

LIKELIHOOD		IMPACT				
		Minimal 1	Minor 2	Moderate 3	Major 4	Severe 5
5	Very Likely					
4	Likely				<p><b>9</b> Skills / knowledge gaps lead to inefficiency and poor performance</p> <p><b>11</b> Work volume mismatch with capacity leading to backlogs</p> <p><b>16</b> Implementation of new financial systems leads to delayed processing, data integrity issues or financial loss</p>	
3	Possible			<p><b>10</b> Data administration failure / fraud leads to data integrity issues</p> <p><b>3</b> Funding requirements higher due to actuarial assumptions materially different to experience</p>	<p><b>5</b> Investment strategy/implementation affects performance</p> <p><b>6</b> Investment returns impacted by mkt volatility/performance</p> <p><b>7</b> Investment returns impacted by 3rd party performance/default</p> <p><b>13</b> Impact from lack of regulatory/legal compliance</p> <p><b>14</b> Reputational issues due to inaccurate public domain info</p>	
2	Unlikely		<p><b>8</b> Insufficient liquidity to meet obligations for rebalancing / payments</p>	<p><b>2</b> Employers delay making payments</p>	<p><b>1</b> Employers unable/unwilling to make payments</p> <p><b>12</b> Business interruption/cyber security breach</p> <p><b>15</b> Internal protocols for governance not followed</p>	
1	Rare				<p><b>4</b> Investment performance impacted by insufficient attention to ESG</p>	

# Pension Team Risk Summary

January 2024

Risk ID	Risk Title	Risk Owner	Risk with current mitigation controls in place			Curr q mvt	qtr -1 mvt	qtr -2 mvt
			Likelihood (1-5)	Impact (1-5)	Overall Score			
9	Skills / knowledge gaps lead to inefficiency and poor performance	SD	4	4	<b>16</b>			
11	Work volume mismatch with operational capacity leading to backlogs	SD	4	4	<b>16</b>		↑	
16	Ongoing issues (access, training, reporting etc.) following implementation of new financial system leading to delayed processing, data integrity issues, financial loss and build up of backlogs.	A&G	4	4	<b>16</b>		↓	↑
5	Investment strategy and proposed implementation materially affects investment performance	I&S	3	4	<b>12</b>			
6	Investment returns impacted by market volatility/ performance	I&S	3	4	<b>12</b>			
7	Investment returns impacted by third party or counter party performance/default	I&S	3	4	<b>12</b>			
13	Scheme is financially or reputationally impacted by failure to adhere to (changes in) regulatory and legislative compliance requirements	SD	3	4	<b>12</b>			
14	Reputational issues due to inaccurate public domain information (external stakeholder relationships / comms) or inefficient service	A&G	3	4	<b>12</b>			
3	Funding requirements higher due to actuarial assumptions materially different to experience	A&G	3	3	<b>9</b>		↓	
10	Data administration failure / fraud leads to data integrity issues	SD	3	3	<b>9</b>			
1	Employers unable/unwilling to make payments	A&G	2	4	<b>8</b>			
12	Business interruption or cyber security breach leads to data integrity issues or financial loss	SD	2	4	<b>8</b>			
15	Internal protocols for governance not followed	A&G	2	4	<b>8</b>			
2	Employers delay making payments	A&G	2	3	<b>6</b>			
4	Investment performance materially impacted by insufficient attention to ESG factors	I&S	1	4	<b>4</b>			
8	Insufficient liquidity / lack of cash to meet obligations for collateral rebalancing / payments out	A&G	2	2	<b>4</b>			↑

Key: A&G Accounting and Governance  
 SD Service Delivery  
 I&S Investment and Stewardship

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
1	Employers unable/unwilling to make payments	A&G - Funding	1A	C5-1	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.	Insufficient funding	A&G	2	4	8	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 2022 actuarial valuation. 6) Monitoring of gilt yields for assessment of pensions deficit on a termination basis. 7) Required standard of data from employers		
		A&G - Funding	1B	C2-6	Shortfall in assets of 'orphaned' employer	Shortfall shared across existing employer population					TREAT 1) Pension Team monitors and understands aggregate exposure 2) Appropriate cessation debt sought on exit 3) Possibly seek guarantee from alternative employer		
2	Employers delay making payments	Service Delivery	2A	C3-3	Rise in ill health retirements	Impact on employer organisations leading to delay in payments	A&G	2	3	6	TREAT 1) Self-insurance implemented across the fund 2) Reactive reposition investment strategy if necessary		
		Service Delivery	2B	C3-3	Rise in ill health retirements	Rise in self insurance costs impact employer organisations leading to delay in payments					TREAT 1) Pension Fund monitors ill health retirement awards which contradict IRMP recommendations		
		A&G - Funding	2C		Employer issues with affordability and/or cashflow	Delay in payments					TREAT 1) Pension Team monitors covenant of employers 2) Engagement with employers on delay of receipt of payment notifications - with objective to improve timely application of funds to relevant employer accounts. 3) Review structure of contractors and consider pass-through arrangements		
3	Funding requirements higher due to actuarial assumptions materially different to experience	A&G - Funding	3A	C2-4	Price inflation is significantly more or less than anticipated	An increase in CPI inflation by 0.1% would increase the liability valuation by 1.4%	A&G	3	3	9	TOLERATE- 1) The assumptions of the Fund actuary are prudent and allow for variations in inflation and interest rate fluctuations. 2) The fund regularly monitors and acts on inflation exposure.		
		A&G - Funding	3B	C3-1	Members living longer	Adding one year to life expectancy would approximately increase the liability by 3-5%.					TOLERATE- 1) The Fund Actuary uses long term longevity projections in the actuarial valuation process. 2) SCC has joined Club Vita, which allows monitoring of mortality rates that are employer and postcode specific.		
		A&G - Funding	3C	C2-4	Pay increases are significantly more than anticipated for employers within the Fund.	Pension liability increases (for pre-2014 liabilities)					TREAT / TOLERATE- 1) Fund employers should monitor own experience. 2) Assumptions made on pay and price inflation should be long term assumptions, any employer specific assumptions above the actuaries long term assumption would lead to further review. 3) Employers to be made aware of generic impact that salary increases can have upon final salary linked elements of LGPS benefits. 4) Proportion of liabilities linked to final salary diminishing over time.		
		A&G - Funding	3D	C2-5	Actuarial work determines the need for increases to employer contributions	Employers need to pay additional funds into the scheme					TREAT- 1) Officers to consult and engage with employer organisations in conjunction with the actuary. 2) Actuary will assist where appropriate with stabilisation and phasing in processes. 3) Stabilisation modelling undertaken early in the valuation cycle.		
		A&G - Funding	3E	C3-2	Future member population and/or demographic changes as a result of government policy	Employers need to pay additional funds into the scheme					TREAT / TOLERATE- 1) The Fund actuary uses prudent assumptions on future of workforce (full replacement assumed for active employers). The fund has regular communications with employer to allow them to flag up major changes in workforce. 2) Need to consider worst case assumptions about diminishing workforce when carrying out the actuarial valuation.		
		A&G - Funding	3F	C4-2	HM Treasury and Scheme Advisory Board cost management process has an implied increase in employer contributions.	Employers need to pay additional funds into the scheme					TREAT / TOLERATE - 1) The Fund actuary stabilises employer contribution, which reduces the impact of conditions which could otherwise produce spikes in contribution rates. 2) Communicate with employers and explore the opportunity for the strengthening of their covenant by the provision of additional security to the Fund. 3) Advice from Fund actuary on issues related to Section 13 analysis		

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
4	Investment performance materially impacted by insufficient attention to ESG factors	Investment	4A	C7	Insufficient attention to environmental, social and governance (ESG) factors	Insufficient attention, including to regulatory changes, leads to underperformance and reputational damage.	I&S	1	4	4	<p>TREAT-</p> <p>1) The Fund has established its own Responsible Investment policy and engaged with the equity managers on implementation.</p> <p>2) Fund managers are chosen on the basis that all material ESG factors are integrated into their investment decision-making processes. This requires teams to be well resourced and aware of regulatory changes, as with any other investment factor.</p> <p>3) The Fund is a member of the Local Authority Pension Fund Forum (LAPFF) and all assets held with BCPP are monitored by Robeco, this raises awareness of ESG issues and facilitates engagement with investee companies.</p> <p>4) The Fund has approved a new share voting policy which reflects global best practice and accepted the BCPP voting policy.</p> <p>5) The Fund accepted the BCPP Responsible Investment Policy after enhancement were made to it following lobbying from the Fund.</p> <p>6) The Fund has a dedicated Responsible Investment sub-committee and an RI up-date is a standing item in Committee meetings.</p> <p>7) The Fund engages with ESG lobbying groups such as Surrey Pensions Act Now.</p> <p>8) Actuarial modelling undertaken (climate change impacts on longevity outcomes in prospect). 9)The Fund has set a Net Zero date of 2050 or sooner.</p>	1) The RI policy will be reviewed annually, as will the investment universe regarding the Net Zero date. 2) The Fund is applying to become a signatory to the UK Stewardship Code.	
		Investment	4B		Stranded assets, regulatory fines, failing to adapt to a low carbon economy, in light of IPCC's 2021 report on Climate Change.	Detrimental impact on value of Fund's investments.					<p>TREAT-</p> <p>1) See 4A above.</p> <p>2) The Fund voluntarily produces a Task Force on Climate-Related Financial Disclosures, TCFD report each year. Continued review of the carbon exposure within the portfolio.</p> <p>3) The Fund is part of the BCPP TCFD working party.</p> <p>4) All global systematically managed equity assets now held in the LGIM Future World Index. This fund takes 32 ESG factors into account in determining its structure.</p> <p>5) The Fund is diversified across asset classes and within asset classes.</p> <p>6) Performance reviewed quarterly by the Committee and an annual asset class review carried out by the Independent Advisor for all assets.</p>		
5	Investment strategy and proposed implementation materially affects investment performance	Investment	5A	C2-2	Mismatching of assets and liabilities, inappropriate long-term asset allocation or investment strategy, mistiming of investment strategy.	Investment returns not at expected level for the risk appetite	I&S	3	4	12	<p>TREAT-</p> <p>1) Active investment strategy and asset allocation monitoring from Committee officers and consultants.</p> <p>2) Investment strategy reviewed in 2023/4 in light of 2022 valuation</p> <p>3) Separate source of advice from Fund's independent advisor.</p> <p>4) Setting of Fund specific benchmark relevant to the current position of fund liabilities.</p> <p>5) Fund manager targets set and based on market benchmarks or absolute return measures. Overall investment benchmark and out-performance target is fund specific.</p> <p>6) Individual investment strategies for employer groups.</p>		
		Investment	5B		Implementation of proposed changes to the LGPS (pooling) does not conform to plan or cannot be achieved within time scales.	Investment returns not at expected level for the risk appetite					<p>TREAT / TOLERATE</p> <p>1) Officers consult and engage with central and local government bodies, BCPP Operating Officers Group, consultants, peers, seminars, conferences.</p> <p>2) Officers and advisors engage in design and planning of new products. Implementation monitored against agreed deadlines.</p> <p>3) Participation in Cross Pool Collaboration Groups.</p> <p>4) Government guidance continues to endorse pooling.</p>	1)Governance and oversight of BCPP currently being reviewed by the partner funds.	
		Investment	5C		That the Border to Coast Pensions Partnership disbands or the partnership fails to produce a proposal deemed sufficiently ambitious.	Investment returns not at expected level for the risk appetite					<p>TOLERATE-</p> <p>1) Partners for the pool were chosen based upon the perceived expertise and like-mindedness of the officers and members involved with the fund to ensure compliance with the pooling requirements.</p> <p>2) Ensure that ongoing fund and pool proposals are comprehensive and meet government objectives.</p> <p>3) Engage with advisors throughout the process.</p>		

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6	Investment returns impacted by market volatility/ performance	Investment	6A	C2-1	Increased risk to global financial stability. Outlook deteriorates in advanced economies because of heightened uncertainty and setbacks to growth and confidence, leading to tightened financial conditions, reduced risk appetite and raised credit risks.	Investment returns materially impacted	I&S	3	4	12	TREAT / TOLERATE- 1) Vigilance and continued dialogue with managers as to events on and over the horizon. 2) An investment strategy involving portfolio diversification and risk control. Taking advice from advisors. 3) Investment strategy review accompanied the 2022 actuarial valuation.		
		Investment	6B			Investment markets fail to perform in line with expectations					Investment returns impacted leading to deterioration in funding levels and increased contribution requirements from employers.	TREAT / TOLERATE- 1) Diversification across equities, bonds, property and alternatives, limiting exposure to one asset category. 2) The investment strategy is continuously monitored and periodically reviewed to ensure optimal asset allocation. 3) Actuarial valuation and asset/liability study take place automatically at least every three years. Sensitivity analysis carried out. 4) The actuarial assumptions and funding ratio measures considered at every Committee meeting. 5) Actuarial calculations assess a likelihood of achieving a set of returns over the long term.	
7	Investment returns impacted by third party or counter party performance/default	Investment	7A	C2-3	Investment Managers fail to achieve performance targets over the longer term	A shortfall of 0.1% on the investment target will result in an annual impact of c£5m	I&S	3	4	12	TREAT- 1) The Investment Management Agreements clearly state SCC's expectations in terms of performance targets. 2) Investment manager performance is reviewed on a quarterly basis. 3) The Pension Fund Committee should be positioned to move quickly if it is felt that targets will not be met. 4) Having Border to Coast as an external manager facilitates a smooth transition of assets into the pool and provides an additional layer of investment due diligence. 5) The Fund's investment management structure is highly diversified, which lessens the impact of manager risk compared with less diversified structures.		
		Investment	7B			Financial loss of cash investments from fraudulent activity.					Investment returns not at expected level	TREAT / TOLERATE - 1) Policies and procedures are in place which are regularly reviewed to ensure risk of investment loss is minimised. Governance arrangements are in place in respect of the Pension Fund. External advisors assist in the development of the Investment Strategy. Fund Managers/BCPP have to provide SAS70 or similar (statement of internal controls).	
		Investment	7C		Financial failure of a fund manager	Increased costs and service impairment.					TREAT - 1) Fund is reliant upon current adequate contract management activity. 2) Fund is reliant upon alternative suppliers at similar price being found promptly. 3) Fund is reliant on the scale and risk management opportunity offered by BCPP.		
		Investment	7D		Counterparty poor performance or default on excess funds placed with Money Market	Loss of investment return	A&G				TOLERATE - 1) Lending limits with approved banks and other counterparties are set at prudent levels 2) The pension fund treasury management strategy is based on that of SCC.		
		Investment	7E	C5-2	Poor performance or financial failure of third party supplier	Service impairment and financial loss.	I&S				TOLERATE- 1) Performance of third parties (other than fund managers) monitored. 2) Regular meetings and conversations with Northern Trust take place. 3) Actuarial work and investment work are provided by two different consultancies.		

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8	Insufficient liquidity / lack of cash to meet obligations for collateral rebalancing / payments out		8A	C5-5	Inaccurate cash flow forecasts or drawdown payments	Shortfalls on cash levels and borrowing becomes necessary to ensure that funds are available.	A&G	2	2	4	TOLERATE / TREAT- 1) Borrowing limits with banks and other counterparties are set at levels that are more than adequate should cash be required at short notice. 2) Cashflow analysis of pension fund undertaken quarterly. 3) Annual Cash flow analysis undertaken by Actuary. 4) Source of funds from investments identified. Income received from BCPP Multi-Asset credit fund and CBRE. 5) Pension Team banking controls under review		
9	Skills / knowledge gaps lead to inefficiency and poor performance	Service Delivery	9A		Lack of capability of the admin system	Inefficiency and disruption.	SD	4	4	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.		
		Service Delivery	9B		Gaps in skills and knowledge due to key person/single point of failure and different skill requirements.	Inefficiency and poor performance.					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.		
		Service Delivery	9C		Lack of productivity	Impaired performance.					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		
		Service Delivery	9D		Concentration of knowledge in small number of officers and risk of departure of key staff.	Poor performance and disruption					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 and Local Pension Board will be mindful of the proposed CIPFA Knowledge and Skills Framework and appropriate IPR Codes of Conduct when setting objectives and establishing training needs. 4) Skills Matrices completed by all staff and standardised Personal Development Plans being introduced.	Workforce plan considering resilience and succession planning in preparation	Mar-24
10	Data administration failure / fraud leads to data integrity issues	Service Delivery	10A		Incorrect data due to employer error, user error or historic error.	Service disruption, inefficiency and conservative actuarial assumptions.	SD	3	3	9	TREAT 1) Update and enforce admin strategy to assure employer reporting compliance. 2) Pension Fund team, Pension Fund Committee and Local Board members are able to interrogate data to ensure accuracy.		
		Service Delivery	10B		Poor reconciliation process	Incorrect contributions.					TREAT 1) Ensure reconciliation process notes are understood by Pension team. 2) Ensure that the Pension team is adequately resourced to manage the reconciliation process. 3) Officers to undertake quarterly reconciliation to ensure contributions are paid on time. With a view to moving to monthly reconciliation as employers engage with I-connect.		
		Service Delivery	10C		Unit 4 - Payments made manually outside of monthly payroll were integrated between SAP & Altair since Jan 2021 with SCC's banking processes to offer sound financial controls. However, SCC's ERP system has changed to Unit 4 in June 2023 and the integration between Unit 4 and Altair for monthly and daily payments is yet to be developed.	Process errors leading to incorrect contributions or benefits					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 Unit 4 to ensure that all payments processed manually through Altair are accounted for and payments are then subject to the standard financial controls. Integration between Unit 4 and Altair for monthly and daily payments need to be developed.		

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11	Work volume mismatch with operational capacity leading to backlogs	Service Delivery	11A		Processes do not all have a standardised approach	This could lead to inefficiencies	SD	4	4	16	TREAT 1) Review processes to ensure workflows are in line with regulatory requirements. 2) Document processes and ensure guidance and checklists are in place. 3) Report updates to the Local Pension Board.		
		Service Delivery	11B	C5-3	Failure to follow up on outstanding issues	Inefficiency and damaged reputation.					TREAT 1) Include monitoring of task follow-up times as part of the revised service standards in the Administration Strategy.		
		Service Delivery	11C		Backlog cases in the administration system are not dealt with in a timely manner and require careful management to see a reduction moving forward.	Inefficiency and poor performance.					TREAT 1) Ensure total backlog is recorded accurately (backlog should include cases in Altair). 2) Ensure completed BAU cases are recorded in Key Performance Indicators. 3) Ensure total number of backlog cases is correctly recorded on the system and presented accurately in the quarterly Administration Performance Report. 4) Continuously work towards improving the accuracy of the reported figures. 5) Backlog to be closely monitored by the management board.	Backlogs across the whole service receiving priority attention	Mar-25
		Service Delivery	11D		Operational capacity impacted by unavailability of key resources through industrial action, illness or other causes	Inefficiency and poor performance.					TREAT/TOLERATE 1) Assessment of potential impacts ahead of time. 2) Prioritisation of activities with reduced resources. 3) Business continuity plans regularly reviewed.		
12	Business interruption or cyber security breach leads to data integrity issues or financial loss	Service Delivery	12A		Inability to respond to a significant event	Prolonged service disruption and damage to reputation.	SD	2	4	8	TREAT/TOLERATE 1) Disaster recovery plan to be closely monitored by the management board. 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.	Business Continuity plan in development	May-24
		Service Delivery	12B		Failure to implement proper cyber security policies.	Prolonged service disruption and damage to reputation.					TREAT 1) Ensure the Fund's memorandum of understanding and privacy notice is compliant with current legislation. 2) Regularly engage with the host authority IT team to ensure security protocols are up to date. 3) Maintain a central registry of key partners' business continuity plans when developed. 4) Ensure staff are aware of their roles and responsibilities under Surrey's cyber security policy. 5) Ensuring members data is remotely and securely backed up.	Cyber Security Internal Audit completed	Feb-24
		Service Delivery	12C		Failure to hold personal data securely.	Personal financial impact and damage to reputation.					TREAT- 1) Data encryption technology is in place, which allow the secure sending of data to external service providers. 2) Phasing out of holding records via paper files. 3) Any hardcopy pension admin records are locked daily in a secure place. 4) SCC IT data security policy adhered to. 5) SCC carries out Security Risk Assessments. 6) Custodian proactively and reactively identifies and responds to cyber threats.		

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13	Scheme is financially or reputationally impacted by failure to adhere to (changes in) regulatory and legislative compliance requirements	Service Delivery	13A	C4-1	Non-compliance with regulation changes relating to the pension scheme or data protection	Fines, penalties and damage to reputation.	SD	3	4	12	TREAT 1) There are 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.		
		Service Delivery	13B		Failure to identify GMP liability	Data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund					TREAT 1) GMP to be closely monitored by the management board. 2) Stage 1 reconciliation reviews have been completed. 3) Mercer have been appointed to carry out an interim stage 2 review 4) GMP Reconciliation project is being progressed by Mercer (formerly JLT). 5) Separate updates being issued.		
		Service Delivery	13C		Additional resources required to deal with consequences of McCloud judgement	Backlog of processes; data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund					TOLERATE/TREAT 1) The Pension Fund Team can allocate additional funds / resources to mitigate the impact and avoid reputational damage. 2) The proposed remedy will require additional resource and members who have already left will be prioritised.		
		A&G - Funding	13D		Additional resources required to deal with consequences of McCloud judgement; additional costs required to pay higher benefits	Backlog of processes; data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund; possible impact on employers with additional contributions required					TOLERATE / TREAT - 1) Depending on DLUCH's response to the ruling, the actuary may reconsider the funding position, the investment advisers may reposition assets to compensate and the Service Delivery Team may need more resource but ultimately, it is likely to have an impact on employers' contribution rates.		
		A&G - Technical	13E	C4-1 & C4-3	Failure to comply with changes in LGPS and/or HMRC regulations (including any changes related to particular employer participation)	Incorrect benefits and ongoing costs for the pension fund; possible impact on employers with additional contributions required					TREAT / TOLERATE- 1) Impact on contributions and cashflows are subject to annual review by the Actuary. 2) Fund will respond to consultations and statutory guidance. 3) Impact of LGPS (Management of Funds) Regulations 2016 to be monitored.		
		A&G - Governance	13F		Failure to comply with legislative requirements e.g. ISS, FSS, Governance Policy, Freedom of Information requests.	Backlog of processes; data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund					TREAT- 1) Publication of relevant documents on external website. 2) Managers monitored on their compliance with ISS and IMA. 3) Pension fund committee and Local Pension Board self-assessment to ensure awareness of all relevant documents. 4) Annual audit review. 5) Pension team reorganisation has provided additional resource in this area.		
		Service Delivery	13G		Additional resources required to deal with consequences of Dashboard implementation	Backlog of processes; data or calculation errors leading to incorrect benefits disclosed; system interfaces inoperative or introducing errors					TOLERATE/TREAT 1) The Pension Fund Team can allocate additional funds / resources to mitigate the impact and avoid processing issues or reputational damage.	Technical team to engage with consultations on proposed framework	Mar-24

Pension Team Risk Register

January 2024

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14	Reputational issues due to inaccurate public domain information (external stakeholder relationships / comms) or inefficient service	A&G - Comms	14A		Inaccurate information in public domain	Damage to reputation and loss of confidence.	A&G	3	4	12	TREAT- 1) Ensure that all requests for information (Freedom of Information, Member & Public questions at Council, etc) are managed appropriately and that Part 2 items remain so. 2) Maintain constructive relationships with employing bodies to ensure that communication is well managed. 3) Update website information as and when required and at least quarterly.		
		Service Delivery	14B		Poor data processing, manipulation and transfer	Incorrect contributions or benefits					TREAT - 1) Improve metrics to better measure performance and monitor the pension administration service.		
15	Internal protocols for governance not followed	A&G - Governance	15A		Failure to take difficult decisions inhibits effective Fund management.	Inefficiency and poor performance.	A&G	2	4	8	TREAT- 1) Ensure activity analysis encourages decision making on objective empirical evidence. 2) Ensure that basis of decision making is grounded in ISS/FSS/Governance statement/Responsible investment policy and that appropriate advice is sought. 3) Ensure the Governance Matrix is made visible to all stakeholders in the pension team enabling clear identification of roles and responsibilities.		
		A&G - Governance	15B		Change in membership of Pension Fund Committee or Local Pension Board leads to dilution of member knowledge and understanding.	Inefficiency and poor performance.					TREAT 1) Ongoing training of Pension Fund Committee and Local Pensions Board members. 2) Pension Fund Committee and Local Pensions Board new member induction programme. 3) Enhance the training for the new and existing Pension Fund Committee and Local Board members. As each bodies members are new to their respective roles.	Knowledge assessment undertaken to inform 2023/24 training plans	Mar-24
		A&G - Governance	15C		Failure to comply with recommendations from the local pension board, resulting in the matter being escalated to the scheme advisory board and/or the pensions regulator.	Damage to reputation and loss of confidence.					TOLERATE - 1) Ensure that a cooperative, effective and transparent dialogue exists between the pension committee and local pension board. 2) Officers to carry out annual measurement against TPR code of conduct.		
		A&G - Governance	15D		Procurement processes may be challenged if seen to be non-compliant with OJEU rules. Poor specifications lead to dispute. Unsuccessful fund managers may seek compensation following non compliant process	Damage to reputation and financial loss					TREAT / TOLERATE - 1) Ensure that assessment criteria remains robust and that full feedback is given at all stages of the procurement process. 2) Use the National LGPS or other established procurement frameworks.		
16	Ongoing issues (access, training, reporting etc.) following implementation of new financial system leading to delayed processing, data integrity issues, financial loss and build up of backlogs.	A&G - Funding	16A		Insufficient opportunity to specify pension requirements and detailed testing of new systems prior to 'go live' leading to system not working as expected and teething issues remaining unresolved. This in turn combined with restricted access to the new system, lack of focussed training for relevant staff and limited or absence of reporting facility have caused processing delays and build up of backlogs which will require additional resources for remediation work. Inadequate system configuration has led to workarounds in some areas, delayed processing and/or data integrity issues.	Prolonged financial service disruption, lack of visibility of transactions, potential financial loss and inadequate reporting to senior management.  Possible impact on year-end (March 2024) processing if payroll interfaces are not adequately progressed in time.	A&G	4	4	16	TREAT 1) Clear specification for pensions in My Surrey, the new system and test the 'live' system to the extent possible. 2) Ensure adequate/competent resources are made available for testing the 'live' system for correct data migration from SAP to My Surrey and remains accurate at cutover and correct reporting facilities are available to users. 3) Ensure system users are adequately trained and given the required access. 4) Reconciliation of opening position to be agreed. 5) Monitoring of use/capability of new system. 6) Communication with stakeholders with respect to potential issues.		

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