

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
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New Risks Total:

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

Risk Register	Risk Title	Net Risk Level	Change	Risk Owner
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Detail							
Administration Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0001 01/12/2016	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 18/12/2020	Review Summary: Reviewed 13.05.2020 Review Summary: Updated text to reflect constant and ongoing reviews
Controls and Actions				Latest Control		Reviews	Review Date
<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. 				Control In Place			
<ul style="list-style-type: none"> Continuing Review of processes and procedures Ongoing review of process as part of continuous pensions administration workflow assessment 				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0002 04/10/2016	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 18/12/2020	Review Summary: Regular assurances received from providers. Review Summary: Regular assurances received from providers.
Controls and Actions				Latest Control		Reviews	Review Date
<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. 				Control In Place			
<ul style="list-style-type: none"> Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber security 				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0003 12/06/2017	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 21/12/2020	Review Summary: Data Quality Testing carried out May/June 2020. Cleansing work ongoing. Review Summary: Annual data cleansing exercise, plus regular cleansing throughout the year
Controls and Actions				Latest Control		Reviews	Review Date

Detail

Administration Risk

• Data protection audit in conjunction with TPR data quality standards to be undertaken	Control In Place			
• Compliance with Powys County Council Data Protection and ICT policies . Compliance with Powys County Council Data Protection and ICT policies .	Action In Progress	08/09/2020	Review Summary: Data Quality Testing carried out May/June 2020. Cleansing work ongoing.	06/01/2023
		21/12/2020	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; IDRP and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	Cllr David Thomas Chris Hurst	9	6	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

Controls and Actions	Latest Control	Reviews	Review Date
• 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.	Control In Place		
• Additional data validation and quality checks to be implemented as required by the TPR code of practice.	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	4	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

Controls and Actions	Latest Control	Reviews	Review Date
• 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		

Detail

Administration Risk

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0006 30/01/2017	Pensioners living longer and, changing retirement patterns.	Increased employer contribution rates.	Cllr David Thomas Chris Hurst	6	4	08/09/2020 21/12/2020	Review Summary: Ongoing Review Summary: Ongoing
Controls and Actions				Latest Control		Reviews	Review Date
<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.	Cllr David Thomas Chris Hurst	6	2	08/09/2020 21/12/2020	Review Summary: Regular monitoring ongoing Review Summary: Regular monitoring ongoing
Controls and Actions				Latest Control		Reviews	Review Date
<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	08/09/2020 21/12/2020	Review Summary: Regular monitoring ongoing Review Summary: Regular monitoring ongoing	12/07/2023
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.	Cllr David Thomas Chris Hurst	6	4	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				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> Reconciliation Complete. Work on Rectification continuing 				Control In Place			
<ul style="list-style-type: none"> Appoint external partners to identify scale of work and help with whole exercise 				Control In Place			

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Administration Risk

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
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.	Cllr David Thomas Chris Hurst	10	4	01/11/2021 12/12/2022	Review Summary: Acknowledged - will follow appropriate procurement process closer to the time Review Summary: Work ongoing

Controls and Actions				Latest Control	Reviews	Review Date
<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		

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	4	04/05/2022	Review Summary: Existence Exercise planned for 2022/23 year

Controls and Actions				Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> Conduct Existence Check Carry out an overseas existence check 				Control In Place		