

Standards – Guidance and Examples

Operational Controls and Procedures

Standard

3.1 Documented Procedures and Controls

PASA expects that a processes and procedures in respect of each arrangement are fully documented, version controlled and securely maintained on a systematic basis and that this documentation is freely available for administrators to use and shared with the Governing Body¹, as appropriate.

Rationale

Administration procedures which are documented and subject to rigorous control underpin a robust administration service and provide for service consistency and continuity as administration teams change. They prevent custom and practice habits being perpetuated and give a standard measure against which compliance with procedures can be monitored.

General Principles

PASA believes that documented procedures and controls are one of the key foundations for ensuring accuracy and consistency of service. They help to ensure that all the necessary steps are taken to comply with both legislative and arrangement specific requirements.

Administrators need to be able to demonstrate that their processes are clearly defined, maintained and released in a controlled environment after satisfactory testing. They should be able to demonstrate procedures are being monitored and followed; and that they are taking corrective action against non-compliance.

It is recognised that the evidence of the audit programme and sampling of cases should be proportionate to the size of administrator and the arrangements which they provide services to.

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

Outcomes

Administration outcomes are accurate, compliant and meet the expectations set by the documentation which can be used to set the expectations of the Governing Body.

Measures/Evidence

- Documented and version controlled procedures - all key administrative tasks;
- Maintenance and managed version control of releases of the procedures are evidenced;
- Administrators have a documented source of information on the complexities of each arrangement or class of business they provide administration for. Particularly relating to historic or grandfathered entitlements (such that the calculation of entitlements should be understood from the records);
- Responsibilities for the maintenance and update of these procedures should be clearly identified;
- Change controls processes should be set up to ensure that changes to procedures are only effective once they have been fully tested signed off and appropriate training provided;
- Procedures are updated or reviewed periodically based on service performance and feedback received, data and evidence collected and respond to changes in legislation and practice;
- Procedures should be accessible to all authorised staff (i.e. those staff who need access for the purpose of their role);
- Documented evidence of the audit of procedures and controls at a level that provides comfort on the consistent and accurate use of such procedures (i.e. the administrator checks to ensure that controls are being applied properly);
- The results of internal quality investigations are reported by exception to the governing body in accordance with the 'governing body reporting' standard.

Application to TPAs and Accreditation Approach

The accreditation team will randomly select arrangements and look for:

- Evidence of documented procedures; Evidence of the process for ensuring procedures are maintained and updated as necessary;
- Evidence the controls in place for monitoring these are being followed;
- Evidence of the management reporting and escalation route for non-compliance.

Application to In-House Teams and Accreditation Approach

The accreditation team will look for:

- Evidence of documented procedures;
- Evidence of the process for ensuring procedures are maintained and updated as necessary;
- Evidence the controls in place for monitoring these are being followed;
- Evidence of the management reporting and escalation route for non-compliance.

Application to Master Trusts and Accreditation Approach

The accreditation team will randomly select arrangements and look for:

- Evidence of documented procedures; Evidence of the process for ensuring procedures are maintained and updated as necessary;
- Evidence the controls in place for monitoring these are being followed;
- Evidence of the management reporting and escalation route for non-compliance.

Application to Annuity Providers and Accreditation Approach

The accreditation team will randomly select arrangements and look for:

- Evidence of documented procedures; Evidence of the process for ensuring procedures are maintained and updated as necessary;
- Evidence the controls in place for monitoring these are being followed;
- Evidence of the management reporting and escalation route for non-compliance.

Timelines

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