

Summary of Current Risks		
	0	High
	5	Medium
	25	Low
	30	

**Risk Register for:**  
Pension Fund Administration

**Completed and Reviewed by:** Pension Fund Committee  
**Date:** 17 September 2018

		Financial	Strategic Priorities and Opportunities	Health & safety	Reputational	Criticality of Service
<b>HIGH</b>	i.e. a greater than 20% chance of:	Potential to cause significant damage or seriously weaken the survival of the Fund	Major impact (positive or negative on a strategic priority)	Fatality or major injury/illness (long term incapacity / disability)	Sustained/long term media attention	Unable to deliver critical services (levels one and two)
<b>MEDIUM</b>	i.e. a greater than 20% chance of:	Reasonable impact in a single financial period or in the short-term but can be contained	Moderate impact (positive or negative on a strategic priority)	Moderate injury or illness (including other RIDDOR reportable incidents)	Short to medium term impact on public memory (affecting more than one ward)	Unable to deliver critical services (levels one and two)
<b>LOW</b>	i.e. :	Negligible / minor impact	Minor/negligible impact (positive or negative) on a strategic priority	Potential for minor injury/illness (requiring minimal intervention or treatment)	Short to medium term impact on public memory (affecting one ward) / minor complaints or rumours	Minor disruption to service delivery

No	Risk Description	Risk Status <i>Open or Closed</i>	Risk Lead	Date Identified	Current Controls <i>How do we currently manage this risk?</i>	Current Risk <i>High / Medium / Low</i>	Movement Since Last Review <i>Improving / Deteriorating / No Change</i>	Is the current level of risk acceptable? <i>i.e. Yes or No, based on the current controls</i>	Any Issues to Highlight Since Last Review?	Further actions identified to achieve an acceptable level of risk	Target Date for further actions
<b>Governance - General Governance (A), Legislation (B) &amp; Funding (C)</b>											
<b>A) General Governance</b>											
A1	Frequent and/or extensive turnover of committee members, or insufficient knowledge of regulations, guidance and best practice to make good decisions.	Open	Pensions Manager	Jun-18	Member training plan in place. Monitoring of member attendance in place to ensure regular attendance.	Low	First Review	Yes		Ensure all training opportunities circulated to LPB, consider internal & external training options and opportunities.	On-going
A2	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	Open	Pensions Manager	Jun-18	Training programmes in place for all staff. Professional qualifications offered to staff and a requirement for senior roles. Senior staff members attending regional and national forums. Staff training needs identified through in house training and development officer, and addressed through the appraisal process.	Low	First Review	Yes		Staff to be given opportunity to start the CIPP qualification programme from September 2018.	On-going
A3	Committee members have undisclosed conflicts of interest.	Open	Pensions Manager	Jun-18	Conflicts of Interest are a regular item on all committee agendas.	Low	First Review	Yes			On-going
A4	Decisions are not implemented properly.	Open	Pensions Manager	Jun-18	Regular review of all decisions. Progress against all actions is reported to the committee.	Low	First Review	Yes			On-going
A5	Lack of mechanisms and policies for communicating with Scheme members and employers means that decisions are not available for scrutiny.	Open	Pensions Manager	Jun-18	Summary of all PFC and LPB minutes to be published in a timely fashion. Annual report published annually. Pension Fund website means information is accessible. Annual Newsletter issued with ABIs.	Low	First Review	Yes			On-going
<b>B) Legislation</b>											

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B1	Lack of access to appropriate legislation, best practice or guidance could lead to the Fund to act illegally.	Open	Pensions Manager	Jun-18	Access to LGA material, use of specialist advisors, membership of national and regional forums. Collaborative working with other funds.	Low	First Review	Yes			On-going
B2	Lack of understanding of key changes means the impact is not fully understood.	Open	Pensions Manager	Jun-18	Regular Technical Management meetings to consider impact. Use of special project teams. Expert advice and collaboration with other funds.	Low	First Review	Yes			On-going
B3	Lack of resource and/or skills to effectively communicate Scheme changes with members and employers.	Open	Pensions Manager	Jun-18	Communication & Employer Support team in place, regular training provided to ensure knowledge and skills of team members. Collaboration with other funds.	Low	First Review	Yes			On-going
B4	Inability or refusal of an employer to pay cessation valuation.	Open	Fund Administrator	Jun-18	Action to be taken through the courts.	Medium	First Review	Yes			On-going
<b>Administration - General Administration (A), Communications (B), Security (C) &amp; IT Systems (D)</b>											
<b>A) General Administration</b>											
A1	Failure to comply with TPRs Code of Practice 14	Open	Pensions Manager	Jun-18	Ensure key staff and LPB members are trained and understand requirements. Ensure System and PAS address requirements. Data Quality annual checks and Improvement Plan in place.	Low	First Review	Yes		PM to complete the TPRs Public Service toolkit programme and develop checklist against requirements to be monitored annually by the LPB	On-going
A2	Failure to issue Annual Benefit Illustrations within statutory timescales	Open	Pensions Manager	Jun-18	Weekly project meeting to monitor progress and address issues. Staff are trained and supported with additional resource available at peak times	Medium	First Review	Yes		Succession Planning for senior management roles. Annual review of end of year processes needed to enable forward planning.	On-going

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A3	Failure to meet other statutory deadlines including the Annual Return (TPR) and Annual Allowance processes	Open	Pensions Manager	Jun-18	Weekly project meeting with key staff to ensure appropriate resources in place.	Low	First Review	Yes		Succession Planning for senior management roles. Training and development programme in place for key staff dealing with pensions tax and annual allowance.	On-going
A4	Failure to complete end of year processes within necessary timeframe	Open	Pensions Manager	Jun-18	System Manager monitors progress against project plan and will report to PM at weekly project meeting to address issues as they arise.	Medium	First Review	Yes		Succession Planning for senior management roles. More staff trained in this area. Review of processes in place with view to improvements for next year.	On-going
A5	Insufficiently trained or inexperienced staff leading to gaps in knowledge.	Open	Pensions Manager	Jun-18	Training and Development Officer in place to identify and address training requirements / shortfalls. Each employee has a personal training record. Regular meetings and appraisals mean that any specific needs can be identified and addressed.	Low	First Review	Yes		Consider new apprenticeship scheme	31/12/2018
A6	Staff unable to get to work e.g. widespread flu pandemic or building off limits.	Open	Pensions Manager	Jun-18	Some staff are able to work from home in the event of building closure where technology permits. Business Continuity Plan to be updated regarding widespread sickness.	Low	First Review	Yes		Completion of Business Continuity Plan	31/12/2018

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A7	Not dealing properly with complaints, leading to escalation that ultimately ends with the ombudsman.	Open	Pensions Manager	Jun-18	Well maintained structure in place for complaints, with expert advice sought in necessary cases to minimise further escalation. Regular reviews of IDRPs cases to keep within timescales. Quality of letters written checked by additional staff for accuracy to ensure best possible quality of communication. Complaints log.	Low	First Review	Yes		Review of all complaints, not just those going to IDRPs, internal policy for complaints received to be considered. Staff support to be provided where complaints arise.	On-going
A8	Failure to meet Service Standards.	Open	Pensions Manager	Jun-18	Pensions Administration Strategy in place and regular recording of Performance Indicators (KPIs) to identify strength and weakness areas, to maintain or make improvements.	Low	First Review	Yes		Ensure effective recruitment and training for new staff.	On-going
A9	Failure to complete GMP Reconciliation by December 2018.	Open	Pensions Manager	Jun-18	GMP Reconciliation project in place. Team well staffed and trained. Regular attendance of relevant regional and national meetings and forums. Weekly team meetings to discuss targets and problems.	Low	First Review	Yes			On-going
A10	Loss of key staff / expertise.	Open	Pensions Manager	Jun-18	Training program in place maintained by Training and Development Officer. Job Description/Person Specification available. Internal acting up arrangements in place until job officially re-employed.	Low	First Review	Yes		Succession Planning for senior management roles	On-going
<b>B) Communications</b>							First Review				

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B1	Growth in number of employers in the Fund leads to less pensions knowledge within each employer. New employers fail to understand their responsibilities within the Fund and LGPS in general	Open	Communications & Employer Relations Manager	Jun-18	Dedicated Communications Team to ensure all new employers are informed of their responsibilities within the Fund and the LGPS. Presentations and training provided to all necessary members of an employing authority. Feedback accounted for and review of internal procedures undertaken to ensure quality of training materials.	Low	First Review	Yes		Review of Pensions Admin Strategy (PAS) needed, with added requirement to ensure all new employers sign to confirm their understanding. Audit of employer discretionary policies to include new requirements following recent regulatory change	31/03/2019
B2	Members don't make an informed decision regarding their pension options, and employers cannot make an informed decision regarding their discretions policy, leading to possible complaints against the Fund.	Open	Communications & Employer Relations Manager	Jun-18	Communication strategy in place to ensure the best possible communication material is used. Discretions template provided to employers completing their discretions policy. Members provided with factsheets, leaflets and booklets enclosed with pension documentation. Dedicated helpline and website providing further information.	Low	First Review	Yes		Annual Review of standard communications and three year review of communications strategy	31/03/2019
B3	Pension Fund does not reach the target audience and full exposure of information is not achieved.	Open	Communications & Employer Relations Manager	Jun-18	Annual Benefit Illustrations in paper form to home address with annual newsletter, dedicated telephone and email helpline available for queries. Members and employers are given opportunities to provide feedback. Regular improvements made to communications as issues / changes to legislation identified. Presentations for members on request or at times of substantial change. Employer training provided and Pension Officer Group meetings held three times a year.	Low	First Review	Yes		Member Self Serve facility to be provided, consideration to other communication methods to be explored to include social media and SMS messaging. Review of Fund website.	31/03/2019

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B4	Communication is overcomplicated and technical leading to a lack of engagement and understanding by members and employers of the Fund.	Open	Communications & Employer Relations Manager	Jun-18	Factsheets and information written on letters is kept as jargon free as possible, and a dedicated helpline through telephone and email is available for both members and employers of the Fund. Presentations provided with simple examples and chance for questions and answer sessions after.	Low	First Review	Yes		Review member communications	
B5	Employers don't meet their statutory requirements leading to possible reporting of breaches to the Pension Regulator.	Open	Communications & Employer Relations Manager	Jun-18	Administration strategy in place to ensure all employers are aware of their responsibilities in the Fund. Training provided where needed. Dedicated Communications Team to ensure full compliance from employers. Penalty charges apply if employer is in breach of any of their responsibilities.	Medium	First Review	Yes		Ensure any breaches report to the Regulator once all reasonable support has been given. A better process is needed to ensure fines issued under the PAS can be enforced. Review End of Year processes.	
<b>C) Security</b>							First Review				
C1	Non Compliance with GDPR	Open	Systems Manager	Jun-18	All staff required to complete GDPR training, plus additional external training provided to senior staff. DCPF Internal data protection policy for Administering Authority in place. GDPR actions checklist established. Privacy Policy published on DCPF website. Revision of contracts with external suppliers to ensure GDPR compliance.	Medium	First Review	Yes		Completion of actions against the GDPR checklist. Review of all communications to ensure compliance.	

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C2	Data Protection procedures non-existent or insufficient leading to poor security for member data.	Open	Systems Manager	Jun-18	Staff must complete data protection and cyber security training. Secure portal for communication and submission of sensitive information between employers and the Fund. Shredder and Confidential Waste bin present in office. Multiple passwords required to access all software containing sensitive information. Systems are protected against viruses and other system threats.	Low	First Review	Yes		Ensure staff have annual training refreshers and new staff training to address this during induction programme.	
C3	Fraud by members.	Open	Pensions Manager	Jun-18	Compliant with audit recommendations. Form of identity check required before any benefits are payable i.e. passport or birth certificate. Mortality screening in UK and overseas performed regularly.	Low	First Review	Yes			
C4	Fraud by staff.	Open	Pensions Manager	Jun-18	Compliant with audit recommendations. Robust accounting checks in place and adherence with best practice. Systems in use have built in controls and access levels. Processes in place to ensure staff leaving have access stopped immediately. All payments checked and authorised before being processed.	Low	First Review	Yes			
<b>D) IT Systems</b>											
D1	Pension Administration system is not adequate to deliver complex historical pension calculations or implement new scheme changes.	Open	Pensions Manager	Jun-18	Staff trained to have the ability to manually perform calculations in occasions that systems fail, or cannot process historical/recent scheme changes. Regular collaboration and sharing of expertise and knowledge with other funds.	Low	First Review	Yes		Regular checking of system calculations to check continued accuracy.	
D2	IT systems go down for a prolonged period leading to an inability to access data and run calculations.	Open	Systems Manager	Jun-18	Business Continuity Plan, including disaster recovery plans to be updated. Staff trained in manual calculations and collaboration with other funds.	Low	First Review	Yes		Business Continuity Plan to be updated.	