Standards – Documented Procedures & Controls

Sept 2024

PASA

Standard:

> **3.1 Documented Procedures & Controls**
>
> Processes and procedures in respect of each arrangement should be fully documented, version controlled and securely maintained on a systematic basis and freely available for administrators to use and shared with the Governing Body[1], 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 appointed administration teams change. They prevent custom and practice habits being perpetuated and give a standard measure against which compliance can be monitored.

General Principles:

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

Appointed administrators need to be able to demonstrate their processes are clearly defined, maintained and released in a controlled environment after satisfactory testing. They should demonstrate how the processes are delivered to all staff, whether working locally or remotely. They should be able to demonstrate procedures are being monitored and followed, and corrective action against non-compliance is taken.

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

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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

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 (including for vulnerable customers)
- Appointed administrators may have standard procedures and controls which span across multiple schemes. However, where scheme specific process variants exist, these should also be documented and version controlled
- Maintenance and managed version control of releases of the procedures are evidenced
- Appointed 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 control processes should be set up ensuring 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 response to changes in legislation and practice
- Procedures should be accessible for view 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 providing comfort on the consistent and accurate use of such procedures (i.e. the appointed administrator checks to ensure controls are being applied properly)
- The results of internal quality investigations are reported by exception to the Governing Body in accordance with the reporting Standard

Accreditation Approach:

> **For TPAs, in-house teams, Master Trusts and Annuity Providers:**
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> - **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**

Get in touch:

info@pasa-uk.com

www.pasa-uk.com