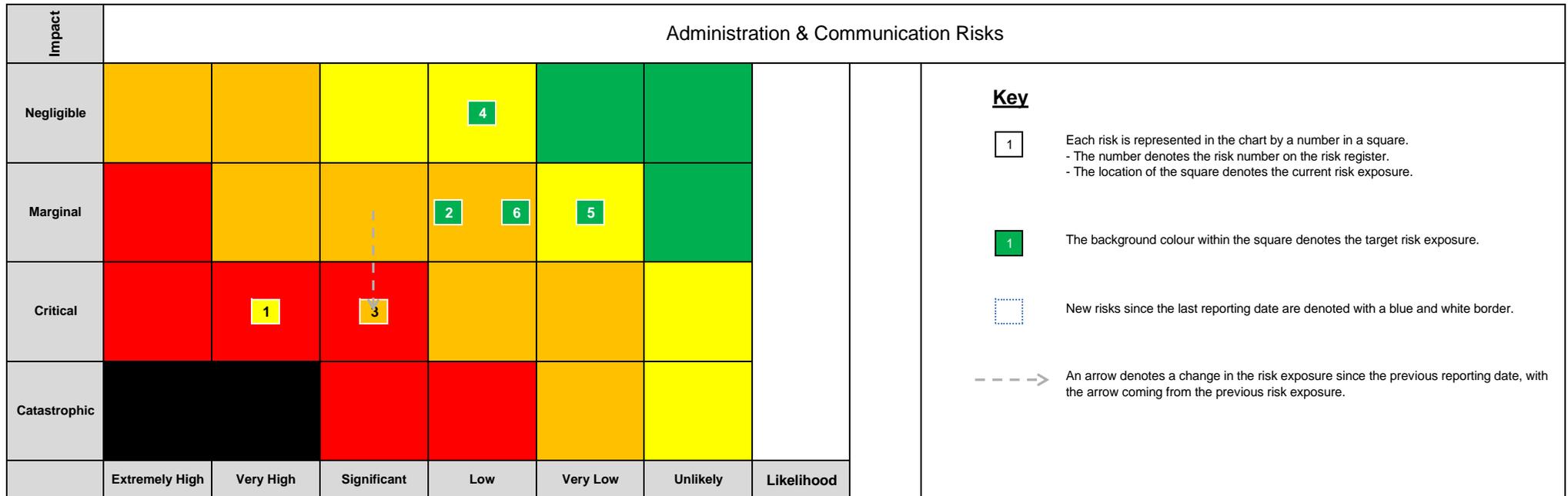


Administration and Communication Risks Heat Map and Summary



11 November 2022

Clwyd Pension Fund - Control Risk Register
Administration & Communication Risks

Objectives extracted from Administration Strategy (05/2021) and Communications Strategy (09/2019):

- A1 Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders
- A2 Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money
- A3 Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund
- A4 Ensure the correct benefits are paid to, and the correct income collected from, the correct people at the correct time
- A5 Maintain accurate records and ensure data is protected and has authorised use only
- C1 Promote the Scheme as a valuable benefit and provide sufficient information so members can make informed decisions about their benefits
- C2 Communicate in a clear, concise manner
- C3 Ensure we use the most appropriate means of communication, taking into account the different needs of different stakeholders but with a default of using electronic communications where efficient and effective to do
- C4 Look for efficiencies and environmentally responsible ways delivering communications through greater use of technology and partnership working
- C5 Regularly evaluate the effectiveness of communications and shape future communications appropriately

Risk no.	Risk Overview (this will happen)	Risk Description (if this happens)	Strategic objectives at risk (see key)	Current impact (see key)	Current likelihood (see key)	Current Risk Status	Internal controls in place	Target Impact (see key)	Target Likelihood (see key)	Target Risk Status	Meets target?	Date Not Met Target From	Expected Back On Target	Further Action and Owner	Risk Manager	Next review date	Last Updated
1	Unable to meet legal and performance expectations (including inaccuracies and delays) due to staff issues	That there are poorly trained staff and/or we can't recruit/retain sufficient quality of staff, including potentially due to pay grades (including due to Covid-19)	All	Critical	Very High	Red	<ul style="list-style-type: none"> 1 - Training Policy, Plan and monitoring in place 2 - Benefit consultants available to assist if required 3 - Ongoing task/SLA reporting to management/AP/PC/LPB to quickly identify issues 4 - Data protection training, policies and processes in place 5 - System security and independent review/sign off requirements 6 - ELT established 7 - Temporary staff changed to permanent where appropriate, and further resource increase/recruitment to new posts 8 - Ongoing monitoring of ELT and Ops resource/workload for backlogs 9 - Establishment of aggregation team 10 - Ongoing training within the team 11 - Impact of potential Covid absences being discussed at regular management catch ups and plans in place for ensuring priority work continues unaffected 12 - Reviewed wording of job descriptions to ensure fit for purpose 	Negligible	Low	Yellow	<ul style="list-style-type: none"> Current impact 2 too high Current likelihood 2 too high 	31/10/2021	Mar 2023	<ul style="list-style-type: none"> 1 - Ongoing recruitment of vacant posts (KW) 2 - Action plan being developed for recruitment, retention, succession planning (PL) 	Pensions Administration Manager	31/01/2023	10/11/2022
2	Unable to meet legal and performance expectations (including inaccuracies and delays) due to employer issues	Employers: -don't understand or meet their responsibilities -don't have access to efficient data transmission -don't allocate sufficient resources to pension matters (including due to Covid-19)	A1 / A4 / A5 / C2 / C3 / C4 / C5	Marginal	Low	Orange	<ul style="list-style-type: none"> 1 - Administration strategy updated 2 - Employer steering group established 3 - Greater engagement through Pension Board 4 - Establishment of ELT 5 - Increased data checks/analysis (actuary and TPR) 6 - Implemented further APP data checks to identify issues 7 - Increased engagement with employers as to how they are managing due to Covid, and ongoing CPF requirements, and introduced monthly monitoring of employers 8 - Developed and issuing monthly KPI reporting for employers 9 - I-connect in place for all Fund employers 10 - Monthly meetings with Employers to discuss any ongoing data issues and provide training where required. 	Negligible	Very Low	Green	<ul style="list-style-type: none"> Current impact 1 too high Current likelihood 1 too high 	01/07/2016	Jan 2023	<ul style="list-style-type: none"> 1 - Implement new process for employers relating to service standards (KW/AH) 	Pensions Administration Manager	31/01/2023	10/11/2022
3	Unable to meet legal and performance expectations due to external factors	Big changes in employer numbers or unexpected work increases (e.g. severance schemes or regulation changes including McCloud, Pensions Dashboards and potential exit cap, backdated pay awards)	A1 / A4 / A5 / C2 / C3 / C4 / C5	Critical	Significant	Red	<ul style="list-style-type: none"> 1 - Ongoing task and SLA reporting to management/AP/PC/LPB to quickly identify issues 2 - Benefit consultants available to assist if required 3 - Recruitment to new posts 4 - McCloud planning undertaken, including governance structure with Steering Group and PMG 5 - The Pension Administration Manager sits on PLSA working group for Pensions Dashboards 6 - The Fund has volunteered to test the integration of the Administration system and Pensions Dashboard 	Marginal	Low	Orange	<ul style="list-style-type: none"> Current impact 1 too high Current likelihood 1 too high 	27/08/2018	Jun 2023	<ul style="list-style-type: none"> 1 - Ongoing consideration of the impact on resource of pay awards, likely national changes and Pensions Dashboards (KW) 2 - Ongoing consideration of potential exit cap on processes etc (KW/KM) 	Pensions Administration Manager	31/01/2023	10/11/2022
4	Scheme members do not understand or appreciate their benefits	Communications are inaccurate, poorly drafted, insufficient or not received (including McCloud and potential exit cap)	C1/ C2 / C3	Negligible	Low	Yellow	<ul style="list-style-type: none"> 1 - New Communications Strategy - focussed on digital engagement - approved June 2022 2 - Annual communications survey for employees and employers 3 - Specialist communication officer in team 4 - Website reviewed and relaunched (2017) 5 - Member self service in place 6 - Ongoing identification of data issues and data improvement plan in place 7 - Address tracing exercise undertaken for members who have not set a communication preference 8 - A Member self service activation key has been re-issued to all members who do not have a communication preference set and other initiatives for blackhole members. 	Negligible	Very Low	Green	<ul style="list-style-type: none"> Current likelihood 1 too high 	01/07/2016	Dec 2023	<ul style="list-style-type: none"> 1 - Implement new communications strategy in line with 2022/23+ business plan (KM/KW) 	Pensions Administration Manager	31/01/2023	10/11/2022
5	High administration costs and/or errors	Systems are not kept up to date or not utilised appropriately, or other processes inefficient (including McCloud and potential exit cap)	A2 / A4 / C4	Marginal	Very Low	Yellow	<ul style="list-style-type: none"> 1 - I-connect and MSS implemented 2 - Review of ad-hoc processes (e.g. deaths and aggregation) 3 - Participated as a founding authority on national framework for admin system 4 - Implementation of other Altair modules including Altair Insights (relating to TPR scores) 5 - Increased engagement with Heywood about change in their business model 6 - Increased engagement with Heywood re McCloud software enhancements 7 - Ongoing identification of data issues and data improvement plan in place 	Negligible	Very Low	Green	<ul style="list-style-type: none"> Current impact 1 too high 	01/07/2016	Mar 2023	<ul style="list-style-type: none"> 1 - Waiting for PFC to agree contract extension (KW) 2 - If delays in system upgrades, look for alternative solutions to administer regulatory changes (KW) 	Pensions Administration Manager	31/01/2023	10/11/2022
6	Service provision is interrupted	System failure or unavailability, including as a result of cybercrime and Covid-19	A1 / A4 / C2	Marginal	Low	Orange	<ul style="list-style-type: none"> 1 - Disaster recover plan in place and regularly checked 2 - Hosting implemented 3 - Implemented lump sum payments via pensioner payroll facility 4 - Regular communications carried out during pandemic with Heywood and FCC regarding areas of risk 5 - Data/asset mapping complete and cyber strategy in place 	Negligible	Unlikely	Green	<ul style="list-style-type: none"> Current impact 1 too high Current likelihood 2 too high 	08/11/2019	Mar 2023	<ul style="list-style-type: none"> 1 - Develop updated business continuity plan for CPF (KW) 2 - Implement remaining elements of cyber strategy (KW) 3 - Develop post Covid-19 approach to working arrangements (KW/PL) 	Pensions Administration Manager	31/01/2023	10/11/2022