

Pension Administration Internal audit 2016/17: Local Pension Board Progress Report

1. Progress log

Internal reference	Current Orbis progress comments	Current Pension Fund comments	Date	Previous Orbis progress comments	Previous Pension Fund comments	Date
<b>PF1/IA 5.10</b> <b>IA</b> <b>Priority HIGH</b> <b>Pension fund priority high</b>	<p>The overall performance of the team has increased slightly since the beginning of the financial year following the introduction of the new interim Operations Manager but work continues in this area. The Operations Manager and senior colleagues have focused attention initially on the 'administrator' level where work has been completed to bring performance back up to expected levels. This will not directly impact members until 'senior administrators' (who check</p>			<p>The new interim Operations Manager was appointed internally from within Business Operations and took up his post at the beginning of May. As he had no prior experience of pensions administration, it has been a steep learning curve to understand the complexities of the operation but he is now focusing on individual and team performance in relation to the 'new works' team as well as developing a training schedule (with a number of internal training</p>	<p>The Board notes the structure chart is to be provided in draft Service Specification.</p> <p>The Board questioned whether officers were confident that staff increases were sufficient to address identified backlogs. It was confirmed that there was an increase of 4-5 Full-Time Equivalents (FTE) in the team, and that this would be a short term measure to deliver the improvement work. Officers highlighted that the internal audit activity had been</p>	<p>Further comments approved 27/07/17</p> <p>Update by 12/10/17</p>

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	<p>the majority of casework) performance has improved and this is the current area of focus. The team does continue to be hampered by long term sickness absence issues as well as staff losses, though vacant posts are now in final stages of recruitment.</p> <p>As discussed previously, backlog information will be reported to the Board and Committee in future.</p> <p>The online portal is now available for active members to use which, in addition to holding annual benefit statements, also allows members to update their personal details (including nominating beneficiaries) as well as calculating their own retirement projections. As expected, the wide scale launch of the online portal in August has created an initial peak in enquiries from scheme members but</p>			<p>sessions already having taken place).</p> <p>The movement of personnel between the new works and existing work team has been extremely fluid with support required for the new works team following loss of resources due to a combination of long term sickness, resignation and unpaid leave due to overseas caring responsibilities. The current FTE for each team dedicated to (or mainly responsible for) SCC caseload work are shown in the attached chart. An ongoing recruitment campaign which initially commenced in May 2017 remains in place. To reduce the impact of other client work on the SCC caseload, the entire caseload for one of the four London Boroughs has been redirected to the Orbis Lewes office.</p>	<p>conducted through late 2016-17. It was also noted that the impact on benchmarking data would be seen in the 2017/18 figures.</p> <p>The Board note that Backlog is to be included in new proposed KPIs.</p> <p>The Board note member portal is to be rolled out for the 2017 ABS distribution.</p>	

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	the portal is expected to contribute to improved performance over the longer term.			The rollout of the member online portal was delayed pending security approval from IMT and Information Governance but has been live since the beginning of July. The main communication to scheme members will be issued once the annual statements are online. Subject to equipment availability, Pension Services will provide a demonstration of the online portal to the Pension Board.		
<b>PF3/IA 5.19</b> <b>IA</b> <b>Priority</b> <b>MEDIUM</b>  <b>Pension fund priority</b> <b>high</b>	Orbis is continuing to hold initial discussions with potential partners which we feel would bring a benefit to all funds through economies of scale and the ability to influence our supplier market. No agreements are in place at this stage. As advised previously, Orbis Business Operations would plan to base any new work at our Lewes office thus			Orbis does engage with other funds with a view to pursuing further economies of scale that will ultimately benefit the Surrey fund if the risks are clearly identified and mitigated. However, we are mindful of the potential short term impact on the Surrey fund of any new work being introduced and the intention would be for any such work to be	The Board Chairman highlighted that he was to be informed if any new business was being tendered for, and advised of what impact this was likely to have.	Further comments approved 27/07/17  Update by 12/10/17

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	minimising any potential impact on the staff working on the Surrey fund who are all based in Kingston.			managed by the Lewes team, thus minimising the impact on the Kingston team responsible for the Surrey fund case load. The Local Board and Committee would be consulted before any decision to work with new partners was made.		
<b>PF4/IA 5.20</b> <b>IA</b> <b>Priority</b> <b>HIGH</b> <b>Pension</b> <b>fund priority</b> <b>high</b>	As mentioned above, the Helpdesk team have been inundated with initial queries following the introduction of the online portal but two temporary staff have been brought in to assist and enquiry volumes should return to normal levels by the end of October.			Orbis recognises that the Helpdesk is the first point of call for the majority of scheme members who contact Pension Services. Significant resource has been invested in this area and the Helpdesk currently handles approximately 2,700 enquiries for the Surrey fund alone each month and has a 'first point fix' rate of around 85%. This is considered very high for a helpdesk team working in such a technical area, and is a testament to the training already invested in the Helpdesk team and the availability of supporting technology. Over Q2 and	The Board note that Backlog is to be included in new proposed KPIs.	Further comments approved 27/07/17  Update by 12/10/17

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				Q3 the Helpdesk team will be looking to further expand their knowledge base by work shadowing the operational teams. The Customer Experience team analyse feedback for the Helpdesk team from a 'Click' rating attached to every outgoing email and this is relayed to the Helpdesk Supervisor and Pensions Manager. Satisfaction levels are currently running at around 80% (though this includes feedback for all funds managed by the Helpdesk).		
<b>PF7/IA 5.38</b>  <b>IA</b> <b>Priority HIGH</b>  <b>Pension fund priority high</b>	No further comments as the Complaints report is now a standing item.			The new complaints process is the overseen outside of the Pensions team by colleagues in customer services and is the subject of a separate report to the Board.	<p>The Board were presented with the first Customer Complaints Report in the meeting of 27/07/17.</p> <p>This will be a standing report to the Board and will also be included in the proposed revised KPIs.</p>	<p>Further comments approved 27/07/17</p> <p>Update by 12/10/17</p>
<b>PF8/IA 5.43</b>  <b>IA</b>	The migration of the Surrey pensions payroll from SAP to the integrated			The migration of the Surrey pensions payroll from SAP to the integrated	The Board noted that the Fund actuary, as part of the triennial valuation, had	Further comments approved

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<p><b>Priority MEDIUM</b></p> <p><b>Pension fund priority high</b></p>	<p>platform has been deferred until November 2017 to allow data migration issues to be resolved. This has not caused any additional costs to the pension fund. Migration of the payroll will allow pensioners to view payslip and P60 information online in future.</p> <p>The Council's buying solution team are in the process of agreeing legal terms with the selected provider for the global address screening which has delayed the commencement of this exercise. It is hoped these can be resolved for the exercise to commence in November and the results will be fed back to the Board.</p> <p>The administration provider (Heywood) have introduced the facility (at cost) to report on common</p>			<p>pensions database (Altair) is scheduled to go live in September 2017. This will remove the duplication of data and the associated risks.</p>	<p>assessed the quality of scheme data to be good.</p> <p>The Board noted that the administration software supplier (Heywood) are to produce a report assessing the quality of common and conditional data held by the fund.</p> <p>The Board noted that a global address screening activity had been tendered, with final checks on the provider underway. The Board questioned how more detailed investigations would be conducted where required. Officers commented that this would be evaluated following the results of the global exercise, though any activity would be targeted to prioritise those about to retire or whose benefits were due.</p> <p>The PAT should provide a summary report regarding the migration of pension</p>	<p>27/07/17</p> <p>Update by 12/10/17</p>

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	and conditional data as suggested by the Regulator and it is planned to carry out this work in November/December after the follow up work from the annual benefit statement exercise has been completed. The results of the report will be fed back to the Board.				payroll data and the risk/benefit analysis of the proposed new provider.	
<b>PF9/IA 5.44</b> <b>IA</b> <b>Priority</b> <b>MEDIUM</b> <b>Pension fund priority</b> <b>high</b>	As reported above, backlog information is to be included in future reporting. The exercise to identify all outstanding members who have not been communicated with has been delayed until October because of the additional resource dedicated to the rollout of the online portal. An update will be provided to the Board at the next meeting.			Pension Services is currently identifying all members who have not been communicated with in relation to the progress of their transfer of pension rights and individual communications will be issued to these members with an acknowledgement and expected date of resolution (where we are not awaiting external information). This work is expected to be completed by 15 August.  A process change has already been introduced so that all new enquiries regarding a transfer of	The Board noted that the proposed revised KPIs to include response and follow up times.  The Board note member portal is to be rolled out for the 2017 ABS distribution.	Further comments approved 27/07/17  Update by 12/10/17

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				<p>pension rights are acknowledged to the member once the process has been initiated.</p> <p>The Helpdesk team and the roll out of the self-service portal have been covered above.</p>		
<p><b>PF10/IA 5.55</b></p> <p><b>IA</b></p> <p><b>Priority HIGH</b></p> <p><b>Pension fund priority high</b></p>	<p>In terms of workflow reporting, regular reports are now being circulated weekly to team leaders and managers to assist in managing performance and individual performance is now reviewed monthly with all members of the operational teams. Business Operations are about to trial a new product (i-Connect) which will allow automatic workflow creation for joiners and leavers and this help to improve productivity.</p>			<p>Please refer to Pension Fund comments.</p> <p>Orbis acknowledge that the workflow reporting functions provided by the current administration system are limited and fall behind current market developments. Orbis are engaged with the software supplier to improve this functionality but, in the meantime, are developing the use of an alternative reporting tool, Tableau, to assist managers in effective analysis of workflows. This does remain a resource intensive process at present, pending further development of Tableau</p>	<p><a href="#">The Board notes the scoping document for the new Administration Strategy and will review the draft Administration Strategy at its meeting of 12 October 2017.</a></p>	<p>Further comments approved 27/07/17</p> <p>Update by 12/10/17</p>

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<b>PF11/IA 5.56</b>  <b>IA Priority HIGH</b>  <b>Pension fund priority high</b>	A draft Administration Risk Register is being circulated for comments.			with IMT colleagues.  A separate risk register for administration is being developed in conjunction with the Pension Fund team and will be reported to the Board.	The Board notes the scoping document for the new Administration Risk Register and will review the Administration Risk Register at its meeting of 12 October 2017.	Further comments approved 27/07/17  Update by 12/10/17
<b>PF12/IA 5.7</b> Error! Bookmark not defined.1  <b>Pension fund priority high</b>	No further action required at this point.				The Communications Strategy should be reviewed at least annually. A review date should be added to the Board Forward Plan.	Further comments approved 27/07/17  Update in accordance with the Board Forward Plan
<b>PF13/IA5.34</b>  <b>Pension fund priority high</b>	Covered above.			Please see separate report.	The Board were presented with the first Customer Complaints Report in the meeting of 27/07/17.  This will be a standing report to the Board and will also be included in the proposed revised KPIs.	Further comments approved 27/07/17  Update by 12/10/17

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<b>PF5/IA 5.27</b> <b>IA</b> <b>Priority</b> <b>MEDIUM</b>  <b>Revised</b> <b>Pension</b> <b>Fund</b> <b>Priority High</b>	Plan is being reported to the Board.			The high level roadmap will be shared with the Board to provide some oversight of the range of improvement works currently being undertaken.	The improvement project plan, with planned changes, outputs and timescales be provided to the Board..	Further comments approved 27/07/17  Update by 12/10/17
<b>PF2/IA 5.18</b> <b>IA</b> <b>Priority</b> <b>HIGH</b>  <b>Revised</b> <b>Pension</b> <b>Fund</b> <b>Priority High</b>				The template of the skills matrix developed specifically for Pension Services will be shared with the Board. Training priorities have already been identified following individual discussions with team members and the skills matrix will be updated once this training has been completed. This is expected to be December 2017. Three relatively new staff will be attending a 4 day residential training course developed specifically for LGPS administrators.	Training plan and update report to be provided as part of the new Service Specification.	Further comments approved 27/07/17  Update in accordance with the Board Forward Plan
<b>PF14/IA5.55</b>  <b>Pension</b>					Further feedback required from officers regarding a benchmarking exercise.	Further comments approved

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fund priority medium						27/07/17  Update in accordance with the Board Forward Plan
PF6/IA 5.31  IA Priority HIGH  Pension fund priority low				Due to resourcing constraints, this project has only commenced in July 2017. An experienced senior member of the Pension Services team has been seconded from operational work to begin reviewing current practices and documenting updated work instructions in the light of any efficiency improvements identified. This also involves training staff on any new processes. Transfers is the initial subject focus of this work as this has been identified as the main backlog area and there are clear opportunities for efficiency improvements.	No further update.	Further comments approved 27/07/17  Update in accordance with the Board Forward Plan

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