

Standards – Guidance and Examples

People

Standard

5.1 Competency Framework – Induction and Onboarding

PASA expects administrators to have documented policies covering staff recruitment, onboarding, training and competency assessment to ensure deployed staff are suitably skilled for the tasks they will be asked to undertake.

Rationale

The staff recruited to undertake administration have the skills and experience relevant to the complexity of work they are undertaking. This is as important for new staff as for existing experienced staff. All staff should understand why work is undertaken and should have the skills to determine whether automated outcomes are correct.

General Principles

PASA believes that pensions administration service delivery is a people business and highly dependent on the competency and behaviour of staff carrying out the administration. The complex and varied nature of pension and benefit arrangements means that staff are required to be trained to a high degree in an array of skills necessary to perform the full range of administrative activity.

The pensions landscape is continually changing and staff must keep pace with the changes and the impact these have on administration processes.

PASA recognises and accepts that there will be a variety of methods and tools used to capture, set out and measure competencies. The importance here is that administrators, managers and Governing Bodies¹ have clear direction as to what skills, knowledge and behaviours are required in recruiting relevant and competent staff. Additionally, both the appointee and their line managers understand that the individual's current assessment against the role requirements and development pathway required to support the appointee.

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 or all of the services are outsourced to a third party, PASA expect these principles to be applied to the appointee and their staff and that the appointee reports to the delegating party on the application of these principles and that these appointee has the right to audit the application of these principles.

Outcomes

Knowledgeable and competent administration staff are able to understand the work they are asked to do and have the skills required to deliver the specified administration services.

Measures/Evidence

It is important that all staff (whether direct employees or staff applied through a third party outsourcing contract) have the skills and competency to undertake the role to which they are appointed. An appropriately structured induction, training and development process is in place throughout the supply chain (including appointed third parties) to demonstrate to new starters the competencies required, including.

- A documented role profile (or equivalent), that clearly sets out for each role level within the administration function what skills, knowledge and behaviours are required for recruits. This is so that people can clearly see what is expected of them in their initial role and can see how they can continually develop and that the governing body has the ability to measure output in both quantum and quality;
- A recruitment policy that demonstrates that only individuals who meet relevant technical and behavioural competency criteria are appointed;
- A competency matrix that shows what the performance expectations for each role are;
- A training and development log for all staff showing the future training required.

Where services have been outsourced to a third party, the measures will include the receipt of reports from the appointee confirming the compliance with these principles. We would also expect the appointee to periodically validate the accuracy of such reporting through suitable activity with the appointee.

Application to TPAs and Accreditation Approach

PASA believes that the level of skill required by administration staff should be consistent for all sizes and types of schemes. The standard requires that all administration providers can demonstrate best practice in relation to staff recruitment and recognises that the methods for achieving this best practice should be appropriate to the size and demands of the provider.

Where specialist teams exist PASA expects staff to understand the context of the wider service offering of which they are a part and some base level training should be evident.

PASA expects TPAs to have a structured framework in place for recruitment, induction, competency assessment and, under Standard 5.2, development and personal development plans. PASA will look for full compliance for all administration locations and teams, and will seek evidence of this.

Accreditation Approach

The accreditation team will:

- Require sight of the recruitment selection criteria and process and review a sample of recent (in the last 12 months) recruitment processes to ascertain how the competency criteria have been applied and monitor the outcome of the assessment stage;
- Seek to understand, through interviews and reviewing documentation, how competencies are captured and measured at recruitment;
- Look for evidence that future training and development needs are identified and recorded.

Where some services have been outsourced, copies of reports received from the appointee will be reviewed for consistency of the application of these principles, together with evidence of the action taken to verify the information provided in the report.

Application to In-House Teams and Accreditation Approach

PASA believes that the level of skill required by administration staff should be consistent for all sizes and types of schemes. The standard requires that all administration providers can demonstrate best practice in relation to staff recruitment and recognises that the methods for achieving this best practice should be appropriate to the size and demands of the provider.

Where specialist teams exist PASA expects staff to understand the context of the wider service offering of which they are a part and some base level training should be evident.

PASA expects in-house teams to have a structured framework in place for recruitment, induction, competency assessment and, under Standard 5.2, development and personal development plans. PASA will look for full compliance for all administration locations and teams, and will seek evidence of this.

Accreditation Approach

The accreditation team will:

- Require sight of the recruitment selection criteria and process and review a sample of recent (in the last 12 months) recruitment processes to ascertain how the competency criteria have been applied and monitor the outcome of the assessment stage;
- Seek to understand, through interviews and reviewing documentation, how competencies are captured and measured at recruitment;
- Look for evidence that future training and development needs are identified and recorded.

Where some services have been outsourced, copies of reports received from the appointee will be reviewed for consistency of the application of these principles, together with evidence of the action taken to verify the information provided in the report.

Application to Master Trusts and Accreditation Approach

PASA believes that the level of skill required by administration staff should be consistent for Master Trusts. The standard requires that administration providers can demonstrate best practice in relation to staff recruitment and recognises that the methods for achieving this best practice should be appropriate to the size and demands of the provider.

Where specialist teams exist, PASA expects staff to understand the context of the wider service offering of which they are a part and some base level training should be evident.

PASA expects appointed administrators to be able to demonstrate they have a structured framework in place for recruitment, induction, competency assessment and, under Standard 5.2, development and personal development plans. PASA will look for full compliance for all locations and teams, and will seek evidence of this.

Accreditation Approach

The accreditation team will:

- Require sight of the recruitment selection criteria and process (for both the Master Trust provider and any appointed third party administrator) and review a sample of recent (in the last 12 months) recruitment processes for the Master Trust (and any reports received from any appointed third party administrator) to ascertain how the competency criteria have been applied and monitor the outcome of the assessment stage;
- Seek to understand, through interviews and reviewing documentation, (including reports from any appointed third parties), how competencies are captured and measured at recruitment;
- Look for evidence that future training and development needs are identified and recorded and reflected in any third party appointment agreements.

Where some services have been outsourced, copies of reports received from the appointee will be reviewed for consistency of the application of these principles, together with evidence of the action taken to verify the information provided in the report.

Application to Annuity Providers and Accreditation Approach

PASA believes that the level of skill required by administration staff should be consistent for Annuity Providers. The standard requires that administration providers can demonstrate best practice in relation to staff recruitment and recognises that the methods for achieving this best practice should be appropriate to the size and demands of the provider.

Where specialist teams exist PASA expects staff to understand the context of the wider service offering of which they are a part and some base level training should be evident.

PASA expects appointed administrators be able to demonstrate they to have a structured framework in place for recruitment, induction, competency assessment and, under Standard 5.2, development and personal development plans. PASA will look for full compliance for all locations and teams, and will seek evidence of this.

Accreditation Approach

The accreditation team will:

- Require sight of the recruitment selection criteria and process (for both the Annuity Provider and any appointed third party administrator) and review a sample of recent (in the last 12 months) recruitment processes for the Annuity Provider (and any reports received from any appointed third party administrator) to ascertain how the competency criteria have been applied and monitor the outcome of the assessment stage;
- Seek to understand, through interviews and reviewing documentation, (including reports from any appointed third parties), how competencies are captured and measured at recruitment;
- Look for evidence that future training and development needs are identified and recorded and reflected in any third party appointment agreements.

Where some services have been outsourced, copies of reports received from the appointee will be reviewed for consistency of the application of these principles, together with evidence of the action taken to verify the information provided in the report.

Timelines

PASA expects these procedures to be in place immediately.