



## Local Pension Board 2 September 2020

<b>Title</b>	<b>Pensions Administration Risk Register</b>
<b>Report of</b>	Director of Finance
<b>Wards</b>	N/A
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A – Risk Register (August 2020)
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### Summary

The Pensions Administration Risk Register is a standing agenda item for the Local Pension Board.

### Recommendations

The board are requested to note the most recent risk register

#### 1. WHY THIS REPORT IS NEEDED

- 1.1 It is important that the Council maintain the Pensions Administration Risk Register to help protect members of the LGPS.
- 1.2 The most recent Pensions Administration Risk Register can be found in Appendix A.
- 1.3 The risk register has been updated for the following risks and new risks have been identified and added:

- 1.3.1 **PB002** – once the transfer to administration services to West Yorkshire Pension Fund (WYPF) has been completed on 1 November 2020, Officers will request that updated Common and Conditional tests are undertaken to provide information on the quality of the fund data. The results will lead to an action plan being agreed between Officers and WYPF to eliminate any discrepancies.
- 1.3.2 **PB005** – following the completion of the 2019 triennial valuation and the setting of revised employer contribution rates, Officers are monitoring the amounts paid by employers monthly to ensure that the correct payments are being made. Where the correct amounts have not been paid, employers have been notified and instructed to pay the correct amounts and any arrears due.
- 1.3.3 **PB007** – members of the Pension Fund Committee will shortly be sent a training questionnaire to determine their training requirements for the next year. Officers will arrange the training to be provided as appropriate. The questionnaire will also be sent to Board members, so that if similar training requirements are identified, members can also attend these sessions.
- 1.3.4 **PB015** – this risk has been increased following the recent drop in performance by Capita and the issues arising with the slow progress in completing of the outstanding non-actionable work cases.
- 1.3.5 **PB017** – as agreed at the last Board meeting in June, a new risk has been added relating to fraud. The current risks are the paying of pensions to persons not entitled to the pension and “pension scams”.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 Management of risk is critical to avoiding unfavourable outcomes.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Not applicable in the context of this report.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Not applicable in the context of this report.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Local Pension Board supports delivery of Council’s strategic objectives and priorities as expressed through the Corporate Plan (Barnet 2024) by assisting in maintaining the integrity of the Pension Fund by monitoring the administration

and compliance of the Fund.

## **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 Risks that are not mitigated or managed can have a financial penalty to the Scheme.

## **5.3 Social Value**

5.3.1 Not applicable in the context of this report.

## **5.4 Legal and Constitutional References**

5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is LB Barnet. The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.4.2 The Risk Register is a tool that assists the Board in ensuring that the Scheme has a mechanism in place to identify and review at least annually, the pension scheme administration risks

## **5.5 Risk Management**

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

## **5.6 Equalities and Diversity**

5.6.1 Pursuant to the Equalities Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 The rules governing admission to and participation in the Pension Fund are in

keeping with the public sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

## **5.7 Corporate Parenting**

5.7.1 Not applicable in the context of this report.

## **5.8 Consultation and Engagement**

5.8.1 Not applicable.

## **5.9 Insight**

5.9.1 Not applicable

## **6. BACKGROUND PAPERS**

6.1 None