

Admin Risk Register report

DATE :

Summary of Risks Ratings

Almost Certain	0	0	0	0	0
Likely	0	0	0	0	0
Possible	0	0	0	0	0
Unlikely	1	7	1	0	0
Rare	0	1	0	0	0
Unassigned 0	Insignificant	Minor	Moderate	Major	Catastrophic

Red Risks		Total:	
Risk Register	Risk Title	Net Risk Level	Risk Owner

New Risks		Total:	
Risk Register	Risk Title	Net Risk Level	Risk Owner
		Created Date	

Changing Risks		Total:		3
Risk Register	Risk Title	Net Risk Level	Change	Risk Owner
Administration Risk	Failure to pay pensions and lump sums on time	4	2	Chris Hurst
Administration Risk	Pensioners living longer and, changing retirement patterns.	4	2	Chris Hurst
Administration Risk	Inability to deliver service as a result of loss of pensions administration system, or any other system used in the provision of service (eg. pensioner payroll). Failure of any system used by the service as a result of a breach of cyber security.	2	1	Chris Hurst

Detail

Administration Risk

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0001	Failure to pay pensions and lump sums on time	Financial difficulty for the scheme member concerned, reputational risk to the Pension Fund, and additional cost to the employer where interest is payable as a result of late payment.	Cllr David Thomas Chris Hurst	8	4	13/05/2020	Review Summary: Reviewed 13.05.2020
01/12/2016				ADMIN	ADMIN	18/12/2020	Review Summary: Updated text to reflect constant and ongoing reviews

Controls and Actions			Status	Review Date	Latest Control	Reviews
<ul style="list-style-type: none"> Maintenance and update of Altair and Trent systems, sufficient staff resources and training. Quality assurance processes Maintenance and update of Pension Administration and Trent systems, sufficient staff resources and training. Quality assurance processes in place to check work done. Continuing Review of processes and procedures Ongoing review of process as part of continuous pensions administration workflow assessment 			Control In Place			
			Control In Place			

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0002	Inability to deliver service as a result of loss of pensions administration system, or any other system used in the provision of service (eg. pensioner payroll). Failure of any system used by the service as a result of a breach of cyber security.	Failure to provide service. Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now.	Cllr David Thomas Chris Hurst	8	2	13/05/2020	Review Summary: Regular assurances received from providers.
04/10/2016				ADMIN	ADMIN	18/12/2020	Review Summary: Regular assurances received from providers.

Controls and Actions			Status	Review Date	Latest Control	Reviews
<ul style="list-style-type: none"> business continuity planning and systems providers assurance Business Continuity Plan for the Pensions administration service. Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security. Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber security 			Control In Place			
			Control In Place			

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0003	Failure to hold scheme member's personal data securely.	Poor data quality; compromised data; fines	Cllr David Thomas Chris Hurst	8	4	08/09/2020	Review Summary: Data Quality Testing carried out May/June 2020. Cleansing work ongoing.
12/06/2017				ADMIN	ADMIN	21/12/2020	Review Summary: Annual data cleansing exercise, plus regular cleansing throughout the year

Controls and Actions			Status	Review Date	Latest Control	Reviews
<ul style="list-style-type: none"> Data protection audit in conjunction with TPR data quality standards to be undertaken 			Control In Place			

Detail

Administration Risk

- Compliance with Powys County Council Data Protection and ICT policies .
- Compliance with Powys County Council Data Protection and ICT policies .

Action In Progress 30/09/2022 08/09/2020
21/12/2020

Review Summary: Data Quality Testing carried out May/June 2020. Cleansing work ongoing.
Review Summary: Annual Data Quality testing

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				

ADMIN0004 29/08/2017	Failure to maintain and hold up to date and accurate pension records and potential impact on scheme members and employers.	Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRPs and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	Cllr David Thomas Chris Hurst	9 ADMIN	6 ADMIN	08/09/2020 21/12/2020	Review Summary: Payment of benefits processes checked at payment time Review Summary: Payment of benefits processes checked at payment time
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Controls and Actions			Status	Review Date	Latest Control	Reviews
<ul style="list-style-type: none"> • Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken & training • Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken by team at each year end; validation checks carried out at each actuarial valuation (triennially) by the Fund actuary. Staff training and development. • Additional data validation and quality checks to be implemented as required by the TPR code of practice. 			Control In Place			
			Control In Place			

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				

ADMIN0005 25/01/2016	Failure to communicate effectively with stakeholders.	Scheme members unaware of their rights under the LGPS and make poor decisions in relation to pension rights. Employers unaware of the scheme regulations, the procedures and their responsibilities, resulting in poor or inappropriate decision-making and may adversely effect the flow of pensions data to the Pension Fund.	Cllr David Thomas Chris Hurst	6 ADMIN	4 ADMIN	08/09/2020 21/12/2020	Review Summary: Ongoing development of employer and scheme member communications and methods of delivery Review Summary: Continuing development of employer and scheme member communications and methods of delivery
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Controls and Actions			Status	Review Date	Latest Control	Reviews
<ul style="list-style-type: none"> • communications policy the Pensions Support Manager is tasked with responsibilities in relation to scheme and Fund communications, as part of their Job Description. In addition, the Fund has a clear communications policy as well as a regularly updated website. 			Control In Place			

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				

ADMIN0006 30/01/2017	Pensioners living longer and, changing retirement patterns.	Increased employer contribution rates.	Cllr David Thomas Chris Hurst	6 ADMIN	4 ADMIN	08/09/2020 21/12/2020	Review Summary: Ongoing Review Summary: Ongoing
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Administration Risk

Controls and Actions			Status	Review Date	Latest Control	Reviews	
<ul style="list-style-type: none"> The Fund actuary investigates these matters at each valuation or more frequently where appropriate. Mortality assumptions are set with some allowance for future increases in life expectancy. The Fund actuary investigates these matters at each valuation or more frequently where appropriate. If significant demographic changes were to occur between valuations, the Pension Fund will advise employers accordingly and notify them of the likely impact on their contribution rates, reviewing bond values, as required. <p>The Fund produces a Funding Strategy Statement which considers long term funding.</p>			Control In Place				
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0007 30/01/2017	Deteriorating patterns of ill health or other early retirements.	Increase in employer contribution rates and deficit recovery payments.	<i>Cllr David Thomas</i> Chris Hurst	6 ADMIN	2 ADMIN	08/09/2020 21/12/2020	Review Summary: Regular monitoring ongoing Review Summary: Regular monitoring ongoing
Controls and Actions			Status	Review Date	Latest Control	Reviews	
<ul style="list-style-type: none"> Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases. Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases. Ill health retirements and costs are monitored against Fund allowances. <p>Certain Employers pooled together to share experience and help manage contribution rates (as per the Funding Strategy Statement)</p>			Action In Progress	01/11/2022	08/09/2020 21/12/2020	Review Summary: Regular monitoring ongoing Review Summary: Regular monitoring ongoing	
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0008 02/01/2017	Failure to reconcile all relevant active, deferred and pensioner member GMP records against the data held by DWP in respect of the cessation of contracting out.	Increase in Fund liabilities; increased employer contribution rates and deficit recovery payments; and, payment of incorrect pension benefits.	<i>Cllr David Thomas</i> Chris Hurst	6 ADMIN	4 ADMIN	08/09/2020 21/12/2020	Review Summary: GMP Reconciliation work ongoing (Sept 2020) Review Summary: GMP Reconciliation work ongoing (Dec 2020)
Controls and Actions			Status	Review Date	Latest Control	Reviews	
<ul style="list-style-type: none"> Reconciliation Complete. Work on Rectification continuing Reconciliation Complete. Work on Rectification continuing Appoint external partners to identify scale of work and help with whole exercise Appoint external partners to identify scale of work and help with whole exercise 			Control In Place Control In Place				
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0009 09/10/2020	Cessation of Service Contract for Pensions Administration System	Failure to meet legislative requirements and administer the LGPS. Risk of intervention by the Pensions Regulator, legal challenges, reputational risk.	<i>Cllr David Thomas</i> Chris Hurst	10 ADMIN	4 ADMIN	01/11/2021	Review Summary: Acknowledged - will follow appropriate procurement process closer to the time
Controls and Actions			Status	Review Date	Latest Control	Reviews	
<ul style="list-style-type: none"> Monitor Contract Position Work with the Administering Authority Commercial Services to conduct an appropriate procurement exercise at the appropriate time 			Control In Place				

Detail

Administration Risk

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0010	Payments to overseas pensions.	Payments continuing to potentially deceased pensioners	Cllr David Thomas Jane Thomas	4 ADMIN	4 ADMIN	04/05/2022	Review Summary: Existence Exercise planned for 2022/23 year
Controls and Actions				Status	Review Date	Latest Control Reviews	
<ul style="list-style-type: none"> Conduct Existence Check Carry out an overseas existence check 				Control In Place			