

### PASA accreditation – a case study approach

**A**s an independent body aiming to drive up standards in pension administration, the Pensions Administration Standards Association (PASA) focuses on developing, guiding and assessing administration standards through the development of best practice guidance and benchmarking of service quality.

The assessment strand of PASA's remit is built around a rigorous evidence and audit based process leading to the highly coveted 'accredited status'. With our accreditation 'fresh off the press', this article takes a look back at the accreditation journey.

#### Case study – our story

I was tasked with managing our journey to PASA Accreditation in early 2016. From the outset, we recognised that this would not be a one man project but would need to engage all our administrators across each of our seven offices to ensure they fully understood why we were seeking accreditation and what it would mean for them in terms of site visits and preparatory work.

#### What is being accredited?

PASA Accreditation looks at output-driven standards – focusing on the experiences of members and trustees and how they will progressively and continually improve over time. These aspects were key to our decision to seek accreditation, since member engagement and how we interact with trustees are central to successful administration.

As PASA state on their website:

'Attaining PASA Accreditation is the gold standard for high-quality pension administration. As a PASA Accredited organisation you will:

- achieve public recognition of the quality of your operation and your commitment to continuous improvement
- gain a means to help trustees and clients discharge their fiduciary responsibilities, by 'locking-in' to a recognised and credible framework
- demonstrate that the performance and capabilities of your administration service are in-line with those of the highest-quality organisations providing pensions administration services
- differentiate yourself in the market and for your client(s) build a high-performing pensions administration team through the PASA framework and guidance'

This is a tough process that couldn't be further from a 'box ticking' exercise. Throughout the process, PASA's approach challenges established ways of working, pushing hard for that 'gold standard' in every area.

#### What did we learn along the way?

The two key essential elements are preparation and engagement. As a national practice, we operate from seven offices across the UK, and RSM visited every office, reviewing controls and meeting the teams. In a real-life case of trains, planes and automobiles, I travelled to each office to co-ordinate the respective site visits and brief the teams on what would be required on the day. This was an essential step in demystifying the audit process and achieving the collaborative 'buy-in' necessary when 270 administrators are working towards a shared goal.

#### Fergus Clarke, Executive Director of PASA commented:

"At PASA we have long since recognised the significant negative impact poor pensions administration has on scheme members, and we have developed our stringent accreditation process accordingly to really reinforce the value of high quality administrators. All of our accredited companies must undergo a strict audit process and demonstrate that they fully comply with our standards".

#### What does the future hold?

PASA accreditation isn't a 'won and done' situation – standards must be constantly met and providers need to constantly monitor how PASA's own growing body of best practice guidance aligns with their internal practices. This is what makes ongoing accreditation meaningful.

There isn't a 'kite mark' for pension administration but, with both the Pensions Regulator and the Department for Work and Pensions identifying that good administration can be demonstrated by independent accreditation, PASA may be perfectly positioned to define the standards by which quality administration can be measured. Although most providers have been slow out of the gate on accreditation, looking forward, we believe there's a growing momentum that could see PASA accreditation become a 'must have' in signalling administration quality. ■



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