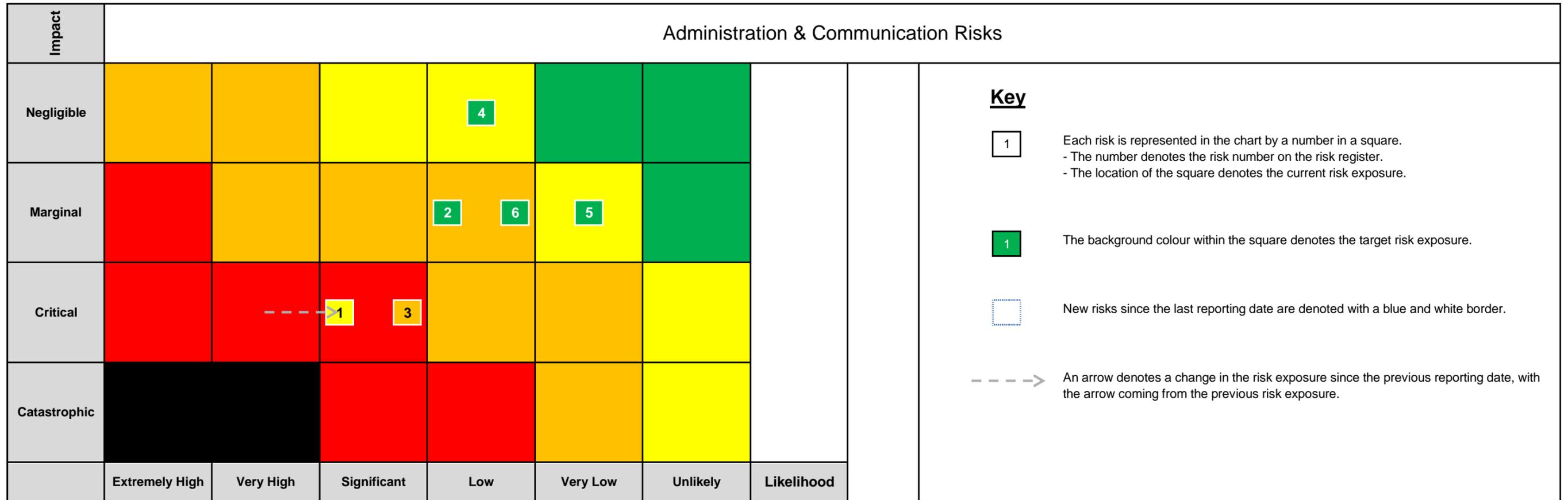


## Administration and Communication Risks Heat Map and Summary



29 March 2023

**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.  | All                                    | Critical                 | Significant                  | High                | 1 - Training Policy, Plan and monitoring in place<br>2 - National Framework can be utilised if required<br>3 - Ongoing task/SLA reporting to management/AP/PC/LPB to quickly identify issues<br>4 - Data protection training, policies and processes in place<br>5 - System security and independent review/sign off requirements<br>6 - ELT established<br>7 - Temporary staff changed to permanent where appropriate, and further resource increase/recruitment to new posts<br>8 - Establishment of project team<br>9 - Ongoing training within the team<br>10 - Impact of potential or actual vacancies and/or other absences being discussed regularly ensuring priority work continues unaffected<br>11 - Reviewed wording of job descriptions to ensure fit for purpose | Negligible              | Low                         | Low                | ☹️ Current impact 2 too high<br>Current likelihood 1 too high | 31/10/2021               | Dec 2023                | 1 - Ongoing recruitment of vacant posts (PL/KW)<br>2 - Action plan being developed for recruitment, retention, succession planning including consideration of future work levels and review of team structure (PL)<br>3 - Ongoing training of recent recruits (KW) | Pensions Administration Manager | 10/11/2023       | 31/07/2023   |
| 2        | Unable to meet legal and performance expectations (including inaccuracies and delays) due to employer issues | Employers:<br>-don't understand or meet their responsibilities<br>-don't have access to efficient data transmission<br>-don't allocate sufficient resources to pension matters (including due to Covid-19)        | A1 / A4 / A5 / C2 / C3 / C4 / C5       | Marginal                 | Low                          | Medium              | 1 - Administration strategy updated<br>2 - Employer steering group established<br>3 - Greater engagement through Pension Board<br>4 - Establishment of ELT<br>5 - Increased data checks/analysis (actuary and TPR)<br>6 - Implemented further APP data checks to identify issues<br>7 - Increased engagement with employers as to how they are managing due to hybrid working, and ongoing CPF requirements, and introduced monthly monitoring of employers<br>8 - Developed and issuing monthly KPI reporting for employers<br>9 - I-connect in place for all Fund employers<br>10 - Monthly meetings with Employers to discuss any ongoing data issues and provide training where required.<br>11 - Employer group engagement meetings established.                          | Negligible              | Very Low                    | Low                | ☹️ Current impact 1 too high<br>Current likelihood 1 too high | 01/07/2016               | Dec 2023                | 1 - Implement new process for employers relating to service standards (KW/AH/KyleW)  | Pensions Administration Manager | 10/11/2023       | 31/07/2023   |
| 3        | Unable to meet legal and performance expectations due to external factors                                    | Big changes in employer numbers or scheme members 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                  | High                | 1 - Ongoing task and SLA reporting to management/AP/PC/LPB to quickly identify issues<br>2 - National Framework can be utilised if required<br>3 - Recruitment to new posts<br>4 - McCloud planning undertaken, including governance structure with Steering Group and PMG<br>5 - The Pension Administration Manager sits on PLSA working group for Pensions Dashboards<br>6 - The Fund has volunteered to test the integration of the Administration system and Pensions Dashboard<br>7 - Pensions dashboard planning currently underway  | Marginal                | Low                         | Medium             | ☹️ Current impact 1 too high<br>Current likelihood 1 too high | 27/08/2018               | Dec 2023                | 1 - Ongoing consideration of the impact on resources of backdated pay awards, likely national changes and Pensions Dashboards (KW)<br>2 - Implement and move non BAU to temporary project team   | Pensions Administration Manager | 10/11/2023       | 31/07/2023   |
| 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                          | Medium              | 1 - New Communications Strategy - focussed on digital engagement - approved June 2022<br>2 - Annual communications survey for employees and employers<br>3 - Specialist communication officer in team<br>4 - Website reviewed and relaunched (2017)<br>5 - Member self service in place<br>6 - Ongoing identification of data issues and data improvement plan in place<br>7 - Address tracing exercise undertaken for members who have not set a communication preference<br>8 - A Member self service activation key has been re-issued in 2022 to all members who do not have a communication preference set and other initiatives for blackhole members.   | Negligible              | Very Low                    | Low                | ☹️ Current likelihood 1 too high                              | 01/07/2016               | Dec 2023                | 1 - Implement new communications strategy in line with 2022/23+ business plan (KM/KW)  | Pensions Administration Manager | 10/11/2023       | 31/07/2023   |
| 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                     | Medium              | 1 - I-connect and MSS implemented<br>2 - Review of ad-hoc processes (e.g. deaths and aggregation)<br>3 - Review of admin system/reappointment of Heywood in 2023 (following being founding authority on national framework for admin systems).<br>4 - Implementation of other Altair modules including Altair Insights (relating to TPR scores)<br>5 - Ongoing engagement with Heywood about software enhancements including timeliness of upgrade<br>7 - Ongoing identification of data issues and data improvement plan in place   | Negligible              | Very Low                    | Low                | ☹️ Current impact 1 too high                                  | 01/07/2016               | Dec 2023                | 1 - Appoint pension dashboard ISP in line with new national dashboard timetable (KW)   | Pensions Administration Manager | 10/11/2023       | 31/07/2023   |
| 6        | Service provision is interrupted   | System failure or unavailability, including as a result of cybercrime or resourcing constraints   | A1 / A4 / C2                           | Marginal                 | Low                          | Medium              | 1 - Disaster recover plan in place and regularly checked<br>2 - Hosting implemented<br>3 - Implemented lump sum payments via pensioner payroll facility<br>4 - Regular communications carried out during pandemic with Heywood and FCC regarding areas of risk<br>5 - Data/asset mapping complete and cyber strategy in place<br>6 - Ongoing cycle of supplier cyber assessments   | Negligible              | Unlikely                    | Low                | ☹️ Current impact 1 too high<br>Current likelihood 2 too high | 08/11/2019               | Dec 2023                | 1 - Develop updated business continuity plan for CPF (KW)<br>2 - Implement remaining elements of cyber strategy (KW)   | Pensions Administration Manager | 10/11/2023       | 31/07/2023   |