Don't Make These Big Mistakes with Your Pension Administration System (PAS)

Session: Internal Auditors Breakout
Date: Wednesday, November 9, 2022
Time: 2:00 pm – 4:30 pm

PRESENTERS:

☐ **John Katalinich, Senior Account Representative, Levi, Ray & Shoup, Inc.**

☐ **Edward Meyers, Account Executive, Sagitec Solutions**

☐ **Kathy Foster, Retired Assistant CEO, Alameda County Employees' Retirement Association**

☐ **Dana D'Arienzo, Project Manager (PAS), Alameda County Employees Retirement Association**

MODERATOR:

☐ **Harsh Jadhav, Chief of Internal Audit, Alameda County Employees Retirement Association**

Preparation for the PAS Implementation

Organization Readiness (KF)

- **Best Practices for engaging your Board**

- **Communicating the implementation timeline to Staff**

- **Preparing your Participating Employers**

- **Determining the impact on the members**

- **Looking at critical business processes**

- **Thought process about engaging a consultant**

PAS Selection Process (KF/JK/EM)

- **SMEs should be utilized during the selection process.**

- **Work with consultants/SMEs on the functional requirements that pertain to their job duties.**

- **Enable SMEs to perform detailed proposal review.**

- **Include SMEs during the product demonstration of a vendor.**

- **Benefits of SME involvement:**
  - **Helps to build a team atmosphere with the pension system staff and vendor staff.**
  - **Provides for better evaluation of the provider's proposed solution.**

Preparing the RFP/RFI(KF/JK/EM/DA)

- **Public Pension Funds have a fiduciary duty to complete their due diligence of PAS vendors during the RFP/RFI Process.**

- **Relying on subject matter experts (SMEs)**

- **Leveraging SME's expertise by including them in the RFP/RFI selection process**

- **Preliminary requirements in RFP/RFI**

  - **Input by Consultant**

  - **Time necessary to write requirements properly (high-level?)**

Managing the PAS Implementation

Decision Making Process (DA)

- **Decision makers not fully engaged in the project**

- **Pre-mature decisions (especially without SMEs)**

- **Delays in making decisions**

- **Involving SMEs throughout the PAS implementation process**

- **Project Management – Liaison between Management and Vendor/SME/Consultants**

Change Management(DA/KF/JK/EM)

- **Changes to services/processes not adequately communicated to key stakeholders**

- **Don't discount change management: the entire agency should be ready for any changes**

- **A software platform that will be outdated within the next several years**

- **Change Requests**
  - **New legislation passed during a project (PEPRA)**
  - **New/modified requirements**
  - **Changes recommended by Board/Legal Counsel**

Accurate Data in the New System(JK/DA/EM)

- **Preparing a data conversion strategy**

- **Incomplete and/or poor-quality data in the old system**

- **Determine how to convert data (cost/benefit)**

Project Management Best Practices(DA/EM)

- Scoping and partnering in discovery discussions

- Committed to a vendor during the PAS implementation

- Willing to compromise (all parties – vendor, client, and consultant)

- Owning what you can do and outsource what you can't do

- Implementing RACI (responsible, accountable, consulted, and informed

Design(EM/DM/KF/JK)

- Bringing the right staff for JAD (joint application design) sessions

- Managing "nice to have" requests against the budget and time constraints

- Determining who is responsible for design changes and approvals

Training(Team)

- **How do you go about building a training plan?**

- **What is the recommended process to train the participating employers?**

- **At what stage of the implementation or after implementation do you start training?**

- **Do you recommend a learning management system or other tool to retain the training?**

- **Who should be the trainers?**

- **Training materials and procedures (template?)**

Project Documentation(DA)

- **What types of documentation is required?**

  – **Record of decisions made**

  – **Training documentation (i.e., use cases, training guide, test plan)**

  – **System documentation**

  – **Design documents**

  – **Updates to policies and procedures (i.e., organizational assets)**

  – **What will we need to maintain stability?**

- **How often should the documentation be updated?**

Testing(DA/JK/KF)

- **What is the testing strategy?**
- **Do you have sample test data?**
- **Describe the testing process?**
- **What test data needs to be available to run the tests?**
- **What are the key components of the test plan?**
- **What is the best way to utilize the consultant or vendor to ensure the testing is complete and accurate?**
- **Which departmental staff should be involved in testing?**
- **Should you use third-party vendors to test your data?**

Rolling out the PAS to the organization(Team)

- **Communicating the key milestones (Employers, management, staff, Board)?**

- **Identifying Power Users**

- **What risks should organizations be aware of in the rollout phase?**

- **Resource commitment**

- **Managing process and organizational change**

- **Planning (parallel testing)**

- **Infrequent processes (1099, interest posting)**

Administering the PAS System Post Implementation

Ensuring Business Continuity (Team)

- Disaster recovery plan

- Change request process (cutover process is well planned)

- Handoff from implementation team to support team

- Knowing your vendor's cybersecurity and backup and recovery plan

- Vendor/Consultant support post-production

- Vendor's documentation on customization

- Data security

Questions