

Last Updated: 08/06/2020

Risk ID	Short Risk Title	Long Description	Risk Owner Name	Risk manger Name	Nature of Risk	Corporate Plan priority	Controls and mitigations in place	Residual Risk			Target Risk
								Impact	Likelihood	Risk Score	Impact
PB001	Operational - disaster (Fire / flood etc)	An event occurs that would impact the ability to deliver all / parts of the pension service.			Business Continuity		The administrator has Business Continuity Procedures and Disaster Recover Plans in place. Business Continuity Procedures and Disaster Recovery Plans are subject to annual independent testing - undertaken by KPMG. Capita back-up site is in Elland, Leeds, and is tested annually. Business continuity procedures in place for scheme managers Contracts with all advisers and suppliers in place and stored on a central database.	5	1	5	5
PB002	Member data incomplete or inaccurate	To fulfil legal obligations, the pension service is dependent on receiving accurate information and data from scheme employers, and for the administrator to maintain member records. Incomplete and / or inaccurate information / data could lead to incorrect benefit calculations. The Pension Regulator requires all pension schemes to maintain accurate data. A large number of unprocessed new joiners and leavers were identified in the 2019 valuation process, along with incorrect pensionable salary and CARE for members who have two job roles. Incomplete and / or inaccurate information / data could lead to incorrect benefit calculations. The Pension Regulator requires all pension schemes to maintain accurate data.			Information Governance		Employer Forums' held twice-annually to support scheme employers with returning the information / data required to populate annual benefit statements. A 'Scheme Return Policy' in place, which will detail how the administrator and Barnet will approach employers to collate the data required for annual benefit statements to be populated. The Scheme Return Policy will include clear timescales, and letter templates. The Scheme Return Policy will include the power to fine employers and report to the Pensions Regulator. Common data analysis completed annually and conditional data analysis report completed in Q4, 2019. The scheme manager acknowledges that this is not a one-off exercise. Hartlink system enforces independent checking / authorisation of any system amendments made to ensure accuracy of events / member payments. Work completed by Council Officers to identify missing new joiners and leavers on Hartlink records to enable the 2019 actuarial valuation to be completed and to enable the administrators to contact employers requesting outstanding information.	5	2	10	3

PB003	Administration process failure / maladministration	Administration of the pension scheme should be in line with the Local Government Pension Scheme (LGPS) rules. Issues with the 2019 Annual Benefit Statement process and Pensions Savings Statements from this year as well as previous tax years not issued in line with statutory deadlines.			Statutory Duty		Ongoing dialogue between Barnet and Capita through regular Pension Review Meetings. Formal agreement in place with administrator, including agreed SLA's. Authority level clearly agreed and kept up to date, including clear definition of delegated authorities and individual approval authorities. Scheme Event Calendar in place to ensure legislative / regulatory deadlines are achieved (i.e. ABS / Scheme Return etc.) Staff training and formal plans in place to ensure processing in accordance with LGPS requirements Written reports by administrator to scheme managers. Officers are assisting the administrators with chasing employers who have not provided year end data and also outstanding leaver and joiner forms.	5	2	10	2
PB004	Excessive charges by suppliers	The cost of running the pension scheme should not exceed the agreed budget.			Finance		Pension scheme budget agreed annually. Spend reviewed quarterly to ensure on budget. Periodic review of suppliers.	2	1	2	2
PB005	Employer failure to pay contributions to the fund	The fund does not receive the correct amount of contributions from employers to fund employee pension liabilities, leading to a scheme deficit.			Finance		Monthly reconciliation of contribution payments received by the finance and administration teams. Ongoing dialogue with employer around when contributions are due. Reconciliation through annual scheme returns. Clear expectations shared with admitted bodies through Scheme Return Policy. Full reporting of contributions received (on time and late) and outstanding to LB Barnet. Officers will enforce the collection of contributions and other costs from employers by threatening the use of fines if applicable. This will be reiterated at the next employer forum.	2	2	4	2
PB006		Should admitted bodies default on payments, the fund is left with additional pension liabilities.			Finance		LB Barnet Pension Team monitoring of employer covenant and business strength. Work with actuaries to assess the suitability of the use of bonds and guarantees. There is a backlog of admission agreements and bonds that increase the risk of an unrecovered shortfall.	2	2	4	2
PB007	Failure to interpret rules or legislation correctly	The Board does not have the level of pension knowledge to perform their role effectively.			Compliance		Up to date training log in place, showing completion of training material. Technical advice and updates formally noted on training log.	3	2	6	3

PB008	Appropriate personnel in place to perform in designated roles	The Board does not comply with statutory obligations and is unable to evidence appropriate governance.			Compliance		Ensure that the personnel in key roles in relation to the administration of the Fund are suitably experienced and qualified to perform in their roles and have the appropriate authorities to ensure the administration is executed effectively at all times	4	2	8	2
PB009	Conflicts of interest	Decisions made may be influenced by other factors and may be subject to challenge.			Compliance		Statutory Duty Pension Board awareness of legal responsibility. All Pension Board members to declare any conflicts and potential conflicts. All pension board members have completed relevant educational material. All conflict of interest documentation signed by all board members and recorded in conflict of interest register Any changes to be included with minutes at each meeting.	3	1	3	3
PB010	Admission agreements / securities (i.e. bonds) not arranged	Should an employer not be admitted to the Fund in a timely manner then employees will not be able to draw their benefits or have access to death in service benefits relating to the LGPS. This could result in intervention from The Pensions Regulator possibly resulting in a financial consequence and reputational damage to the Council.			Compliance		The Council is working with Capita, HB Law and employers to improve the process for arranging for admission agreements and bonds/bond renewals to be put in place and to address the backlog.	3	2	6	4
PB011	Commercial viability of strategic suppliers	If the commercial viability of a strategic supplier declines this could lead to operational failings resulting in service disruption/reduction, failure to complete statutory duties and financial costs.			Business Continuity		Contract management framework, with policy and procedures for commercial activity. Contract monitoring takes place monthly with quarterly reporting to Financial Performance and Contracts Committee. Contract register kept under review with checks on financial status of strategic suppliers. Contract management arrangements in place, including indicators to identify financial stress. Business continuity plans in place.	5	2	10	4
PB012	Non-compliance with GDPR	Failure to adhere to GDPR may lead to the breach of GDPR regulations (e.g. breach of personal information), which will result in enforcement action from the Pensions Regular and the Information Commissioners Office, resulting in financial and reputational impact on the Council.			Statutory Duty		Council Officers are required to engage with GDPR eLearning to be trained on GDPR regulations. Capita staff are required to complete a data protection online training course and test when joining the organisation.	3	2	6	2
PB013	Negative media exposure	Negative/Scrutinising media attention may lead to ineffective media management impacting on the reputation of the Council and impacting on staff morale.			Staffing and Culture		Staffing and Culture Communications team to liaise with S151 Officer as and when a media enquiry arises.	4	2	8	3
PB014	Change of administrator	In March 2020, the Council approved the switch of pensions administration provider from Capita to the West Yorkshire Pension Fund (WYPF)			Business Continuity		A detailed risk register to cover the transition from Capita to West Yorkshire has been developed. This risk register covers ensuring that the project plan for the transition is maintained, absences of key staff involved in the transition and resourcing, data quality and data transfer.	5	2	10	2

PB015	Impact of COVID-19 on pensions administration	Administration processes and levels being maintained whilst administrators working from home with no detrimental effect on the payment of members benefits and general service levels.			Business Continuity	Capita have developed their own Business Continuity plan and this has been shared to Council Officers. Officers continue to monitor service levels through weekly and monthly reports and a weekly telephone call with Capita.	4	3	12	2
PB016	Cyber security	The Fund holds large amounts of personal data which can make them a target for fraudsters and criminals. Steps need to be taken to protect members which includes protecting them against the 'cyber risk'. This can be defined as the risk of loss, disruption or damage to the fund or its members as a result of the failure of its information technology systems and processes. It includes risks to information (data security) as well as assets, and both internal risks (eg from staff) and external risks (eg hacking).			Compliance	Following the recent issues identified from the fraud case in 2019, Capita have introduced a code of conduct for all staff, to make sure that their procedures and authorisation controls are followed. It highlights the serious consequences if they are not. This relates to correct level access on their Hartlink system. Testing of security of system from external hackers to be undertaken regularly. An incident response plan should be in place to deal with incidents and enable Capita to swiftly and safely resume operations.	5	2	10	2
PB017	Risk of fraud by paying pensions to ineligible individuals or fraudulent arrangements	The Fund should evaluate the various forms of fraud in relation to pensions administration and then arrange for the implementation of appropriate controls that are both proportionate and pragmatic.			Compliance	The administration team run an annual pensioner existence to ensure that pensioners still alive and that pensions are being paid to the correct member. Pension transfer documentation sent to members contains the recommended literature from The Pensions Regulator so make members aware of "pension scams" and the administration processes to ensure proper checks on the receiving arrangement before making payment.	4	2	8	2

		Further actions	Date risk identified	
Likelihood	Response Option	Actions	Delivery due date	
1	Tolerate	KPMG report re: continuity procedures and disaster recovery, for year ended 31 December 2019, to be shared with the Local Pensions Board when complete.	Q3 2020	Aug-17
2	Treat	<p>Dates for 2020 employer forums to be agreed with the Council in when Covid-19 pandemic measures have ceased.</p> <p>Common and conditional data analysis completed Q4 2019 - data cleanse plan in place for 2020. Next review to take place when the transition to WYPF completed.</p> <p>Capita to advise the Council when employers are not providing the relevant information - the Council to escalate. Officers have been chasing employers for outstanding starter and leaver information to assist in the ABS process.</p> <p>Remediation Plan agreed with Capita to correct data issues and obtain outstanding information.</p> <p>WYPF are undertaking initial data checks on receipt of data received from Capita, to determine missing or incomplete data.</p>	<p>Q3 2020</p> <p>Q3 2020</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	Aug-17

1	Treat	<p>Authority levels embedded within the Hartlink system so based on role can authorise and sanction payments up to 50k, 100k, 250k - these controls are tested annually in the AAF report.</p> <p>Weekly 'checkpoint' meetings in place.</p> <p>Scheme Event Calendar in place and reviewed annually.</p> <p>Independent testing of data quality re: triennial valuation through the Hymans Robertson data portal.</p> <p>WYPF processes and policies being shared with Officers to review.</p>	<p>Ongoing</p> <p>Annually</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	Aug-17	
1	Treat	Budget to be agreed annually.	Annually	Aug-17	
1	Treat	<p>Revised monthly reconciliation controls are now in place for 2020.</p> <p>Revised procedures have been implemented to improve the collection of strain cost invoices.</p> <p>Officers are checking that employers pay the correct contributions rates following the 2019 valuation.</p>	Ongoing - monthly	Aug-17	
2	Treat	Review all admitted bodies to ensure an appropriate bond / guarantee is in place and reporting into the Pension Fund Committee. Following the completion of the 2019 valuation, progress has been made on the processing of admission agreements and bonds, with the aim of getting these completed by the end of September 2020.	Ongoing	Aug-17	
1	Treat	<p>No further actions required; risk has reached its target score and is being tolerated with the existing controls and mitigations in place.</p> <p>Officers to send all members of Board (and Pension Fund Committee) a training questionnaire to identify training requirements over the next year.</p>	N/A	Aug-17	

1	Treat	Review of roles and responsibilities of relevant individuals to ensure individuals hold appropriate authorities or there is clear escalation of issues requiring decisions. Annual appraisal reviews and setting of objectives	Ongoing	Aug-17
1	Treat	No further actions required; risk has reached its target score	N/A	Aug-17
2	Treat	Scheme Manager in liaison with Capita and Hymans to implement a clear and robust admitted body process. Progress has been made following discussion with Hymans in finalising Admission Agreements and Bond calculations, with the aim of completing by the end of the summer.	Q2 2020 Q3 2020	Jan-19
2	Treat	Collate the information that would be required to enable the Council to take over the running of these services should it become necessary.	Ongoing	Mar-19
1	Tolerate	Capita staff required to complete data protection online training course and test on the anniversary of their start date.	Ongoing	Mar-19
1	Tolerate	Press releases to be shared with Local Pension Board members prior to publication (if possible).	Ongoing	Mar-19
2	Tolerate	The risk register continue to review regularly at project meetings between Officers at LBB, Capita and WYPF to ensure that the risks identified do not have a significant effect on the transition.	Ongoing	Mar-19

2	Treat	Continue to monitor performance levels, complaints and resourcing levels. Any major dip in levels should be raised with Senior Management at Capita.	Ongoing	Apr-20
2	Treat	To obtain the latest report from Capita on their cyber security risk mitigations.	Ongoing	Jun-20
1	Treat	The administration team to update Officers the results of the pensioner existence exercise and where members have not responded, their pension will be suspended until with the pensioner. Officers review transfer documentation sent with transfer quotations to members and review the processes to ensure that appropriate checks are being taken to prevent transfer value payments being made to "pension scam" arrangements.	Ongoing	Aug-20