

Appendix 2: Process and control strengthening – preventative approaches already used in relation to data quality issues (section 4)

Ref & Priority	Data Area	Potential Impact	Mitigation	Review Frequency
DP1 i-Connect and Year end	<p>Monthly and year-end processes and controls:</p> <p>a). Correct allocation of CARE pay & full-time equivalent (FTE) pay data to member accounts (where members have multiple accounts)</p> <p>b). All CARE, FTE pay and other supporting data is correct and received in a timely manner for all records.</p> <p>c). Authorisation process for employers and any differences in contribution and membership data are fully reconciled.</p>	<p>Failure of Fund to fulfil its statutory requirement to ensure accurate payment of benefits within prescribed timescales.</p> <p>Impact on annual allowance calculation for members.</p> <p>Failure to comply with the requirements of the rates and adjustment certificate.</p> <p>Risk of fraudulent activity.</p>	<p>a). Transition of employers to i-connect.</p> <p>b). Continued development of controls checks on pay data submitted</p> <p>c). Regular revision and improvement of Fund pay tolerance levels</p> <p>d). Descriptive feedback to employers where anomalies are highlighted</p> <p>e). Robust authorisation controls including sign off by key employer contacts.</p> <p>f). Regular gap analysis of FTE Pay figures and CARE Data.</p>	<p>Monthly – i-Connect</p> <p>Annually – End of year before commencement of year end contribution exercise</p>
DP2 PENSIONER PAYROLL	<p>Verification and authorisation of payroll data between the Pension Administration database and the Pension Payroll database</p>	<p>Non-verification and authorisation payroll data could result in failure to identify fraudulent activity that may have financial consequences</p> <p>Failure to reconcile members & their pensions could lead to maladministration</p>	<p>a). Robust authorisation controls – Covering both financial & data transfers between databases</p> <p>b). Incorporate a series of annual pre-pension increase checks to ensure both databases mirror each other.</p> <p>c). Initiate a programme of data quality reporting & reconciliation</p>	<p>Annually – Financial reconciliation of the payroll before & after each pension increase exercise.</p> <p>Monthly – Data reporting & reconciliations to be undertaken</p>

DP3 CONSISTENCY ERRORS	Data entered on the pension administration system needs to be entered consistently and checked as part of the process.	Non-verification of data from 3 rd parties such as other LGPSs may have financial or data quality consequences	Ensure that all transfer value data is verified on Altair, by reviewing their documentation & update each member's records as required. Run consistency check routines	Ongoing
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