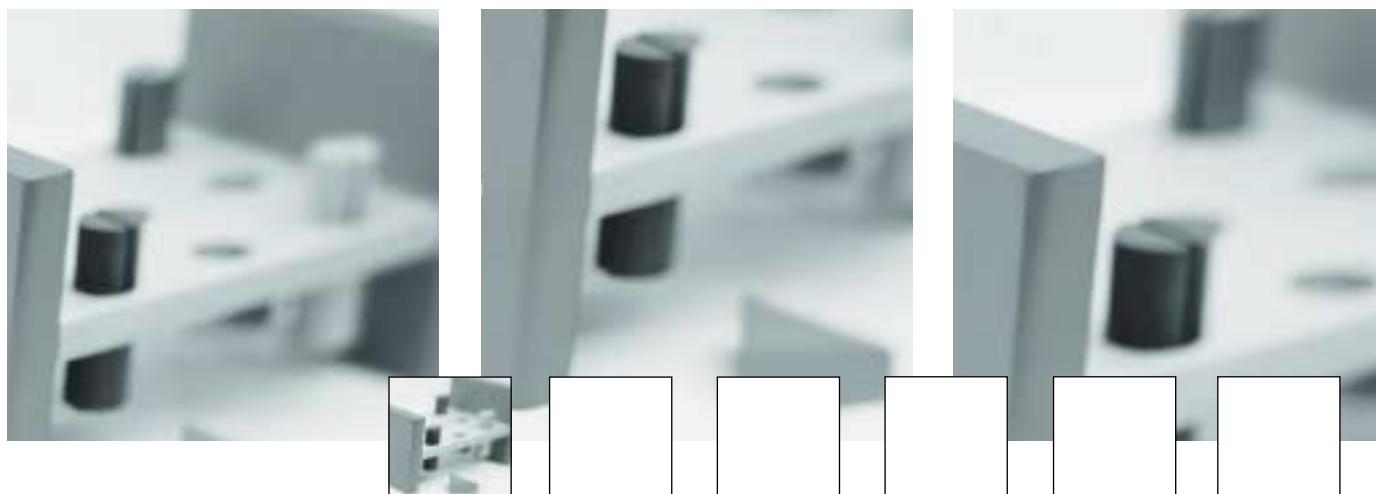


# administration



## Administration Consulting Practice

KPMG specialises in consulting on pensions and pay administration issues. It is almost unique in offering specialist services in this niche area and is extremely well respected across the UK.

### Type of services offered

The types of engagements and services we can offer are divided into seven main areas:

#### High level scheme administration reviews and healthchecks

- These reviews aim to cover a broad spectrum of management issues faced by companies or trustees but at a high level. The purpose of the review is to identify areas which need further investigation and those areas which already meet both legislative and best practice requirements. The healthchecks focus on security, compliance and accountability of the administration

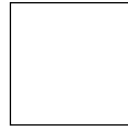
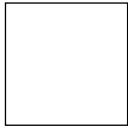
services, whilst the general reviews look at efficiency and cost effectiveness as well.

#### Strategic business reviews for pensions and payroll administration services

- These reviews involve a detailed investigation into a whole range of management and administration activities. They involve looking at administration computer systems and interfaces between those systems and other client and external systems. We also examine procedures and processes, staffing issues and training, relationships with external advisers and the

management of external contracts. At the end of this review the client receives a detailed report on all aspects of management together with recommendations for improvement.

- These reviews analyse the options for the future provision of pensions and payroll administration services and study the feasibility of outsourcing services or selecting and implementing a new computer system.



### Outsourcing of pensions and payroll administration services

- Where an inhouse pensions department is considered for outsourcing we carry out a feasibility study, draft the service specification and invitation to tender and assist the client throughout the whole selection process through to signing a contract.

### System selection

- We have a detailed knowledge of the provider market for payroll and pensions administration systems. We can help you prepare a detailed specification using our models and support you right through a selection exercise including contract negotiations. Our models and methodologies are extremely robust, providing an excellent audit trail and are capable of satisfying the most stringent of procurement requirements.

### Value for money reviews and benchmarking

- This involves assessing the existing range of services and the cost of those services and compares these with other inhouse operations and the market for third party administration. It often serves to focus on areas of the service which are not cost effective nor efficient. We can then make recommendations for improving the efficiency and cost effectiveness of these services.

### Implementation assistance including programme management

- Following the outsourcing of an administration department, or the decision to implement a new computer system, we can assist clients in drawing up a programme of change and supervising the implementation process. Recent outsourcing exercises have shown that this service is very valuable to clients who have neither the time nor the resources to undertake effective management of such a large change operation.

### Our triennial survey

- KPMG is renowned throughout the pensions industry for running a triennial survey of pensions administration costs and services. The most recent survey was completed in April 2000 and included pension schemes with at least 1,000 members based in the UK. The survey provides us with a valuable insight into the cost of pensions administration services throughout the UK and helps to identify the drivers of costs for each individual participant. In the past, the survey has been well received by participants and the report provided to each of them represents an individual piece of management consultancy work.

### Some of our clients

The clients for whom we have provided services include; the Philip's Pension Fund, Railpen Investments Ltd, Cookson Group plc, Merseyside Police, National Power, Motorola, CMT, London Regional Transport and many more. We are one of only a very few firms providing valuable and truly objective advice in this area.

If you have any queries or would like more information please contact your usual KPMG contact or:

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KPMG Pensions operates from offices in London, Glasgow, Edinburgh, Leeds, Manchester, Birmingham, Bristol, Reading and Gatwick.