

SACRS 2019 SPRING
CONFERENCE

MAY 7-10

RESORT AT SQUAW CREEK • LAKE TAHOE, CA



Quality Assurance & Metrics

Quality Auditing and Training for Continuous
Improvement

By

Derwin Brown, Chief Quality Assurance & Metrics



Quality Assurance & Metrics

Mission Statement

Our mission is to ensure that LACERA provides the promised benefits in a timely and accurate manner. We accomplish this mission primarily by training staff and monitoring staff's output. By assuring the quality of LACERA's work product, we help maintain a high level of accuracy, reduce the rate of errors, and facilitate the efficient operation of other divisions.



Why does Quality Assurance Exist?

- Ensure compliance with Retirement Law
- Limit amount of errors that reach our members
- Document business processes
- Preserve a culture of quality

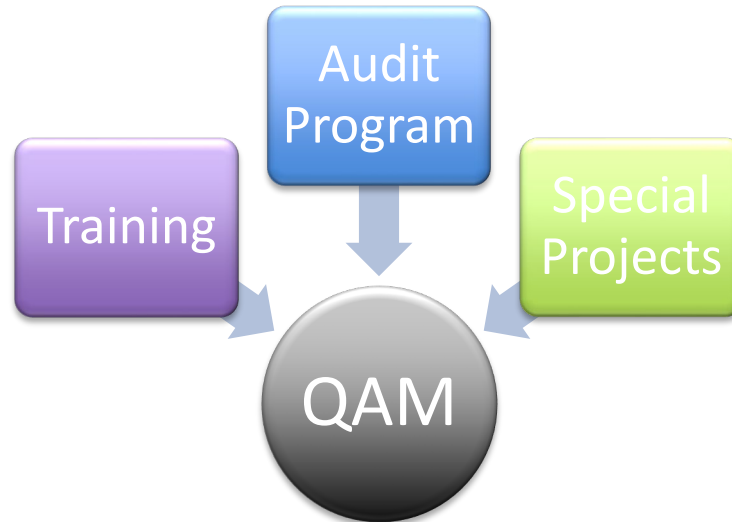


Why does Quality Assurance Exist?

- Promote quality best practices
- Develop performance & business metrics
- Develop quality-based training
- Continuous Improvement



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Integrated Audit Program

Integrated Audit Program

- **Inline Audit**

75%-95% sampling before transaction is complete

- **Executive Audit**

100% sampling (could be before or after)

- **Classic Audit**

100% sampling after transaction is complete



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How do we conduct the audit?

- Random sampling of completed transactions
- Direct sampling of transactions prior to completion
- Measure with Audit Criteria for compliance and calculation accuracy



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Five Attributes of An Audit Finding

- Criteria
- Condition
- Cause
- Consequences/Effect
- Conclusion/Recommendation



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All findings must be resolved before...

- Mailing a Cost Letter to the member
- Setting up a Payment Contract
- Paying Retirement Benefits



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Measuring Business Processes

- Best Performing
- Organizational Goal
- QA Standard



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Quality-Based Training developed and Enhanced from

- Audit findings/exceptions
- Root Cause Analysis
- Trend Analysis



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Root Cause Analysis

- Target: Pre-conversion Service Credit
- Challenge: Accuracy vs. Production



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Root Cause Analysis

- Developed Account Analysis Module
- Pilot tested the Module in CORE Training
- Evaluated effectiveness – surveys and exams
- Implemented Module as permanent part of training



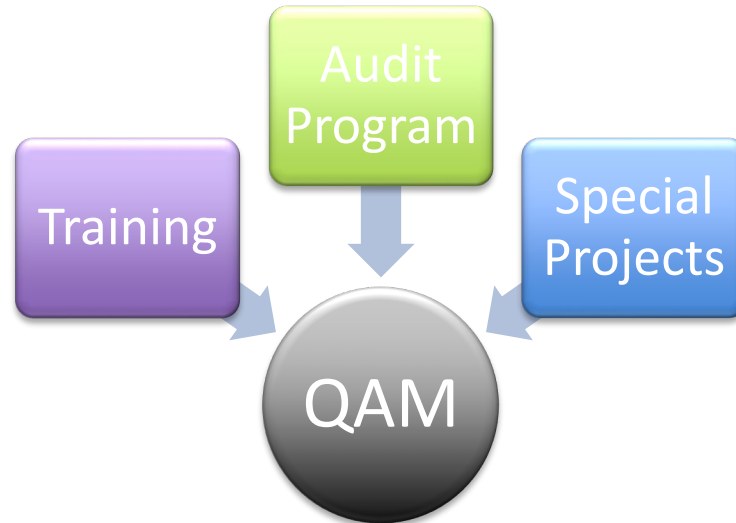
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Root Cause Analysis Benefits

- Impacts 11 Business Processes
- Likely Increase in Overall Accuracy
- Develop Analytical Research Techniques
- Data Scrubbing



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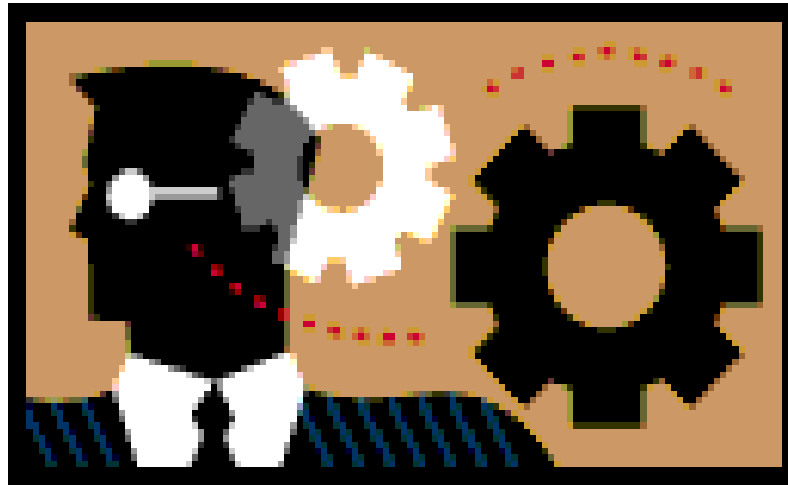
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Next up...



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Process Management

By: W. Louis Gittens
Section Head



Process Management

- Mission Statement
 - To ensure the highest quality, reliability and efficiency of service through continuous improvement of processing systems and staff performance



Process Management

Purpose

- LACERA's resident experts
- Initiate and drive change
- Create new tools for efficiency
- Ensure harmony among reference materials



Process Management

Quality Ecosystem





Process Management

Impact on QA Training

- Review new hire training procedures
- Update procedures based on changes in business practices
- Address issues which arise during training



Process Management

Role in QA Audit

- Communicate with QA regarding changes in business rules
- Update audit criteria
- Manage responses to audit findings
- Troubleshooting Action Plan (TAP)
- Work Instruction Transmittal (WIT) to obtain staff acknowledgment



Communicating Business Rule Changes

Business Rule Update

Title:

Rule:

Drafted by:

Effective Date:

Revision Date: --

Objective: Clarify...

Existing Policy:

Event triggering the discussion: (what came up? Why are we talking about this?)

Reasoning: (How is the law interpreted?)

Decision: (what are we doing from now on?)

Applicable CERL or Regulations: §

Action Plan: Benefits to update the WIKI and procedures in the Benefits Library; Process Management will circulate this Policy Update to the applicable stakeholders; Member Services will update the OI

Follow-up Plan: LACERA will re-review this policy annually as part of the New Hire Training process



Audit Criteria Update

AGENDA METRICS – AUDIT CRITERIA (Rev. 9/18/18)

Criteria	Criteria Description	Risk	Rank	Weight
Account Validation	<ol style="list-style-type: none"> 1. Verify that all the information is correct in Workspace: <ol style="list-style-type: none"> a) Perm & Membership date b) Termination date (if any) c) Purchases and Reciprocity records 2. Verify that contributions on file are correct: <ol style="list-style-type: none"> a) Member paid contributions based on the correct plan and rate b) Verify contribution rate on the comprehensive screen is based on the entry age in FAC worksheet 3. Resolve any contributions discrepancies: <ol style="list-style-type: none"> a) Create a Back Contribution service request, if applicable (examples: partial contributions, actual > scheduled earnings) b) Create a Refund/Excess Contributions service request, if applicable (example: excess contributions that should be place in IOB) 4. Verify contracts have been established to account for all service credit purchased or provided as Free E credit 5. Verify that all periods of purchased service are included in the calculations of the signed Retirement Election Form 6. Create and send the following letters (if applicable): <ol style="list-style-type: none"> a) Legal Hold letter for members who has a legal hold on their account b) PS Eligibility letter 	HIGH / Financial – Service <ol style="list-style-type: none"> 1. Failure to notify member of eligibility to purchase missing credit or previous service prevents member from making well informed decisions regarding benefits 2. Potential litigation and liability 3. Poor customer service and member satisfaction 	1	15%



Process Management

Root Cause Analysis

- When QA provides their Root Cause Analysis, Process Management:
 - Explores innovative solutions
 - Develops tools
 - Implements change



Process Management

Special Projects

- Dissect the nature of the project
- Create tools for project team (QA to test prior to implementation)
- Create staff procedures and reference material

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Questions?

