Risk Register Administration July 2022

Administration Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	**Risk Identified**	**Potential Consequence**	**Owner**			**Control or Action**	**Status**	**Review Date**
ADMIN0004	Failure to maintain and hold up to date and accurate pension records. **Latest Review:** 10/01/2022 No current change to process. Constantly reviewed for efficiencies and improvements.	Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRP and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	*Cllr David Thomas* Chris Hurst	9	6	• **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	
ADMIN0010	Payments to overseas pensions. **Latest Review:** 04/05/2022 Existence Exercise planned for 2022/23 year	Payments continuing to potentially deceased pensioners	*Cllr David Thomas* Jane Thomas	4	4	• **Conduct Existence Check** Carry out an overseas existence check	Control In Place	
ADMIN0009	Cessation of Service Contract for Pensions Administration System **Latest Review:** 01/11/2021 Acknowledged - will follow appropriate procurement process closer to the time	Falure to meet legislative requirements and administer the LGPS. Risk of intervention by the Pensions Regulator, legal challenges, reputational risk.	*Cllr David Thomas* Chris Hurst	10	4	• **Monitor Contract Position** Work with the Administering Authority Commercial Services to conduct an appropriate procurement exercise at the appropriate time	Control In Place	
ADMIN0003	Failure to hold scheme member's personal data securely. **Latest Review:** 01/11/2021 Latest data quality testing undertaking in Oct 2021 and scores for Common data is 97.7% and Scheme Specific is 91.85%.	Poor data quality; compromised data; fines	*Cllr David Thomas* Chris Hurst	6	4	• **Compliance with Powys County Council Data Protection and ICT policies.** Compliance with Powys County Council Data Protection and ICT policies. *01/11/2021 Annual Data Quality testing and cleansing work completed in October 2021* • **Data protection audit in conjunction with TPR data quality standards to be undertaken**	Action In Progress Control In Place	30/09/2022
ADMIN0005	Failure to communicate effectively with stakeholders. **Latest Review:** 10/01/2022 Post filled on 1st January 2022 and communications plan in place.	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	4	• **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	

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ADMIN0008	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. **Latest Review:** 10/01/2022 Dry run completed (December 2021) and completion due in Summer 2022 due to timings (Pension Increase etc)	Increase in Fund liabilities; increased employer contribution rates and deficit recovery payments; and, payment of incorrect pension benefits.	*Cllr David Thomas* Chris Hurst	6	4	• **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	
ADMIN0006	Pensioners living longer and, changing retirement patterns. **Latest Review:** 10/01/2022 Continuing. Regular modelling by Fund Actuary	Increased employer contribution rates.	*Cllr David Thomas* Chris Hurst	4	2	• **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.	Control In Place	
ADMIN0001	Failure to pay pensions and lump sums on time **Latest Review:** 10/01/2022 No current change to process. Constantly reviewed for efficiencies and improvements	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	6	2	• **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	
ADMIN0007	Deteriorating patterns of ill health or other early retirements. **Latest Review:** 10/01/2022 Considered by Actuary at regular intervals	Increase in employer contribution rates and deficit recovery payments.	*Cllr David Thomas* Chris Hurst	6	2	• **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. *01/11/2021 Patterns reviewed, but out of the Fund's control if an employer awards an ill health retirement*	Action In Progress	01/11/2022

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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. **Latest Review:** 10/01/2022 Ongoing	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	4	1	• **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	