

## Risk Register

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 and potential impact on scheme members and employers. <b>Latest Review:</b> 17/01/2023 Data Improvement Plan maintained and regularly updated. Constant data cleansing taking place	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.	<i>Cllr David Thomas</i> Chris Hurst	9	6	<ul style="list-style-type: none"> <li><b>Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken &amp; training</b> 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.</li> <li><b>Additional data validation and quality checks to be implemented as required by the TPR code of practice.</b></li> </ul>	Control In Place	
ADMIN0010	Payments to overseas pensions. <b>Latest Review:</b> 17/07/2023 Existence Exercise planned for 2023	Payments continuing to potentially deceased pensioners	<i>Cllr David Thomas</i> Jane Thomas	4	4	<ul style="list-style-type: none"> <li><b>Conduct Existence Check</b> Carry out an overseas existence check</li> </ul>	Control In Place	
ADMIN0009	Cessation of Service Contract for Pensions Administration System <b>Latest Review:</b> 12/12/2022 Work ongoing	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	4	<ul style="list-style-type: none"> <li><b>Monitor Contract Position</b> Work with the Administering Authority Commercial Services to conduct an appropriate procurement exercise at the appropriate time</li> </ul>	Control In Place	
ADMIN0005	Failure to communicate effectively with stakeholders. <b>Latest Review:</b> 03/07/2023 Communications regularly reviewed and amended to reflect changing legislation/landscape. Updated Welsh website now available.	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.	<i>Cllr David Thomas</i> Chris Hurst	6	4	<ul style="list-style-type: none"> <li><b>communications policy</b> 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.</li> </ul>	Control In Place	
ADMIN0006	Pensioners living longer and, changing retirement patterns. <b>Latest Review:</b> 17/01/2023 Considered during valuation	Increased employer contribution rates.	<i>Cllr David Thomas</i> Chris Hurst	6	4			

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						<p>• <b>The Fund actuary investigates these matters at each valuation or more frequently where appropriate.</b> 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> <p>The Fund produces a Funding Strategy Statement which considers long term funding.</p>	Control In Place	
ADMIN0001	<p>Failure to pay pensions and lump sums on time</p> <p><b>Latest Review:</b> 17/01/2023</p> <p>No current change to process. Constantly reviewed for efficiencies and improvements</p>	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	<p>• <b>Maintenance and update of Altair and Trent systems, sufficient staff resources and training. Quality assurance processes</b> Maintenance and update of Pension Administration and Trent systems, sufficient staff resources and training. Quality assurance processes in place to check work done.</p> <p>• <b>Continuing Review of processes and procedures</b> Ongoing review of process as part of continuous pensions administration workflow assessment</p>	Control In Place	
ADMIN0003	<p>Failure to hold scheme member's personal data securely.</p> <p><b>Latest Review:</b> 27/09/2023</p> <p>Data improvement plan in place and data quality testing imminent.</p>	Poor data quality; compromised data; fines	Cllr David Thomas Chris Hurst	8	4	<p>• <b>Compliance with Powys County Council Data Protection and ICT policies.</b> Compliance with Powys County Council Data Protection and ICT policies.</p> <p>07/12/2023 Initial pension dashboards data testing done and data quality is very good. Some gone away addresses identified, so a process to investigate those is underway. TPR Data Quality Testing conducted and scores are positive. Board and Committee notified in Nov/De</p> <p>• <b>Data protection audit in conjunction with TPR data quality standards to be undertaken</b></p>	Action In Progress	07/03/2024
ADMIN0007	<p>Deteriorating patterns of ill health or other early retirements.</p> <p><b>Latest Review:</b> 17/01/2023</p> <p>Considered by Actuary during latest valuations</p>	Increase in employer contribution rates and deficit recovery payments.	Cllr David Thomas Chris Hurst	6	2	<p>• <b>Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases.</b> 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> <p>Certain Employers pooled together to share experience and help manage contribution rates (as per the Funding Strategy Statement)</p>	Action In Progress	16/10/2024

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						16/10/2023	Considered at actuarial valuation and changes considered in accordance with actuarial recommendations	
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. <u>Latest Review:</u> 13/07/2023 Cashflow work to be completed in 2023. reassurances received from Pensions administration software provider	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	<ul style="list-style-type: none"> <li><b>business continuity planning and systems providers assurance</b> 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.</li> <li><b>Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber security</b></li> </ul>	Control In Place	Control In Place