

FINAL MANAGEMENT ACTION PLAN

Directorate:	Business Services
Audit report:	Review of Pension Administration
Dated:	3 March 2017

PRIORITY RATINGS

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control

I agree to the actions below and accept overall accountability for their timely completion. I will inform Internal Audit if timescales are likely to be missed.

The auditor agrees that the actions set out below are satisfactory.

Lead Responsible Officer (HOS): Simon Pollock

Auditor: Siva Sanmugarajah

Date: 15 March 2017

Date: 14 March 2017

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Officer Responsible	Audit Agree?
5.10	<p>Senior management should ensure that changes to pension regulations impacting on its administration are managed promptly and effectively by</p> <ul style="list-style-type: none"> adequately resourcing the team with required technical skills to manage the workload and reduce the build up of backlog which 	High	A restructure was launched on 28 th February 2017 to formalise the move to split the team into two areas of focus namely 'backlog' and 'new' works. The structure change has actually been in operation since 20 th February to ensure adequate response to the urgent issue of managing down backlog.	Restructure to address backlog – 20 th February 2017	Jason Bailey, Pensions Lead Manager	√

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5.10 contd	<p>commenced on 20 February 2017;</p> <ul style="list-style-type: none"> • implementing clear and concise communication channels to members to demonstrate transparency of operations and keep the levels of dissatisfaction and complaints down; and • introducing self service facilities as proposed 		<p>A new interim Operations Manager post has been created to assist this change and the structure will persist as long as the backlog remains. A management dashboard has been built using Tableau to monitor backlog position.</p> <p>The responsibility for complaints management will pass to the Customer and Staff Experience Lead who will meet weekly with the Head of Service to highlight the current situation. The restructure will be compliant with Surrey Change Management procedures and has various checkpoints to ensure that the team are aware of the change.</p> <p>A project is currently underway to implement</p>	<p>New interim Operations Manager appointed – 1st April 2017</p> <p>Complaints process changes – 1st April 2017</p> <p>Self-service launch – 1st April 2017 (existing) and</p>		

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5.10 contd	(see later in this report) sooner rather than later to reduce the burden on the team.		member and employer self-service and a pilot is also in place for a product i-connect which allows for bulk uploads by large employers. A communications plan to encourage uptake will form part of the planning for the self-serve project. A further incentive will be made in August 2017 when the Annual Benefit Statements move online.	1 st June 2017 (new)		
5.18	<p>The various changes that are required for the operations of the pension administration team to be stable should be prioritised and addressed in a co-ordinated manner so that staff will feel supported and empowered. These include:</p> <ul style="list-style-type: none"> Ensuring a full complement of suitably qualified staff in the teams; 	High	The restructure has been built around understanding the workload and resources have been assigned to be able to meet demands. As the new works team grows its workload, resource planning will take place between the Operations Managers and Lead Pensions Manager to assign the right resource level to each part of the	The changes described will be implemented in full by 1 st April 2017.	Currently managed by Pensions Lead Manager and the Operations Manager will become responsible once appointed	√

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5.18 contd	<ul style="list-style-type: none"> Investing in formal training for new and existing staff to increase their technical competency; Managing staff performance adequately to ensure staff are accountable for their work; and Achieving the objectives in full, set out in the Consultation Document. 		<p>operation. The process owner continues to build the process definitions which will help process understanding.</p> <p>Management coaching has taken place in February 2017 and technical training has been requested from Heywoods to improve the use of the system. Customer service training was mandatory and delivered through July to September 2016. A skills matrix has been developed and is with Team leaders for review. A strong requirement for the restructure is for visible performance management. The dashboard and introduction of the interim new works Operation Manager will allow for more success in this area.</p>	Training approvals to be in place for 31 st March 2017.	Jason Bailey, Pensions Lead Manager	

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5.19	Taking on further work to administer pensions of other authorities should be reviewed in the short term until all the changes to the team have been implemented and the stability of working arrangements have been maintained. A template document detailing a clear business plan, and related processes as well as risk assessments should be drawn up to include the step by step process that should be followed when considering taking on additional work. There should be an approval process in place to assess the new work and its impact. This should be communicated to SPFC and SLPB to enable the impact of the new work and coping mechanisms to be fully scrutinised and understood so that actions taken are	Medium	Our commercial manager has a 'go'/no go' procedure for any commercial business. This is highly structured and follows the Shipley methodology which is nationally recognised as best practice in commercial bidding. The head of service is required to assess the 'go'/no go' outcomes and finalise the decision to proceed. A 4-way briefing paper is then summarised for the Leader, directors and portfolio holder to give final approval. This process should adequately cover the aspects outlined as required in the MAP.	Already in place.	Jason Bailey, Pensions Lead Manager	√

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5.19 contd	transparent to Councillors and members and employers of the Surrey Pension Fund.					
5.20	The work done by the Pension Help Desk should be developed and reported to senior management on a regular basis including the Members of the Surrey Pension Fund Committee (SPFC) and the Surrey Local Pension Board (SLPB) as required. This is because of the reporting and line management responsibilities of the Pension Help Desk currently sit with the Head of Business Operations responsible for the South Team.	High	Senior members of the Pensions Operations Team and Helpdesk Team meet on a weekly basis to continue the progress of work in this area. The overall aim is to reduce the number of calls being transferred to the Operations Team enabling them to focus on case work. A plan of training sessions is in place to up skill the Helpdesk Team's knowledge in certain areas of the LGPS so that they are able to answer more queries at the first point of contact. A request is currently with IMT to implement a Hunt group system to the phones within the Operations teams which will greatly	Already in place.	Jason Bailey, Pensions Lead Manager	√

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5.20 contd			<p>improve the process for transferring calls and the speed with which the customer's query is responded to.</p> <p>Performance of the Helpdesk is currently reported on a monthly basis to Business Operations Senior Management, Pension Managers and Team Leaders. The review of KPI reporting will include details of Helpdesk performance so that SPFC and SLPB are updated.</p>			
5.27	In addition to adequate team resources and support via technology, an annual programme of planned work for the team must be formulated so that the team can respond to changes more quickly and seamlessly.	Medium	A roadmap of work has been developed documenting all planned projects and improvements for the department. This roadmap structures the approach and timelines for projects and will be published to the operational teams. A	The details described will be fully in place by 31 st March 2017	Jason Bailey, Pensions Lead Manager and Paul Corrigan, Pensions Process Owner	√

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5.27 contd			monthly report detailing the status of current projects is also published to the teams so that they are aware of upcoming changes and can plan effectively for them.			
5.31	Procedure notes should be developed using the 'As-is' process maps and formal training should be provided so that new and experienced staff can deliver the administration function more effectively.	High	A project has been launched to document work instructions for all pension services main processes. These will be best practice process notes at the present time but will be subject to review as processes change through planned improvements. All work instructions will be held in a library and be used to train new and existing staff members so that we have a common standard across the team.	Target date for completion 30 th June 17	Paul Corrigan, Pensions Process Owner	√
5.38	There should be an appropriate central system to capture all complaints to	High	The recommendation of the restructure is that the complaints management	Restructure launch 1 st April 2017.	Jason Bailey, Pensions Lead Manager	√

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5.38 contd	the team. There should also be a formal process detailing how each complaint is dealt with, the timescale within which it should be resolved, who is assigned responsibility for addressing the complaint, and the escalation routes.		will sit outside of the service. This is to allow objectivity and greater response and structure to the complaints that are outstanding. The complaints are captured using the same technology and process as the rest of Business Operations. The complaints status will be reported to the Head of Service weekly to keep the priority focused and action will be taken for repeated lack of response.			
5.43	All of the member details should be correctly migrated when the data is transferred from SAP to Altair when Altair becomes the single system for Pension Administration later this year and maintained thereafter.	Medium	This will form part of the payroll migration project.	Payroll migration scheduled to be completed by August 2017	Jason Bailey, Pensions Lead Manager	√
5.44	The need for improved communication and to	Medium	The change in operational design will give us much	Operational re-design will be fully in place by 1 April	Jason Bailey, Pensions Lead Manager and Pension	√

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5.44 contd	provide responses to requests in a timely manner by the Pension Administration Team should be emphasised. This will not only enable external reporting to be met in a timely manner but will also improve working relationships with internal and external customers.		<p>improved oversight and control of work enabling us to improve communication and service to our customers, as well as respond to reporting requests in a timely manner.</p> <p>Work ongoing with the Helpdesk Team will improve their knowledge and ability to answer initial queries, whilst the process to communicate with our customers is being improved all the time through regular review meetings with the Operations and My Helpdesk Teams. Improvements in process and the use of new bulk mailing tools has improved the timing of sending letters to new members and as more processes are reviewed further improvements will be</p>	<p>2017</p> <p>Development of My Helpdesk – Ongoing</p>	Operations Managers	

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5.44 contd			made. The projects to introduce self-service and redesign the Pensions website will greatly improve the customers' ability to gain the information they need quicker and more efficiently.	New member self-service and Website re-design to be fully in place by 1 June 2017		
5.55	The Key Performance Indicators (KPI) for Surrey Pension Fund should be re-defined to include additional pertinent KPIs such as the Transfers-In and Transfers-Out for members of the Local Government Pension Scheme as these are not currently reported. It is acknowledged that KPIs have been developed for all of the funds administered by Surrey County Council's Pension Administration Team, but the auditor did not verify these as it was outside the scope of the	High	The core Pension KPIs are currently in line with national standard and are used for benchmarking against other authorities. Specific KPIs for each of the London Boroughs were agreed under the terms of the partnership agreements and are reported on a quarterly basis as part of the review meetings. For the Surrey Pension Fund, the Governance Team are working with colleagues in Business Operations to seek customer feedback	Review of Surrey Pension Fund KPIs to be included in Administration Strategy following customer feedback and reported to the September 2017 Surrey Pension Fund Committee.	Neil Mason, Senior Advisor (Pension Fund) and Jason Bailey, Pensions Lead Manager	√

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5.55 contd	<p>audit. All comparable KPIs between funds should be compared by senior management to determine the impact the overall workload has on the performance of each KPI reported as it is currently not transparent. Based on this, the Surrey Pension Fund Committee (SPFC) and the Surrey Local Pension Board (SLPB) should be able to seek assurance from the Pension Service.</p>		<p>on performance times which will feed into a revised (if required) set of KPIs under the new Administration Strategy to be presented to the Surrey Pensions Fund Committee.</p> <p>As part of the new Operational Team design there will be a much greater focus on KPI reporting of current and outstanding workloads. This will ensure we are adhering to our agreed service levels and are completing cases in a timely and efficient manner. Tools such as the reporting dashboards which are now in place provide the ability to proactively monitor KPIs so that the management teams can adjust workloads and priorities accordingly.</p>			

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5.56	A separate risk register to highlight the risks of the Pension Administration Team should be developed, maintained and reported to the SPFC and SLPB as required.	High	<p>Through the change programme and projects that are running within the department we are required in project methodologies to hold risk logs for the individual projects. These are maintained through the project lifecycle and high level risks are escalated to the project sponsor.</p> <p>The Business Operations Service risk register holds current major risks relating to Pension Services and are monitored and responded to by SMT.</p> <p>For this reason it is not felt that a further separate risk register needs to be developed but any risks to the Surrey Pension Fund can be reported through the existing mechanism.</p>	Already in place	Jason Bailey, Pensions Lead Manager	√

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