

**University College Cork
National University of Ireland, Cork**

Quality Improvement/Quality Assurance

Peer Review Group Report

Pensions Office

Academic Year 2004/05

31st May 2005

MEMBERS OF THE PEER REVIEW GROUP

Dr. Michael Creed, Department of Civil & Environmental Engineering, UCC (Chair)

Mr. Seamus McEvoy, Head of Student Careers Service, UCC

Ms. Margaret Ramsay, Director of Personnel, UCD, Ireland

PEER REVIEW

Timetable of the site visit

The timetable is attached as Appendix A.

Comment on suitability of timetable

Suitable

Methodology

Dr. Michael Creed - chair of the Peer Review Group (PRG).

Margaret Ramsay - External specialist with significant knowledge of the area

Seamus McEvoy - Rapporteur

Site visit

The site visit was well organised and structured.

All information requested was delivered.

The PRG did not meet with the temporary executive assistant or with another permanent staff member who is currently on leave.

OVERALL ANALYSIS

Self-Assessment Report

The report was succinct, clear and easy to read. It gave the impression that the Office had a clear view of its mission, provided a high level of service and had very satisfied customers.

However it was lacking a number of features that might have given the PRG a clearer picture of the detailed workings of the Office. These included:

- Job descriptions;
- Roles and responsibilities of individual staff;
- Grades of each staff member;
- Analysis of transactions, queries and services provided;
- Detailed descriptions of relationships with other key units such as Human Resources, Secretary/Finance Officer, professional advisors and administrators and Finance Committee

There was no development/strategic plan outlining the role of the Office in addressing some of the major challenges facing the university sector in the area of pensions:

- Fixed Term Workers Act and Part Time Workers Act;
- Funding of schemes;
- Introduction of public sector model scheme;
- Issues of scheme governance;
- Issues of equity between different categories of staff;

There was no clear analysis in the report of the role of the Pensions Office in:

- Shaping and influencing University policy;
- Problem solving;

SWOT analysis and benchmarking report

We found neither a documented SWOT analysis nor an account of a benchmarking exercise having been undertaken in the report.

Site Visit

On commencing the review, we quickly formed the impression that the self-assessment report did justice neither to the levels of expertise of the staff nor to their engagement with a broad spectrum of complex pension issues. When we spoke to the Manager we found a high level of understanding of the factors affecting pension's administration within the sector generally

and specifically within UCC. We clearly identified that an informal benchmarking process had been carried out against the cost of purchasing equivalent services from the private sector. We feel that the Office now understands that their self-analysis report might have benefited from a comparison with pension services in comparable educational or other organisations with defined benefit pension schemes.

The self-assessment report also made no reference to the issue of the positioning of the Office within the university administration. During the interviews and discussions, the PRG discovered that this is a highly pertinent issue. The PRG was advised during the site visit that a report prepared by Coyle Hamilton in July 2000 and approved by the University had recommended that the Pensions Office be relocated within the Department of Human Resources, as follows:

2.06 (a)

That University College Cork should follow standard commercial practice and house the pension function within the Human Resources department. This would be a logical approach as the hr department in any organisation would be the first point of contact for new employees and would normally be responsible for dealing with both existing and potential scheme members and their dependants in all areas from the negotiating of contracts of employment to the settlement of claims.

2.06 (b)

That finance department should be responsible for the actuarial accounting and investment manager functions as well as having control of budgets '

The PRG has concerns about potential conflicts of interest which might arise as a result of this relocation of the office. Such a conflict of interest could arise potentially if the University wished to use the pension fund to resolve a HR issue such as an early retirement or a special recruitment package. The Pensions Office must be in a position to ensure that the financial implications on the pension fund of any such proposals are brought to the attention of the Pensions Committee.

Similarly a conflict might arise where there is a tension between emerging legislative responsibilities of the employer and their impact on the pension fund. Again in these circumstances the Pensions Office must be in a position to ensure that the financial implications on the pension fund of any such developments are brought to the attention of the Pensions Committee.

The establishment of a Trust would provide additional safeguards to the integrity of the pension scheme. Trusts are in place in TCD and NUIM and are being considered by other universities. However, until such time as national issues which are currently under discussion regarding the funding of any deficits which arise in the fund are resolved, it may not be timely to establish a trust at present. It is our view that a Trust would be one way of further strengthening the integrity of the Scheme in a climate where defied benefit schemes are under enormous pressure. We would emphasise, however that the decision to establish a Trust is a matter for the University with appropriate legal and professional advice.

RECOMMENDATIONS FOR IMPROVEMENT

Recommendations made by PRG

1. We support the decision of the University to locate the Pensions Office in the Dept of Human Resources in line with the Coyle Hamilton recommendations. This should be implemented in the autumn as planned.
2. It is very important that preparatory work be done to ensure that this transition is smooth and the PRG concerns in respect of potential conflicts of interests are addressed.
3. The Pensions Office must be empowered to ensure that the financial implications on the pension fund of any conflicts as described in the PRG report are brought to the attention of the Pensions Committee.
4. The Office mission statement is narrow and does not fully reflect the activities of the Office. The Office should review its mission statement to clarify its role and objectives better.
5. The Office needs a clear strategic action plan to deal with future developments in the sector
6. Investigate forms of regular communication e.g. newsletter with staff and pensioners to keep them informed of pension developments, welfare entitlements, university developments etc
7. Use the location of the Pensions Office in the Dept. of Human Resources as an opportunity to develop services for pensioners in the area of welfare, e.g. health promotion, social activities, general information on entitlements of pensioners as senior citizens.

8. Place links on Pensions Office web site to other relevant sources of information for pensioners and staff.
9. Communicate the internal disputes procedure to all staff and make clear to all staff the procedures to be followed to resolve grievances in relation to pensions.
10. Implement the outstanding recommendations in the Coyle Hamilton report.
11. Implement the recommendations for improvement made by the Pensions Office as outlined in their self-assessment report:

Recommendations made by Department in Self-Assessment report

Documentation

12. It is recommended that the Explanatory Booklet for the Statutory scheme be reviewed and redrafted for ease of understanding.
13. The office is also considering issuing a 'mini-version' of the annual report which will contain the highlights of the long report in a simplified manner.

Information Sessions

14. The office currently holds information sessions for both schemes at least twice a year with a PRSA briefing happening on an annual basis. Unfortunately despite notification of same via e-mail and letter the sessions are not well attended. The method of communication of the sessions is to be reviewed with the goal of increasing attendance levels.

Access to a Pension scheme

15. Access to a scheme is determined at a contractual level and not by the Pensions Office. Despite this a number of staff members still feel that it is the Pensions Office which is restricting access. The Pensions Office is currently working with the Department of Human Resources to implement recent legislation which will result in

a large number of staff gaining access to a scheme. On completion of this exercise it is recommended that the Pensions Office in conjunction with the Department of Human Resources undertake a review of all non-pensionable employees to ensure no anomalies exist.

Individual Sessions

16. Pensions office staff are continuously available for one on one sessions with individual staff members. A number of respondents were not aware of this service. It is recommended that the Pensions Office make staff aware of the service via the Pensions Office web page and general e-mail communications.

Timetable for conduct of Peer Review Visit

Pensions Office

Monday 25th April 2005

- 17.30 Meeting of members of the Peer Review Group
Briefing by Ms. Aoife Ní Néill, Quality Promotion Unit.
Group agrees final work schedule and assignment of tasks for the following 2 days.
Views are exchanged and areas to be clarified or explored are identified.
- 19.30 Dinner for members of the Peer Review Group, Head and members of the Pensions Office

Tuesday 26th April 2005

- 08.30 Convening of Peer Review Group in Tower Room 2

Consideration of Self-Assessment Report

- 09.00 Professor Aine Hyland, Vice-President
- 09.45 Ms. Susan O'Callaghan, Head of Pensions Office
- 10.15 Meeting with staff of the Unit

Meetings with individual members of staff

- 10.15 Ms. Josephine Curran
10.30 Mr. Ray Foley
- 10.45 Tea/Coffee for PRG + Members of Dept
- 11.00 Representatives of staff of UCC
- Mr. John Caffrey, Department of Chemistry
 - Ms. Catherine Fairtlough, President's Office
 - Ms. Esther O'Farrell, Registrar's Office
 - Dr. Carmel Quinlan, Mature Student Officer
- 12.00 Representatives of pensioners of UCC
- Dr. John Cullinane
 - Professor Pádraig Ó Riain
 - Professor John Hall
 - Professor Máire Mulcahy

- 13.00 Working private lunch for members of the Peer Review Group
- 14.00 Visit to core facilities of Unit
- 15.30 Mr. Paul Ryan, Acting Director, Department of Human Resources
- 16.00 Consideration of issues by PRG
- 16.30 Mr. Michael Kelleher, Secretary & Bursar
- Via Conference Call
- 19.00 Meeting of Peer Review Group to identify remaining aspects to be clarified and to finalise tasks for the following day, followed by a working private dinner for members for the Peer Review Group.

Wednesday 27th April 2005

- 09.00 Convening of Peer Review Group in Tower Room 2.
Preparation of first draft of final report
- 10.30 Ms. Susan O'Callaghan, Head of Pensions Office
- 12.00 Exit presentation made to all staff of the Unit by the Chair of the Peer Review Group, summarising the principal findings of the Peer Review Group.
- The presentation is not for discussion at this time.
- 13.00 Lunch for PRG + Staff of unit
- pm Externs depart