

**Review Topic:** The creation of a risk register specific to pension administration

### **Relevant background**

The SPF has ultimate responsibility for interpreting and implementing statutory LGPS regulations and making sure that it has robust systems and processes in place to ensure that the scheme is administered in line with scheme regulations and within prescribed levels of performance.

The SPF currently has a risk register (the fund risk register) which it monitors and reports to the Pensions Committee at its quarterly meetings. The fund risk register includes investment, governance and administration risk.

### **Why do we need an administration risk register**

The increasing complexity of pension administration since the introduction of the 2014 LGPS scheme has highlighted areas of LGPS operations which are specific to administration risk.

Added to this, public sector pensions have been regulated by the Pensions Regulator (tPR) since 2015. The creation of a risk register specific to administration enables the SPF to strengthen its integrated risk management.

### **Aim**

To ensure Fund mitigates administration risk and complies with regulatory guidance.

To evidence that the Board and Committee are giving due consideration to identifying and qualifying the inherent and residual risks of the administration function.

### **Objectives**

In the next three months officers will:

- design and agree an administration risk register in consultation with Fund, administration and risk and governance officers;
- make recommendations to the Pension Fund Committee as appropriate;
- consult with the Local Board where appropriate;
- publish an administration risk register;
- monitor and seek to mitigate risks identified in the administration risk register.

### **Outcomes for the Fund / Benefits**

This work will support the compliance of the Fund in its regulatory framework. It enables the Fund to demonstrate and measure value for money and continuous improvement of service standards to the benefit of both members and employers.

### **Proposed work plan**

It is important to clearly allocate who is responsible for the work, to ensure that officers can plan the resources needed to support delivery of the objectives.

<b>Timescale</b>	<b>Task</b>	<b>Responsible</b>
17 July 2017	Workshop with administration, Fund and risk and governance officers	Neil Mason/Cath Edwards
27 July 2017	Issue scoping document for local pension board for consideration	Neil Mason
August 2017	Agree draft administration risk register	Neil Mason/ Cath Edwards
15 September 2017	Draft administration risk register considered by Pension Committee	Neil Mason
1 October 2017	Approved administration risk register published and implemented	Neil Mason

### **Useful Documents**

Local Government Pension Scheme Regulations 2013

The Pensions Regulator guide to integrated risk management