Standards – Guidance and Examples

Operational Controls and Procedures

Standard
3.3 Change Control PASA expects administrators have a fully documented change control procedure covering both major and minor changes to administration procedures and controls
Rationale
Administration teams need to be able to deliver change without affecting normal service delivery. PASA does not expect administrators to undergo change for changes sake; however proactive identification of changes required is advantageous. PASA does expect administrators to ensure that they have procedures and mechanisms in place to be able to deliver change (both business and arrangement change) without this affecting normal service delivery and to ensure systems and processes are legislatively compliant. Administrators need to ensure that their change procedure is robust and readily available across their organisation. It is a requirement that changes are looked at in a logical manner across an organisation, and not in silos, to ensure that the correct changes are carried out business-wide where required. Where the scope of change is unclear (whether legislative or business change) PASA expects administrators to demonstrate they have procedures in place to manage the risk of scope change.
General Principles
PASA expects applicants for accreditation to be able to demonstrate: • That they have a process for identifying and recording changes that are identified in the business; • That they are reporting on the results;

- That they have procedures in place to ensure that service levels are undisrupted or that there are contingency plans if services are likely to be disrupted as a result of the planned change;

- That any change request has a documented change plan where changes are identified, fully scoped, risk assessed, a delivery plan documented and signed off, resources allocated and the outcome of the change plan evidenced. Specifically testing outcomes from any process or calculation change should be retained and documented for the purpose of future audit and evidence of control. It is vital that any change requests are managed to ensure that service levels are undisrupted and maintained throughout the change life cycle;

- That all change requests must be documented as outlined above - it is suggested that these requests are signed off (agreed or rejected);

- That all change requests, regardless of the outcome, should be captured, recorded and reported on throughout the change life cycle;

- That all changes that are carried out should be planned not to disrupt the normal service delivery, where applicable;

- That all change activity has a clear and regular governance review to ensure administrators and key stakeholders will receive progress reports on their change requests throughout the change lifecycle;

- That if a change is implemented this will have passed appropriate quality measures, and the final change will be signed off by the senior user and project sponsor;

- That any lessons that have been learnt from the change will be appropriately documented for future change initiatives or activities (of BAU).

Fundamentally:

- Change and Business As Usual (BAU) are clearly defined and separated in the operational environment either through structure or resource planning and allocation;

- Controlled, and fully documented and auditable changes can be implemented throughout the administration environment;

- Impact analysis should be undertaken prior to any change being undertaken;

- Defined changes are scoped, risk assessments undertaken, mitigating strategies agreed and a delivery plan documented;

- Independent sign off is obtained before any change progresses, where applicable;

- BAU Service levels are maintained throughout a change process;

- Specific Service levels, management information and governance boards, panels exist for change programmes, with supporting approval bodies in place;

- Independent management information is provided to track changes in flight;

- Routine changes such as actuarial factors to have a defined change and sign off process.

Outcomes

Administrators implement change seamlessly, accurately and without disruption to normal service.

Measures/Evidence

- Major changes should have documented change plans, where changes are identified, scoped, risk assessed; a delivery plan documented and signed off; resources allocated and the outcome of the change plan evidenced. Specifically testing outcomes from any process or calculation change should be retained and documented for the purpose of future audit and evidence of control;

- There should be a formal process for documenting minor changes as appropriate;

- Undisrupted service levels are demonstrated through reporting to governing bodies[1] (refer to Standard 2.1 dealing with reporting);

Application to TPAs and Accreditation Approach

PASA expects TPAs with multiple arrangements to take a reasonable approach involving:

- A standard documented approach to all arrangements within the TPA;

- A dedicated change process.

Accreditation Approach

The accreditation team will:

- Ask for evidence of a controlled change management process (all changes within the business or for clients scoped, agreed and appropriate change governance in place);

- Look for evidence that the results are reported to the business or governing body(ies) as appropriate;

- Look for evidence that the results are acted upon;

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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

Where some services are outsourced to a third party, that change control reporting and control information is supplied by the appointed party at the same level as applies to the delegating party.

Application to In-House Teams and Accreditation Approach

PASA expects in-house teams to follow the same principles for change management as apply to TPAs.

Accreditation Approach

The accreditation team will:

- Ask for evidence of a controlled change management process;
- Look for evidence that the results are reported to the trustees;
- Look for evidence that the results are acted upon;

Where some services are outsourced to a third party, that change control reporting and control information is supplied by the appointed party at the same level as applies to the delegating party.

Application to Master Trusts and Accreditation Approach

PASA expects Master Trusts (including those with multiple arrangements) to take a reasonable approach involving:

- A standard documented approach to all arrangements within the Master Trust;
- A dedicated change process.

Accreditation Approach

The accreditation team will:

- Ask for evidence of a controlled change management process (all changes scoped, agreed and appropriate change governance in place);
- Look for evidence that the results are reported to the governing body(ies);
- Look for evidence that the results are acted upon;

Where some services are outsourced to a third party, that change control reporting and control information is supplied by the appointed party at the same level as applies to the delegating party.

Application to Annuity Providers and Accreditation Approach

PASA expects Annuity Providers (including those with multiple arrangements) to take a reasonable approach involving:

- A standard documented approach to all arrangements within the Annuity Provider;
- A dedicated change process.

Accreditation Approach

The accreditation team will:

- Ask for evidence of a controlled change management process (all changes scoped, agreed and appropriate change governance in place);
- Look for evidence that the results are reported to the governing body(ies);
- Look for evidence that the results are acted upon;

Where some services are outsourced to a third party, that change control reporting and control information is supplied by the appointed party at the same level as applies to the delegating party.

Timelines

PASA expect these controls and procedures to be present, available and in use.