operational procedures. A common focus is on the additional costs incurred by the controls and not on the benefits they deliver. However, internal controls can prove to be a very cost effective investment when balanced against the potential losses from fraud and error.

A fundamental principle for maintaining an effective internal control system is providing a healthy and positive control environment. The attitude of the trustee board and management is a critical element in shaping the control environment.

The control environment

The control environment provides the discipline and structure for an effective system of internal control. The risk of fraud occurring is greatest where the control environment is weak.

The key factors influencing a superannuation fund’s control environment are:

- trustee attitude
- organisational and personnel practices
- segregation of duties
- management information systems
- review processes
- compliance with legislation.
**Trustee attitude**

Trustees that demonstrate a commitment to an effective control environment will influence the attitude of the fund’s staff and external service providers.

Close trustee involvement in the operation of the fund through monitoring and resolution of control issues demonstrates to staff and service providers that the procedures are valuable and need to be adhered to.

**Organisational and personnel practices**

A clear and documented organisational structure is required to define duties and responsibilities and also show lines of reporting. This should take the duties and responsibilities of external service providers into account.

A code of conduct is required to outline expectations for each staff member, irrespective of whether they are a contractor, employee or consultant, and typically provides guidance in areas such as conflicts of interest.

A detailed procedures manual for administration and fund management functions assists in understanding the control environment and also provides a benchmark against which employees and/or outsourced service providers can be monitored.

Regular training is required to update trustees and staff of changes to the fund’s procedures and changes in legislation.

Standards in hiring staff and appointing service providers should be maintained to ensure that they are capable, competent and trustworthy.

**Segregation of duties**

Trustees should ensure that the same person does not execute transactions and record transactions anywhere within the organisation.

Focus should be directed towards more vulnerable assets or transactions to ensure that duties are adequately segregated, particularly dealing with cash, investments, contributions and benefits.

In a small fund where resources are limited, close supervision by trustees can often be as effective as the complete segregation of duties.

**Management information systems**

Trustees require internal and external administrators to provide certain information which, as a minimum, should include:

- details of all benefit payments
- details of contributions receivable
- supporting documentation for investment movements
- details of cashflows
- supporting documentation for transfers out
- details of members’ complaints including action taken to resolve the complaints.

Management information systems should support the fund’s documented procedures by providing complete and timely reports to trustees and fund members.

Trustees should be satisfied that the system provides the necessary information to meet their obligations in relation to fraud minimisation and internal control.
The system should be strictly controlled and authority delegated only to people with appropriate skills. This is particularly relevant to information systems that are dependent on the use of computers.

Trustees should ensure that appropriate access controls like passwords are established to prevent unauthorised access to systems and records.

Major changes to computer systems should involve independent review to provide assurance that the new system operates as expected and the transfer of data from the old system has been carried out correctly.

**Review processes**

Regular reviews of the fund’s administration and accounting systems and procedures will assist in evaluating and monitoring the control environment and improving the trustee reporting system.

Fund size permitting, an internal audit function should be established to assist in the review process. The establishment of this function also serves as clear evidence of management’s commitment to a strong control environment.

Recommendations will generally stem from internal audit that should outline areas where trustees and administrators should review their processes and make appropriate changes.

In addition to the internal audit function, advice can be sought from external auditors or other specialists in assessing the effectiveness of controls.

**Compliance with legislation**

The *Superannuation Industry (Supervision) Act 1993* (the SIS Act) and its associated regulations form the governing legislation for regulated superannuation funds. Many of the provisions of the SIS Act are designed to promote a healthy internal control environment within a fund. These include:

- establishing limits on in-house asset investments
- requiring equal employer and member representation on the trustee board of directors and two-thirds quorum on decisions
- requiring that investments are made on an arms-length basis
- requiring that members’ minimum benefits are maintained in the fund
- requiring an investment strategy
- requiring that contributions are promptly paid in the fund.

**Minimising the risk of fraud through the use of controls**

Having obtained an understanding of the key components of a strong control environment, trustees should direct their attention to identifying the key elements that support, and indicate the effectiveness of, their fund’s control environment.

There are two broad categories of internal control that counter fraud:

- preventive controls
- detective controls.
Preventive controls
These controls are the fund’s first line of defence. If they are fully effective, the opportunity for fraud is greatly reduced. The types of controls included in this category are:

- accountability
- safeguards
- records
- authorisations.

Detective controls
These controls act as the fund’s second line of defence. Their purpose is to quickly detect fraud when it occurs. The sooner the fraud is detected, the more chance there is of recovering the misappropriated assets.

The types of controls included in this category are:

- reconciliation
- verification
- review and monitoring.

Preventive controls

Accountability
Are all transactions properly accounted for?
Examples of control procedures include:

- ensuring persons who undertake control procedures are held accountable for their performance by those who monitor their activities
- ensuring persons who monitor the performance of control procedures are held accountable by the trustees.

Safeguards
Are all transactions properly safeguarded?
Examples of control procedures include:

- establishing documented authorisation procedures for the release of fund assets
- establishing physical security procedures for fund assets through the use of safes or an independent custodian
- considering whether there are any conflicts of interest before authorising new investments
- establishing written agreements with custodians outlining duties, responsibilities and indemnities
- establishing procedures to ensure all assets are registered in the name of the fund upon acquisition.

Records
Are all transactions properly recorded?
Examples of control procedures include:

- establishing and documenting procedures for recording information
- linking the control procedures for authorisation to those of recording so that only properly-authorised transactions are recorded
- recording transactions on a timely basis to ensure that all unauthorised transactions are immediately identified.
Authorisations
Are all fund transactions authorised? Trustees are responsible for authorising the overall function of the fund through:

- setting down procedures in accordance with the Trust Deed
- establishing and implementing an investment strategy
- authorising the appointment of investment managers, administrators and auditors
- passing resolutions on benefit payments, crediting rates and contribution rates
- delegating day-to-day responsibilities to staff.

Detailed authorisation procedures should be established for day-to-day activities such as:

- drawing and issuing cheques for the payment of fund expenses
- drawing and issuing cheques for the payment of benefits
- banking contribution receipts
- investment of the fund’s cash flow.

These principles still apply to funds that have engaged the services of outside parties such as administrators, investment managers and custodians. It is the responsibility of the trustees to seek proper assurance that there are effective controls operating within these organisations to whom they have delegated duties.

Detective controls

Reconciliation
Are key reconciliations performed properly? Accounting records should be reconciled to independent data on a regular basis to ensure that errors in recording are quickly identified. The frequency of reconciliation should be a function of the number of transactions that take place within a given time period. Examples of control procedures include:

- reconciliation between bank statements and cashbook with explanations for any differences
- reconciliation between accounting records and members’ statements
- reconciliation between investment manager statements and investments recorded in the accounts, including investment income
- reconciliation of benefit payments and movements in membership numbers.

Verification
Are all assets recorded? Ensure that all recorded assets exist and that any discrepancies between the actual assets and accounting records are investigated. Consistent with the obligation on trustees to ensure that the assets of the fund are safeguarded, trustees have a responsibility for ensuring the existence of the fund’s assets. Examples of control procedures include:

- regular stock-takes to ensure that the investments as recorded are physically held by the custodian and are held in the name of the fund,
- regular reviews of investment managers’ audit/internal control reports to ensure there are no weaknesses or discrepancies

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2 The responsibility for establishing the level of authority given to each activity rests with the trustees and this authority should be documented in a procedures manual or written into investment managers’/administrators’ agreements.
regular reviews of the fund’s bank statements to ensure no unauthorised disbursements have occurred.

**Review and monitoring**

Are there effective review and monitoring processes?

Ensure that unauthorised or inaccurate transactions are detected. Trustees have an obligation to closely review and monitor the operation of their funds. Close scrutiny of financial information is an effective detective control. Examples of control procedures include:

- reviewing major account balances against budgeted and prior year figures
- monitoring investment performance against investment strategy
- reviewing contributions and benefit payments in light of membership numbers
- reviewing key accounting reconciliations such as:
  - members’ account balances against the fund’s net assets
  - fund reserves against the fund’s net assets and
  - investments and investment income against investment manager/custodian reports.

The primary responsibility for the detection and prevention of fraud and other irregularities rests with the trustees.

Auditors do not have a duty to actively look for occurrences of fraud nor does the scope of a financial or compliance audit extend to giving the trustees comfort on the system of internal controls within the fund. External auditors will only report control deficiencies or irregularities if they come to light as part of the audit testing undertaken on the financial statements.

In forming an opinion on the financial information of a superannuation fund, auditors perform procedures designed to obtain reasonable assurances that the financial information is properly stated in all material respects. Due to the nature of the tests and other inherent limitations of an audit, there is an unavoidable risk that even some material misstatement may remain undiscovered. As such, the audit cannot be relied upon as a detective control.

**Monitoring the control processes**

An effective system of internal controls must be monitored on an ongoing basis to ensure that:

- the internal controls that have been implemented are still operating
- any changes in fund operations have not rendered any of the internal controls ineffective or obsolete. Examples of such changes include new investment managers, new employees, significant changes in the size of the fund, changes in the benefit structure, changes in the computer systems or changes in superannuation fund regulation.

**Key monitoring processes**

- fraud control review checklist
- internal audit
- prudential reviews.
Trustees should use the *Superannuation Fraud Checklist for Trustees* on a regular basis to review internal controls.

As previously stated, an internal audit function should be established, the size of the fund permitting. This function will assist in identifying areas of weakness on which trustees and administrators should focus. It also serves as a monitoring function to ensure that, where areas of weakness have been identified, corrective action takes place.

Further assurance can be obtained through a prudential review of the fund. This is an independent review that is carried out at the request of the trustees to provide comfort that members’ funds are being safeguarded through adequate management and administration systems, policies and procedures.

**Prudential reviews**

Prudential reviews can be carried out by independent external parties such as the fund’s external auditors or specialist consultants, and include a detailed evaluation of the fund’s internal control system with emphasis on:

- systems documentation
- administration practices over contributions receipting and control, cash handling and investment of cash funds
- systems back-up procedures
- annual review processing
- administration personnel training
- computer access controls.

It should also include an evaluation of trustee functions such as:

- monitoring of investment performance
- evaluation of investment manager’s performance
- evaluation of current investment strategies
- evaluation of investment applications and redemptions
- evaluation of service providers
- handling member complaints.

**What can go wrong?**

The following case studies identify potential fraudulent activities and procedures that should be in place to prevent these activities from occurring. The focus of these case studies is in the following key risk areas: investments, cash, contributions and benefit payments.
**Investments**

**Risks**
- investments are misappropriated by the investment manager
- investment income is misappropriated
- investment decisions that are not in the best interests of the fund result in loss of fund assets.

**Specific control objectives**
- all investment transactions are authorised and recorded correctly
- investment income is promptly banked
- investment managers are held accountable for investment decisions made under their authority
- all investment income is collected
- investments are properly safeguarded.

**Best practice control procedures**
- regular reconciliations between investment manager report and accounting records
- comparison of dividend income with published sources
- comparison of investment decisions with trust deed and investment strategy
- appointment of a reputable custodian
- segregation of duties between recording of investment transactions and receipt of funds
- written investment management agreements are in place, with a proper description of duties and responsibilities
- written indemnities are obtained from investment managers and custodians
- regular review of the investment manager’s professional indemnity policy to ensure it is current.

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**Illustrative case study: misappropriation of investments**

**Facts**
A director of an engineering firm was also a trustee for the superannuation fund. He had sole responsibility for the investment of the fund’s assets. The director redeemed part of an investment to the sum of $975,000. There was no secondary authorisation procedure required as he authorised the transaction himself. The reconciliation between the bank statement and the cashbook identified the discrepancy three months later, at which point the director and the funds had disappeared.

**Preventive measures**
- segregation of duties between authorisation of transactions and receipt of funds
- dual authorisation for significant investment transactions
- board approval of major investment transactions
- regular bank reconciliations.
**Cash**

**Risks**
- cash receipts are diverted into personal accounts
- invalid cheque requests are submitted
- bank reconciliations are altered to conceal misappropriation.

**Specific control objectives**
- cash is safeguarded within the fund
- all receipts are collected
- all payments are valid.

**Best practice control procedures**
- cash is held in a bank account - petty cash is to be kept below a maximum as authorised by the trustees
- authorisation from a senior member of staff prior to opening a new bank account - bank instructed to use only authorised accounts
- regular bank reconciliations undertaken by a person independent of the cash receipts payment function
- bank reconciliations reviewed and signed off by senior personnel
- segregation of duties between personnel receiving cash and personnel accounting for cash
- payments are only made upon the authority established by the board and only with the required documentation.

**Illustrative case study: control breakdown**

**Facts**
A large superannuation fund made use of an in-house investment manager/administrator. Contributions and benefit transactions were conducted at a different location to the fund management function and an employee was able to divert $2 million into a personal bank account.

The employer-sponsor would pay contributions quarterly in advance so as to maintain a buffer of funds and to ensure that there were always liquid funds available to make benefit payments.

The employee in question was responsible for the payment of benefits. He would estimate the benefit payments for the coming quarter then place a request to the employer to make the contribution payments to ensure there were sufficient funds available.

The authorisation procedures in place to permit the establishment of a new bank account were not functioning properly and were not monitored properly by the trustees. The employee was able to set up a new bank account without placing a written request.

This allowed the employee to set up a bank account in his own name and request the payment of $2 million for the purpose of benefit payments to his own account.

**Preventive measures**
- established procedures for opening new bank accounts – requiring specific authorisation
- authorisation procedures for requesting contributions from employer-sponsored
- segregation of duties between those recording receipts and those banking receipts.
**Contributions**

**Risks**
- Contribution receipts are misappropriated
- Contributions are received for imaginary members
- Contributions are allocated to incorrect members’ accounts
- Contributions are not remitted to the fund.

**Specific control objectives**
- Contributions are correctly recorded and promptly banked
- Additional contributions for new members are correctly authorised
- Contribution receipts are correctly allocated to members’ accounts.

**Best practice control procedures**
- Regular reconciliation between the fund’s membership records and those of the employer-sponsor
- Regular reconciliation between amounts due, amounts remitted and amounts banked
- Segregation of duties between recording contributions and persons banking remittance.

**Illustrative case study: the cover up**

**Facts**
The accountant in a small internally administered fund was responsible for recording the contribution receipts and allocating these receipts to the members’ accounts. He was also responsible for banking the cheques when his assistant was on holiday.

On one such occasion, the accountant redirected $50,000 of member contributions to his personal bank account. To prevent detection, the next month’s contribution receipts were applied to the account from which the money had been stolen. The accountant carried on this process, making it appear that the differences appearing in the members’ accounts were simply due to timing. It was not until the accountant was forced to take time off that the theft was noticed.

**Preventive measures**
- Segregation of duties between the receipts function and the recording of those receipts. This procedures should be in place at all times
- Regular reconciliation of members’ accounts
- Reconciliation between expected, remitted and banked contributions.
Benefit payments

Risks
- benefit payments are misappropriated
- benefits are paid to imaginary members, and
- benefit payments are overstated.

Specific control objectives
- benefit payments are correctly calculated and promptly paid out
- benefit payments are authorised.

Best practice control procedures
- benefit calculations are subject to review by personnel not involved with the original calculation to check their accuracy
- authorisation procedures are in place to ensure that the member and the trustee are aware of the benefit to be paid and are in agreement
- dual signatories on cheque
- cheque signatories are segregated from those responsible for requesting and drawing payment
- regular reconciliation of member accounts takes place to ensure that records are kept up to date and exiting members are removed.

Illustrative case study: no checks on cheques

Facts
A small employer-sponsored fund (50 members) was administered internally by the employer. The assistant accountant has been given the task of looking after the administration of the fund including the preparation of the annual accounts.

Shortly after the 30 June 1995 year end, the accountant drew a cheque from the fund’s cash management account to make a benefit payment to a retiring employee, who was a close friend of the accountant. The amount of the cheque was made out for $10,000 greater than the accumulated benefits of the member as shown in the member accounting records.

The trustee directors signing the cheque did not review the supporting documentation nor did they sight evidence of the member’s balance as recorded on the system. The $10,000 was later split between the accountant and his close friend.

The accountant left the company just prior to the commencement of the 1995 financial year-end audit after two similar frauds were perpetrated.

Preventive measures
Benefit calculations, including supporting documentation, should be subject to independent review prior to signing the cheques.

Note: The less the segregation of duties, the more rigorous the supervisory review should be. Reconciliation of member accounts to the fund’s net assets should be performed and subject to regular review by an independent staff member. These reviews should be documented.
Due diligence procedures - getting started

The following are examples of key procedures that should be conducted by new or prospective trustees to assist them in understanding and evaluating the operation of the fund:

- consider the quality of the most recent management reports and financial statements
- consider whether these reports are giving sufficient information to the trustees and the members
- consider the level and adequacy of training provided to staff, management and trustees
- consider the most recent audit management letter and establish whether remedial action has taken place
- review the investment strategy of the fund. Determine whether it is being followed by reviewing financial information
- identify significant variations in contributions, benefit payments and investments between the two most recent financial statements. Obtain explanations for these changes and establish whether they are plausible
- review the most recent statement of the fund’s cash-flow. Evaluate whether the fund is managing its cash-flows properly
- obtain copies of the most recent minutes of trustee meetings and follow through unusual items including actions for any complaints received from members
- inquire into the administrators’ and investment managers’ procedures and policies and obtain a knowledgeable understanding of the overall system
- review all service providers’ contracts (such as actuaries, administrators, investment managers, auditors). Assess whether the duties and responsibilities of each party are clear and in place
- review the current trust deed of the fund. Assess whether the principle clauses, for example, benefit payments, contributions, allocation of earnings and trustee duties/responsibilities, are clearly defined.

It is important that trustees understand the fund’s operations, the investment strategy and the internal control structure to ensure that they meet their responsibilities.

To be effective, newly appointed trustees will need to familiarise themselves with the fund’s activities. This task can, if conducted with a level of directed inquiry, assist with highlighting current shortcomings/weaknesses in the fund’s systems of internal controls. Some of the shortcomings/weaknesses could directly point to the existence of, or opportunity for, fraud within the fund. Accordingly, matters raised during this process of inquiry should always be vigorously followed through to the satisfaction of the individual.

Trustees should always be prepared to ask questions about any matter they are unsure of or uncomfortable with. This is an important part of their role and they must be satisfied with the responses they receive.