

## Standards – Guidance and Examples

### Measurement and Reporting

#### Standard

#### 2.3 Errors

#### Rationale

Everyone involved in administration has a right to expect administrators to produce accurate information.

Members of pension schemes rely and make important decisions on the basis of the information administrators provide.

#### Outcomes

- An accepted framework for defining and measuring errors;
- The ability to demonstrate the error framework is identifying errors and these are being detected before they leave the administrator;
- Errors are spotted early and rectified appropriately;
- Errors and complaints are handled with care and deliver a satisfactory outcome; learning points for all parties are recorded and acted upon;
- Root cause analysis is utilised to mitigate the risk of repeating errors, providing for more robust and accurate output and informing/improving processes;
- Consistent lowering of error rates.

#### Measurement/Evidence

Administrators will be expected to demonstrate they actively identify and measure errors;

- Error rates should be reported to the Trustee Board or those with oversight responsibilities;
- Remedial action is specified and acted upon in relation to systemic errors.

## General Principles

The objective for each administrator should be a zero error rate. In practice though, mistakes do happen. What is important is each administrator measures and reports error rates and does something about correcting both the error and the root cause of the error. PASA will look for evidence the administrators have some measurement and reporting in place which is consistent with the published guidelines.

## Application to TPAs and Accreditation Approach

- TPAs are expected to identify, record and report errors at a client level (i.e. for every client and for all types of error)

### *Accreditation Approach*

The accreditation team will:

- Understand, through interviews and reviewing documentation, how errors are defined, identified and measured;
- Look for evidence the results are reported to clients;
- Look for evidence systematic errors are identified and corrective and preventative actions implemented.

## Application to In-House Teams and Accreditation Approach

- In-house teams are also expected to identify, record and report errors (all types of error)

### *Accreditation Approach*

- The accreditation team will:
  - Understand, through interviews and reviewing documentation, how errors are defined, identified and measured;
  - Look for evidence the results are reported to any Board/Sponsoring Employer;
  - Look for evidence systematic errors are identified and corrective and preventative actions implemented

## Timelines

### *Immediately*

PASA expects applicants for accreditation to be able to demonstrate:

- They have a process for identifying and recording errors;
- They have reported the results as outlined above;
- They have acted on the resulting data, as outlined above.