Standards – Guidance and Examples

Measurement and Reporting

Standard
2.3 Errors PASA expects that a systematic approach is taken to defining, identifying, measuring and taking corrective action on errors within the administration processes and outcomes
Rationale
Everyone involved in administration has a right to expect that administrators produce accurate information. Members of arrangements rely and make important decisions on the basis of the information administrators provide.
General Principles
The objective for each administrator should be a zero error rate. In practice though, mistakes do happen. What is important is that 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 that administrators have some measurement and reporting in place which is consistent with the published guidelines.
Outcomes
- An accepted framework for defining and measuring errors;   - The ability to demonstrate that the error framework is identifying errors and that 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.

Measures/Evidence

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

- Error rates should be reported to the Governing Bodies[1];

- That remedial action is specified and acted upon in relation to systemic errors.

Application to TPAs and Accreditation Approach

- TPAs are expected to identify, record and report errors at an arrangement level (i.e. for every arrangement 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 that the results are reported to governing bodies;
  - Look for evidence that systematic errors are identified and that corrective and preventative actions implemented.

Application to In-House Teams and Accreditation Approach

- In-House teams are 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 that the results are reported to the governing body;
  - Look for evidence that systematic errors are identified and that corrective and preventative actions implemented

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[1] Governing Bodies should include, as appropriate, Trustees, Trustee Boards, Governance Committees and Boards and others charged with the oversight of the administration service delivery

Application to Master Trusts and Accreditation Approach

The Master Trust administration team, or their appointee(s), are 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 that the results are reported to the governing boards;
  - Look for evidence that systematic errors are identified and that corrective and preventative actions implemented

Application to Annuity Providers and Accreditation Approach

The Annuity Providers administration team, or their appointee(s), are 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 that the results are reported to any governing board;
  - Look for evidence that systematic errors are identified and that corrective and preventative actions implemented

Timelines

Immediately

PASA expects applicants for accreditation to be able to demonstrate:

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