

Enabling you to assess the quality of pension scheme data – KLean

The issue

Missing and inaccurate pension scheme data can lead to a number of significant issues for pension schemes:

- Incorrect benefits paid to members
- Increased cost due to inefficient administration
- Inability to modernise administration delivery.

Incorrect data has long been a recognised problem for Public Sector pension schemes. Until now there has been little impetus for action. However, maintaining accurate administration records is now a key requirement for Pensions Boards, who must take action to demonstrate their understanding of the scheme's data.

The solution

KPMG has developed **KLean** to enable Pensions Boards to fulfil their duties regarding administration data. Our experience in both the forensic analytics and pensions sector has enabled us to develop a robust and efficient analysis tool to review pension scheme data quality.

Using KLean will enable Pensions Boards to benefit from:

- An independent assessment of the quality of the scheme's data from specialists in this area
- Clear and pragmatic recommendations on how to address any deficiencies

How does KLean work?



Each element can be interrogated to find the underlying detail, down to the level of individual members to identify where problems exist and track actions through to resolution. The interaction format means that we can share the results with you for your own review.

The 'Members: Top 1%' table lists individual members with their status and error counts.

Surname	Initials	Member number	Status	Pass	Warning	Error
Surname351	TT	XY095281	Preserved/Deferred	35	0	47
Surname232	ZWF	XY298232	Preserved/Deferred	45	0	25
Surname296	ZV	XY096296	Preserved/Deferred	35	0	13
Surname536	K	XY295136	Preserved/Deferred	35	0	34
Surname222	DG	XY295222	Preserved/Deferred	35	0	25
Surname759	LT	XY295759	Preserved/Deferred	45	0	23
Surname68	A	XY298068	Preserved/Deferred	45	0	25
Surname34	KS	XY298034	Preserved/Deferred	45	0	25
Surname135	T	XY295135	Preserved/Deferred	35	0	25

Using the data from your (or your administrator's) systems we simultaneously run numerous tests to assess the quality of data.

The results are presented in a graphical manner, both in hard copy, or more usefully in interactive histograms, headed by a summary 'dashboard'.

The 'Tests with highest failure rates' table shows the results of various data quality tests.

Test ID	Category	Description	Pass	Warning	Error
2.8.2	Salary and Contributions	Missing contributions	0	0	100
5.4.3	Other Basic Data	Scheme is contracted out and Date Contracted Out is not feasible (before 08 April 1978, or on other date contracting out ceased? (date of transfer))	0	0	100
1.3.3	Other Basic Data	Unknown Date Contracted Out	75	0	25
2.5.6	Salary and Contributions	Members/leavers record completely missing	0	0	100
7.1.8	GSP	Profit GSP is missing	0	0	100
2.8.1	Salary and Contributions	Contributions record completely missing	0	0	100

KLean allows us to assess systematic issues and themes, allowing us to focus us to those areas that are most likely to present a risk to an administration transfer. We can also consider individual members in detail and assess commonalities across particular groups.