

Administration and Communications Sub-Committee – Paper D

Meeting: 4th September 2014

Agenda Item 4(b)

Data quality

1. As mentioned at the last meeting a sample data cleansing report has been provided by the Greater Manchester Pension Fund. The sample report is attached. Would this report (and others that GMPF are able to provide) be useful to administering authorities? If so, how should these be made available to administering authorities (e.g. made available on the Shadow Scheme Advisory Board's website - <http://www.lgpsboard.org/> - perhaps under the Scheme Data tab; or, perhaps more appropriately, under the Resources tab at <http://www.lgpsregs.org/>)?
2. The sample data cleansing reports are part of the move towards ensuring accuracy of data. This is becoming ever more important given that the Pensions Regulator will, in due course, be issuing Code of Practice No. 14 – Governance and Administration of Public Service Pension Schemes (see draft attached). The Code covers four core areas of scheme governance and administration, namely governing the scheme; managing risks; administering the scheme; and resolving issues.
3. The sub-committee may wish to consider producing best practice guidance to be endorsed and issued by the Shadow Scheme Advisory Board in order to assist administering authorities in complying with the Code of Practice.
4. Other published guidance may be of assistance in preparing such guidance. For example, the Pensions Administration Standards Association (PASA) has published a comprehensive set of Guidance Notes on the Standards for PASA Accreditation – see <http://www.pasa-uk.com/72/standards-guidance> . The PASA standards cover key areas such as service agreements and measuring and reporting, operational procedures and controls. The purpose of the Guidance Notes is to provide more detail around the objectives and outcomes behind each of the PASA standards and to explicitly outline the evidence required by the independent assessor to assess each standard. The Guidance Notes provide specific examples for each standard and how it applies to either third-party administrators or in-house administration teams. The timelines for each standard are also contained within the Guidance Notes.
5. Heywood have created a suite of data quality tests based on the various elements of regulatory guidance. Each test is mapped to the regulations and codes of practice it addresses. They have also identified the business risk poor data in each area may present and say that this mapping can greatly assist Pensions Boards in understanding the risk their data presents.

The following table provides some examples of this:

Administration and Communications Sub-Committee Secretariat

Test Name	Category	DWP SI Reference	Comment	DWP	TPR Common	TPR Conditional	TPR Numerical Data	Audit	GMP Rec	Risk Presented
Member & Beneficiary Name	Member Details	3.1.a		Y	Y			Y		Payment to wrong beneficiary
Member Annual CARE Revaluation %	Member Benefits	3.3		Y		Y		Y		Incorrect calculation of benefits
BCE2	HMRC					Y		Y		Potential Tax Charge
Pen Sal Reasonableness	Member Details		Check that Pen Sal fits an expected ratio of last 3/5/10 salaries					Y		Incorrect calculation of benefits

Key:

- DWP SI – Indicates where it is referenced in the draft Statutory Instrument
- Audit – Whether this is likely to be of interest to the Scheme Audit Function

Based on the draft legislation and codes of practice Heywood have identified around 70 separate tests that validate hundreds of data items.

Heywood are keen to assist the Shadow Scheme Advisory Board with the development of any record keeping guidance and also to ensure any service they offer addresses the regulatory requirements.

The Secretariat has invited Chis Paul from Heywood to the meeting to explain their thoughts on how the checks can be performed from a systems perspective.

SAMPLE DATA CLEANSING REPORT PROVIDED BY GMPF

Immediate Payments Reportwriter

Report description: This report compares the administration part of the member's record with the payroll element of the record. If what the administration record states should be paid differs from what has been processed through payroll, the members are output for investigation.

Frequency of run: Daily (Auto-scheduled to run in Altair)

AXIS/Altair reportwriter:

TITLE

"IMMEDIATE PAYMENTS VS PENSION DETAILS"

OPTION

MULTIPLES SEPARATED

SELECT

STATUSKEYF EQUALS '5'

PROCESS START

TA-1 = 'N'

TR-A1 = 0

TR-A1 = 0

I = 0

@LOOP

I = I + 1

CALCIF I > 48 OR VARELEM[I] = 0

GOTO @CHKD

CALCEND

CALCIF VARELEM[I] = 16

TR-A1 = VARELEM[I]

TR-B1 = VARELVAL[I]

TA-1 = 'Y'

CALCEND

CALCIF VARELEM[I] = 18

TR-A2 = VARELEM[I]

TR-B2 = VARELVAL[I]

TA-1 = 'Y'

CALCEND

CALCIF VARELEM[I] = 45

TR-A3 = VARELEM[I]

TR-B3 = VARELVAL[I]

TA-1 = 'Y'

CALCEND

CALCIF VARELEM[I] = 398

TR-A4 = VARELEM[I]

TR-B4 = VARELVAL[I]

TA-1 = 'Y'

CALCEND

GOTO @LOOP

@CHKD

CALCIF TA-1 = 'N'

ABANDON

CALCEND

IMP-PMT = TR-B1 + TR-B2 + TR-B3 - TR-B4

LS-PMT = PEN-TOT-AL + PEN-ENH-AL + PEN-PI-LS + PEN-PI-SUP

LS-PMT = LS-PMT + PEN-LS-INT

CALCIF IMP-PMT = LS-PMT

ABANDON

CALCEND

TR-1 = LS-PMT - IMP-PMT

TR-2 = PEN-TOT-AL + PEN-ENH-AL + PEN-PI-LS

TR-3 = LS-PMT - TR-2

CALCIF TR-3 = IMP-PMT

ABANDON

CALCEND

CALCIF TR-1 = PEN-PI-SUP

ABANDON

CALCEND

CALCIF TR-1 = PEN-PI-LS AND PEN-PI-MKR = 'A'

ABANDON

CALCEND

PROCESS END

PRINT

NI-NUMBER

SURNAME

INITS

IDENT2

IMP-PMT HEAD '203 Amount' EDIT 'U72'

LS-PMT HEAD '030 Amount' EDIT 'U72'

TR-1 HEAD 'Difference' EDIT 'U72'

PEN-PI-SUP HEAD 'Sup PI' EDIT 'U72'

SEQUENCE

IDENT2