

Risk Ref.	Risk Description	Risk Owner	Inherent Risk					Total risk score	Control actions	Residual risk					Reviewed on	Changes made during review	
			Impact							Impact							
			Fin	Service	Rep'n	Total	Likely			Fin	Service	Rep'n	Total	Likely			
A1	Incorrect data due to employer error, user error or historic error leads to service disruption, inefficiency and conservative actuarial assumptions.	CC/NM	4	1	3	8	3	24	TREAT 1) Update and enforce admin strategy to assure employer reporting compliance 2) Implementation and monitoring of a Data Improvement Plan as part of the Service Specification between the Fund and Orbis TOLERATE 1) Northern Trust provides 3rd party validation of performance and valuation data. 2) Pension Fund team, Pension Fund Committee and Local Board members are able to interrogate data to ensure accuracy.	3	1	3	7	3	21	Jan-20	Updated
A2	Lack of process ownership leads to ineffective processes and errors.	CC	2	3	3	8	3	24	TREAT 1) Require transparent workflow reporting with clear identification of process ownership to be reported to the Local Pension Board.	2	2	2	6	2	12	Jan-20	
A3	Failure to follow up on outstanding issues results in inefficiency and damaged reputation.	CC	2	3	4	9	3	27	TREAT 1) Include monitoring of task follow-up times as part of the revised service standards in the Administration Strategy	2	2	4	8	3	24	Jan-20	
A4	Lack of capability of the admin system leads to inefficiency and disruption.	CC	3	3	2	8	2	16	TREAT/TOLERATE 1) Ensure system efficiency is included in the annual improvement review. 2) Monitor system review and provide extra resource where business case supports it.	2	2	1	5	2	10	Jan-20	
A5	Poor reconciliation process leads to incorrect contributions.	CC/NM	3	3	3	9	4	36	TREAT 1) Ensure reconciliation process notes are understood by Pension Fund team 2) Ensure that the Pension Fund team is adequately resourced to manage the reconciliation process 3) Pensions admin team testing i-connect to ensure it is fit for purpose and if funding agreement reached it will be implement. 4) Officers to undertake quarterly reconciliation to ensure contributions are paid on time. With a view to moving to monthly reconciliation if i-connect is implemented.	2	2	1	5	2	10	Jan-20	
A6	Lack of guidance and process notes leads to inefficiency and errors.	CC	3	3	3	9	3	27	TREAT 1) Ensure process notes are compiled and circulated in Pension Fund and administration teams 2) Process Improvement Officer developing Standard Operating Procedures for all process. 3) Use of Heywood's Training and Education Centre allows for standardisation of training.	2	2	2	6	3	18	Jan-20	
A7	Unstructured training leads to under developed workforce resulting in inefficiency.	CC/NM	3	4	3	10	3	30	TREAT 1) Implementation and monitoring of a Staff Training and Competency Plan as part of the Service Specification between the Fund and Orbis 2) Encourage and support formal training.	1	4	3	8	2	16	Jan-20	
A8	Conflicting priorities (Orbis, SCCvsSPF, Pensions pooling) leads to lack of overall strategy, confusion and missed opportunities.	CC/NM	3	2	3	8	4	32	TREAT/TOLERATE 1) Establish transparent lines of communication between Orbis partnership leads and local service areas 2) Ongoing monitoring from the Pension Fund Committee and Local Pension Board 3) Rigorous prioritisation of tasks	2	2	3	7	2	14	Jan-20	
A9	Non-compliance with regulation changes relating to the pension scheme or data protection leads to fines, penalties and damage to reputation.	CC/NM	3	3	4	10	3	30	TREAT 1) The fund has generally good internal controls with regard to the management of the fund. These controls are assessed on an annual basis by internal and external audit as well as council officers. 2) Through strong governance arrangements and the active reporting of issues, the Fund will seek to report all breaches as soon as they occur in order to allow mitigating actions to take place to limit the impact of any breaches. 3) Ensure processes are completed in a timely manner and that post 2014 refunds are paid within 5 years.	1	3	4	8	3	24	Jan-20	

A10	Gaps in skills and knowledge due to key person/single point of failure and different skill requirements leads to inefficiency and poor performance.	CC							3	3	3	9	3	27	TREAT 1) 'How to' notes in place. 2) Development of team members & succession planning needs to be improved. 3) Officers and members of the Pension Fund Committee will be mindful of the proposed CIPFA Knowledge and Skills Framework when setting objectives and establishing training needs. 4) Skills Matrices completed by all staff and standardised Personal Development Plans being introduced.	2	3	2	7	3	21	Jan-20	
A11	Failure to get on top of the backlog leads to resource issues and management distractions.	CC							4	3	4	11	4	44	TREAT 1) Backlog to be identified as a "Project" as part of the Service Specification between the Fund and Orbis 2) Backlog to be included in revised Performance Statistics reported to and scrutinised by the Committee and Board 3) Consideration being given to outsourcing the largest areas of the backlog. 4) Upgrade software to improve efficiency	2	2	4	8	4	32	Jan-20	
A12	Failure to identify GMP liability leads to ongoing costs for the pension fund	CC							3	3	3	9	4	36	TREAT 1) GMP to be identified as a "Project" as part of the Service Specification between the Fund and Orbis 2) Stage 1 reconciliation reviews has been completed. 3) Acquilla Heywoods have been appointed to carry out an interim stage 2 review 4) GMP Reconciliation project is being progressed by JLT. Seperate updates being issued.	2	2	2	6	4	24	Jan-20	Updated
A13	Inability to respond to a significant event leads to prolonged service disruption and damage to reputation.	CC/NM							3	3	3	9	4	36	TREAT/TOLERATE 1) Disaster recover plan in place as part of the Service Specification between the Fund and Orbis 2) Ensure system security and data security is in place 3) Business continuity plans regularly reviewed, communicated and tested 4) Internal control mechanisms should ensure safe custody and security of LGPS assets. 5) Gain assurance from the Fund's custodian, Northern Trust, regarding their cyber security compliance 6) Tolerate consequences of McCloud judgement.	3	3	3	9	1	9	Jan-20	
A14	Lack of productivity leads to impaired performance.	CC							3	3	3	9	4	36	TREAT 1) Regular appraisals with focused objectives for pension fund and admin staff 2) Productivity outputs are being measured and reported on a monthly basis. 3) Enhance performance management	2	2	2	6	4	24	Jan-20	
A15	Failure to continuously improve leads to inefficiency and missed opportunities.	CC							2	2	2	6	3	18	TREAT: 1) Annual customer feedback survey to be carried out. 2) Quarterly complaints/praise feedback to be reported to and scrutinised by the Committee and Board 3) Implementation and monitoring of an annual Continuous Improvement Plan as part of the Service Specification between the Fund and Orbis 4) Support and Development Team in place to identify and implement areas for improvement.	2	2	2	6	3	18	Jan-20	
A16	Rise in ill health retirements impact employer organisations	NM							3	1	2	6	2	12	TREAT 1) Implement self-insurance across employers within the fund 2) Reactive reposition investment strategy if necessary	3	1	2	6	2	12	Jan-20	
A17	Rise in inappropriate ill health retirements adversely affects self-insurance costs.	CC/NM							2	2	1	5	2	10	TREAT 1) Pension Fund monitors ill health retirement awards which contradict IRMP recommendations	2	1	2	5	1	5	Jan-20	
A18	Structural changes in an employer's membership or an employer fully/partially closing the scheme. Employer bodies transferring out of the pension fund or employer bodies closing to new membership. An employer ceases to exist with insufficient funding or adequacy of bond	CC/NM							3	4	2	9	3	27	TREAT/TOLERATE 1) Administering Authority actively monitors prospective changes in membership. 2) Maintain knowledge of employer future plans. 3) Contributions rates and deficit recovery periods set to reflect the strength of the employer covenant. 4) Periodic reviews of the covenant strength of employers are undertaken and indemnity applied where appropriate. 5) Risk categorisation of employers implemented as part of 2016 actuarial valuation. 6) Monitoring of gilt yields for assessment of pensions deficit on a termination basis.	3	4	2	9	2	18	Jan-20	
A19	The Pensions Payroll process had migrated onto the Altair system from SAP in Nov 17. Unlike the SAP payroll process the manual emergency payments made outside of the monthly payroll do not integrate with our banking processes or offer sound financial controls. This is due to these manual payments not being accounted for in the financial system when they occur and therefore payments made are not able to be checked. The risk of errors in the current process are increased by the core Altair payroll system not being integrated with the BACS generator application meaning items have to be recorded twice.	CC/NM							3	2	3	8	3	24	TREAT 1) Develop an automated process whereby the Altair payment log updated by the administration team, is then converted into a journal template on a daily basis. This is then processed onto SAP to ensure that all payments processed manually through Altair are accounted for and payments are then subject to the standard financial controls.	3	2	3	8	2	16	Jan-20	
A20	Pension Services Manager leaving the Council may dilute the organisation's collective knowledge and impact on decision making.	CC							3	3	3	9	4	36	TREAT/TOLERATE Pensions Service Manager has left the council. However, a new Pensions Manager has been contracted until a permanent manager is appointed.	3	3	3	9	2	18	Jan-20	Updated
A21	McCloud Judgement - Impact on resources	NM							3	3	2	8	4	32	TOLERATE/TREAT The Pension Fund Team can allocate additional funds / resources to mitigate the impact and avoid reputational damage.	3	3	2	8	2	16	Jan-20	Updated
A22	Moving out of County Hall could adversely affect team morale as majority of the staff are within a few miles of County Hall. A move to an office further away may result in employees finding jobs elsewhere to minimise the commute. Resulting in: - Significant loss of skilled and experience staff.	CC							2	3	3	8	3	24	TOLERATE 1) Pension administration team may not be impacted by the move as alternative arrangements closer to County Hall are being sought. 2) Engage with staff early and to understand their concerns which should be fed into the consideration of new location.	2	3	3	8	2	16	Jan-20	Updated
A23	Management control of backlog leads to inaccurate Key Performance Indicators (KPI's) leading to a loss of confidence in levels of assurance from the Pensions Administration team	CC							3	3	3	9	3	27	TREAT 1) Ensure total backlog is recorded accurately (backlog includes both BAU and JLT cases). 2) Ensure only completed BAU cases are recorded in Key Performance Indicators. 2) Ensure total number of backlog cases is correctly recorded on the system and presented accurately in the quarterly Administration Performance Report.	2	2	2	6	3	18	Jan-20	New Risk