

Orange County Employees Retirement System



Strategic Plan FY 2012 – 2014

Mission Statement

The role of the Orange County Employees Retirement System is to provide secure retirement and disability benefits, quality information concerning those benefits, and prompt, professional and courteous service that meets the highest standards of excellence. In carrying out that role, the Board of Retirement and staff are committed to act for the exclusive benefit of the plan and its participants, manage assets of the plan prudently, and administer benefits with impartiality.

1. **Excellent Customer Service**
providing
2. **Timely & Accurate Benefits**
based on
3. **Secure and Reliable Data**
funded by
4. **Prudently Managed Investments**
guided by
5. **Professional Plan Administration**

EXCELLENT CUSTOMER SERVICE

1.

Objective A– **Trained and professional staff.**

- Explore staff training to maintain industry-accepted professional standards, such as provided by the International Foundation of Employee Benefits Plans.
- Training program for staff with monthly sessions that guide to outcomes.
- Compensation competitive in market, including non-base pay components.
- Develop complete set of position descriptions for all employees.
- Develop comprehensive documentation of all processes, procedures and policies and make accessible to all staff.

Objective B – **Move member inquiries from phone to web whenever possible.**

- Automatically populate electronic forms with system data.
- On-line input of retiree change of address or direct deposit information.

Objective C – **Clear and timely communication with members/stakeholders.**

- Develop focus groups of retired and active members to ensure effectiveness of outreach communications. **[COMPLETED 2010]**
- Capture and monitor member/stakeholder feedback at all touchpoints and create management reports.
- Formalize outreach program to labor groups, ensuring their informational needs are met.
- Outreach program targeted to County and plan sponsor public officials to enhance and strengthen the understanding of OCERS value to their entities.
- Involve stakeholder groups in delivery of communications to members.

TIMELY and ACCURATE BENEFITS

2.

Objective A– **Benefits paid are accurate.**

- Strengthen payment review/quality control/verification processes.
- Formalize effective use of Internal Audits to assist with test of agency processes.
- Develop overpayment/underpayment policy.
- Develop policy for de minimus adjustments.

Objective B– **Service Retired Members are paid timely, without break in cash flow.**

- Explore methods for payment within one month of retirement date.
- Implement automated standard benefit processes where possible to ensure consistent and accurate work product.
- Integration of Workflow, tying imaging, database, and ledgers together.

Objective C– **Streamlined Disability Process**

- Regular review of disability process and staffing leading to service benchmarks to ensure timely completion of claim.

Objective D– **Agency communications are clear, concise and accurate.**

- All procedures documented to ensure consistency in application.
- Member communication programs ensure members make informed benefit decisions and submit complete accurate applications.

Objective E– **Maintain Plan's Tax Qualified Status**

- Legal Department review of plan document, for initial submission to IRS in 2011.

SECURE and RELIABLE DATA

3.

Objective A– **Move to next generation IT administration software.**

- All procedures documented to ensure continuity while providing foundation to programmers.
- Standardize programming standards.
- Improve quality and effectiveness of plan sponsor reporting by developing them into first stage of reporting process.
- Data integrity review (data cleansing).
- Develop backfill plan for subject matter experts.

Objective B– **Improve quality and effectiveness of employer reporting.**

- Provide one-on-one training for new plan sponsor payroll technicians within first six months of start date.
- Enhance electronic access for submitting transmittals to provide immediate specific feedback to employers regarding data quality.

Objective C– **Ensure security of data.**

- Evaluate internal control system for SSAE-16 (formerly SAS 70) readiness.
- Enhance periodic vulnerability assessments on critical assets.
- Deploy advanced security technologies and integrate security into our business processes.
- Provide security and privacy awareness training to sensitize employees to potential security and privacy issues within their particular functional areas.
- Enhance risk assessment and security control plans.

EFFICIENT INVESTMENT PROGRAM

4.

Objective A– Investment program aims to achieve and maintain a fully funded status with regard to the actuarial liability of the system.

- Conduct periodic asset-liability studies to evaluate asset allocation.
- Ensure the asset allocation reflects the Board’s risk tolerance.
- Ensure fund liquidity is sufficient to meet cash requirements.

Objective B– Achieve investment return objective with appropriate level of risk.

- Ensure adoption of appropriate benchmarks for each asset class and total fund.
- Evaluate tools for measuring and evaluating risks at the manager, asset class and total fund level.
- Document all benchmarks in the IPS.
- Explore incremental steps toward in-house passive management.

Objective C– Board enabled to provide clear policy guidance.

- Coordinate Board training classes and conferences into cohesive goal-centered training curriculum.
- Periodic review and communication to the Board of investment –related training and courses.
- Stay abreast of emerging investment strategies and issues.
- Continued improvement and standardization of investment reports.

Objective D– Establish updated and written procedures to ensure continuity and best practice.

- Review and update the Investment Policy.
- Ensure due diligence and risk management activities meet best practice standards.
- Establish sound due diligence processes and clear accountability for opportunistic investing.
- Review, update and document all procedures.
- Establish formalized cash flow monitoring procedures.
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Objective E– Ensure adequate staffing and resources

- Hire and integrate a Managing Director of Investments.

[COMPLETED 2011]

- Establish training program for investment staff.
- Explore incentive compensation.

5.

Objective A– **Good governance model and practices clearly delineate duties and responsibilities of Board members and OCERS staff.**

- Include long-term full Board review with consultant in process for review and update of governance policies.

Objective B– **Stable and sustainable contribution rates.**

- As part of 2011 Triennial Study: Review actuarial foundation of system. Economic trends and their effect on funding to be considered. Smoothing period to be researched.
- Monitor system’s funding policy in order to maintain fiscal responsibility and enhance contribution rate stability.
- Outreach to non-participating Orange County employers, allowing opportunity to join OCERS and build Fund base.

Objective C– **Maintain reasonable administrative costs.**

- Incorporate CEM benchmarking.
- Implement continuous improvement processes to ensure organizational structure is most efficient model.
- Financial statements must be timely and transparent

Objective D– **Implement enterprise risk management.**

- Regular review of agency Risk Assessment matrix.
- All divisions to monitor and report on operational and strategic risks, with identification of internal controls.
- Internal Audit to test controls to ensure effectiveness.

Objective E– Maintain effective Business Continuity Plan.

- Plan must be clearly communicated and understood by management staff
- Plan must be routinely reviewed to ensure applicable and effective for current plan administration
- Develop Succession Plan [**COMPLETED 2011**]

Objective F– Ensure agency is prepared for legislative impacts.

- Develop outreach program to ensure agency input to stakeholders considering legislation that would impact the system.
- Broaden and formalize outreach program to local legislators to ensure OCERS concerns are communicated and understood.

Objective G– CHANGE LOGO TO REFLECT SYSTEMS TRUE MISSION

- Develop logo to include “employees” in logo name. [**COMPLETED 2011**]
- Implement change of logo wherever located with multi-year plan, with goal of minimizing cost.