

Pensions Administration

Objective	High Level Risk	Detailed Risk	Impact	Likelihood	Pre-control Risk Score	Controls	Source of Assurance	Impact	Likelihood	Post-control Risk Score	Review Date	Change Description	Outcome of Review /Changes made and date	Owner	
4.1 Deliver a consistently high level of performance and customer service	4.1 Failure to deliver a consistently high level of performance and customer service	Failure to set performance standards; failure to achieve performance standards; failure to monitor performance standards; failure to report performance against performance standards	4	4	16	Performance reports presented to Pensions Committee and in the Annual Report and compared with benchmarking comparisons published nationally as part of the CIPFA process. Internal management reporting	Pensions Committee/Pension Board review	3	4	12			CEM Benchmarking proposed to be used long-term. Alternative benchmarks to be considered. Altair insights to be considered for reporting.	SJ/JW	
		Non payment of payroll, payrolls not updated correctly for annual revaluations. Potential impact on up to 40,000 pensioners	5	4	20	Internal monthly process controls for Altair and BACS.	Internal and external audit	4	3	12	Aug-22	Internal service standards potential to be below target due to recruitment and retention issues.			
		Individual benefit calculations may be under or overstated. Impact on scheme members and scheme employers. Possible reputation damage	4	4	16	Scheme of delegation, workflow authorisations, appropriately trained staff	Internal section management and audit	3	3	9	Monthly	Consider payroll disaster test outside SCC network. Revised Business continuity plan to be tested in LloydsCBO. Consider staffing resource increase.			SJ/JW
		Incomplete or inaccurate data input, processing or output in accordance with relevant legislation or policies. i.e. Details of scheme members, their pension history and status are not entered or incorrectly entered onto the system or are not supported by appropriate documentation	3	4	12	Workflow control systems with seniority based checking requirements . Scheme of delegation, system security roles,	Audit reports, Altair security parameters TPR compliance reporting, GDPR training and compliance. Members ability to cross check and update records through MSS, I-Connect where implemented. Data Clense project.	3	2	6	ongoing			slight increase in likelihood du	SJ/JW
		Failure to ensure that all monies received or due are accurately and completely recorded including; Employer contributions, employee basic and additional contributions, transfers paid in or out and pension benefits paid.	5	3	15	Internal contribution control and financial systems. Actuarial data checks Scheme of delegation, record keeping checks, actuarial calculation	Audit, valuation, IAS19/FRS102 reporting Actuarial certification, Club vita reports, Breaches log, HEAT	5	2	10	May-23	I-Connect will be an additional source of assurance once fully implemented, subject to appropriate review of data integrity.	Increase in resources in technical systems team.		SJ/JW
		Data matching exercises (e.g. National Fraud Initiative, mortality tracing etc..) identifying potential discrepancies are not acted upon	3	4	12	Internal Project control and Altair workflow processes Mortality monthly checking, National Fraud Initiative, BACS payment return monitoring, Child pension review, overseas pensioner existence checking	Atmos output produced by Technical Team and processed by the Payroll team on a set monthly timetable. Club Vita data, Tell us Once check, NFI bi-annual report, overseas existence testing, project plan following outputs.	3	3	9	May-23	Looking at using i-connect to improve and contribution reconciliation.			SJ/JW
		Failure to minimise cost commensurate with achieving agreed performance standards	3	3	9	Internal review of expenditure and budgets linked to business plan, regular benchmarking (SF3, CIPFA, PSLA) and reporting to Pensions Committee	Pensions Committee/Pension Board Audit. Review by section management . Actions taken as appropriate	2	3	6	May-23	Review need for more address and mortality tracing as identified in business plan. Looking at electronic proof of life.			SJ/JW
		Failure to monitor workloads, or backlogs or benchmark staff numbers	4	5	20	Staffing numbers are appropriate - monitor workloads; monitor backlogs; benchmark staffing numbers	Review of KPIs by Pensions Committee / Board, Review of published benchmark returns	4	4	16	ongoing, Aug 22	Consider CEM/alternative benchmarking Significant amount of regulatory change and the need to implement such, may impact wider service delivery, increased further by delays in software updates and systems, leading to increased manual calculations. In addition to recruitment and retention issues.	Ongoing recruitment process to maintain current establishment and increase for additional work from McCloud.		SJ/JW

4.2 To ensure data quality is accurate, secure and protected and critical systems are available at all times

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Failure to provide a robust and reliable administration system to facilitate the delivery of performance standards

4	3	12	Staffing numbers are appropriate - pay levels are sufficient to recruit staff - turnover is not too high	Management review of turnover and market pay levels via benchmarking results, monitor equivalent advertised positions	4	3	12	Review section performance following CIPFA benchmark return and pending full section staffing and structure review. Pay awards less than inflation, adding to staffing pressures. Review Aug-22 entry level job grading.	SJ/JW
4	4	16	Staff are motivated through career progression and regular feedback. Skills are monitored and staff are trained appropriately. Structure allows for succession planning	Management review following we talk conversations, customer feedback results and complaints monitoring	3	3	9	Identify staff development needs from we talk process.	SJ/JW
4	2	8	Altair Workflow controls, internal checking process, NFI, Altair security roles, separation of duties	Audit and management controls, continued substantive assurance on internal audit report, cyber security and GDPR training.	4	2	8	ongoing	SJ/JW
4	3	12	Identify priorities and schedule work as appropriate. Staff recruitment, consider bulk projects	Actuarial and legal advice, appropriate funding arrangements, staff are aware of changes. Employer communication process now well established.	4	2	8	Review following change TRP code of practice making cyber security responsibility of the fund. Increased use of MPP and potential Audit of MPP.	Substantial assurance audit report received for administration. SJ/JW
4	3	12	Resource accordingly, continue to work with hymans to ensure appropriate data capture	Hymans ongoing data checks and comparison against valuation and employer data submissions	3	3	9	Consider technology solutions as they become available and enhanced resources for dedicated employer work. Monitor accademies for changes in DFE guidance for admissions, pass through etc, Accademy fund	SJ/JW
4	3	12	Resource accordingly, continue to work with hymans to ensure appropriate data capture	Hymans ongoing data checks and comparison against valuation and employer data submissions	2	2	4	May-23 transfers and LEA MATs	HEAT fully implimented and efficiency savings to follow, specialist staff resource to be kept under review. SJ/JW
3	5	15	Breaches log exists and regular monitoring processed are in place and reviewed.	Pensions board monitor and Pensions officers review meetings	3	5	15	May-23	SJ/JW
2	4	8	Correct Scheme documentation, procedure in place, review process, reconciliation of employer AVC statements, guidance from LGA	Online access and statements for members, which are checked, data flow from employers, compliance with guidance from LGA	2	4	8	Maintenance and monitoring not fully implemented due to lack of resource and reporting tools. Input required from CIPFA, TPR and software providers. Altair insights now available which will improve reporting in this area.	SJ/JW
5	3	15	Using Aquilla Heywood AXIS / Altair system and bespoke SCC calculation software, developed over many years on a collaborative basis with other LGPS schemes; regular updates; input to national developments; tendered from time to time	ICT audit reviews, period contract re let and market testing	2	4	8	Monitor impact on resources and Monitor May-23 AVC provider	SJ/JW
4	3	12	Staffing numbers are appropriate - pay levels are sufficient to recruit staff - turnover is not too high	Management review of turnover and market pay levels via benchmarking results, monitor equivalent advertised positions	4	2	8	Significant tender project completed and administration system externally hosted with May-23 supplier.	SJ/JW

4	4	16	Key procedures library updated by specialists in relevant areas, documents regularly reviewed Documented processing schedules, Heywood housekeeping guidance. Internal management working groups.	Audit reports and internal document control Audit (ICT), KPIs, Actuary review. System upgrades now completed by supplier.	2	3	6	Review following Audit report and internal reviews and ongoing rollout of Iconnect	2022 Audit reviews received substantial assurance.	SJ/JW
4	3	12	Structured ICT control procedures published DR plan for SPF & Heywoods, annual DR testing by Heywoods.	Annual DR / Period Testing results, up to date business continuity plan, scenario testing.	4	3	12	annual	Review and alignment of SPF and Heywood DR plans following move to a hosted system	SJ/JW
4	1	4	Error reports review, Regional User Groups, Consortium Management Team, Trained Staff, Procurement reviews	Audit reports, Internal Testing, Market Testing	4	1	4	May-23	Move system to externally hosted	New system fully implemented, with improvements in contractual controls SJ/JW
4	2	8	Documented processing schedules, Heywood housekeeping guidance	ICT audit reviews, processing schedule compliance	4	2	8	annual	Key person risk to be reduced with supplier undertaking key upgrades of hosted system.	SJ/JW
3	2	6	Staffs ICT and Altair system parameters / controls, including ping, 12 character passwords, 2FA	Audit (ICT)	2	1	2	May-23	check TPR guidance to ensure current controls are sufficient.	SJ/JW
3	4	12	Scheme of delegation Altair security roles restrict who can change system parameters	Audit	2	2	4	May-23	new scheme of delegation from April 22, circulated to all staff.	SJ/JW
4	3	12	Heywood release guides and Housekeeping schedules. Internal sign off	Audit (ICT)	4	2	8	Every release upgrade	New internal release sign off to be produced for hosted environment.	SJ/JW
5	4	20	SCC and partner ICT policies and procedures, Mirror server operation, special environmental controls SCC ICT Policies, internal access controls and Altair security roles Firewall and anti virus controls. Business Contingency and DR Plans	ICT Audit, DR Testing reviews.GDPR Impact assesment statement for MPP, evidence of current security arrangements held by software provider and security certification levels.	5	3	15	May-23	Consider cyber footprint to develop cyber policy. Review insurnace in this area. Heywoods, Staffs ICT and Experian.	SJ/JW
4	3	12	Finance team, access to historical records are maintained. Finance staff monitoring accounts closure process	Finance team and Internal Audit	3	2	6	May-23		TB
4	3	12	Fund Officers continue to undertake annual training and along with the assistance of the Information Governance Team ensure that the Fund is following Data Protection Regulations.	Privacy statements and policies are in place. Ongoing staff training on GDPR and cyber security, and staff aware of key risks and sanctions (fines for breaches). GDPR review forms part of internal audit of pensions administration	4	2	8	May-23		SJ/JW

4.3 To Communicate to our key stakeholders in a clear informative style

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Failure of scheme employers to correctly use the i-Connect monthly upload or system failure of i-Connect	4	4	16	i-Connect self tests data before submission accepted. The Pensions Section will also carries out tolerance checks on data received. System failure is covered by the potential to reverse and retro load data if required.	Audit, inbuilt controls and tolerance checking.	4	3	12				
Failure of scheme employers to provide contractual hours and service break data, from 1 April 2014 in respect of Mcloud impact changes.	4	4	16	Internal project team, software providers update systems to collect data and identify any gaps. Regulatory requirement.	Software reporting.	4	4	16	May-23	Review monthly tolerance checking procedures	Internal resource has been expanded	JW
Failure to supply quality information to the National Pensions Dashboard from 2024.	4	4	16	Data Quality checks, Actuarial assesment of data quality, software solution.	Club Vita, CIPFA Benchmarking, NFI	3	3	9	May-23	First request for 2021 data sent to employers, some issues with quality, further requests to be sent later in 2022.	Project team working effectivley, software is being evolved.	JW/SJ/MS
Failure to comply with TPR single CoP and actuarial data quality requirements resulting in data issues at the 2022 scheme valuation	4	4	16	The section uses Heywoods (software provider) and Hymans (Actuary) data quality monitoring systems. A project team is in place on the run up to the 2022 scheme valuation to ensure scheme data is compliant in all areas.	High TPR compliance score demonstrated by Altair report, working group established, Data improvement plan in place.	3	2	6	May-23	Awaiting software solution	Need to step up data clesning inadvance of dashboard launch.	
Failure to have document control list in place and failure to publish a Communication Strategy	3	2	6	Document control list and communication strategy in place and regularly reviewed.	TRP compliance, breach review Included within the Document control system.Internal Policy review and Internal audit Governance audit (substantial).	2	3	6	May-23	Focus for 2022 is on data quality for the 2022 valuation to comply with actuary requirements. Altair insights now gives immediate data quality reporting.	Communication strategy was updated to reflect changes in working practices post pandemic.	JW
Failure to communicate regularly with scheme members	4	4	16	Communications via Staffordshire Pension Fund website and electronic or employer channels. Annual pensioner newsletter (in contact).	Pensions Board / Committee reports Communications Strategy and regular review, MPP working group, webinars	4	3	12	May-23	Consider the impact of the move towards electronic communication and promotion of MPP and potential for increased disengagement. Consider requirements following LGA requirement for engagement with scheme members on an annual basis. Member webinars, MPP working group looking at how to increase take up	Consider take-up and outcome from first 2020 ABS electronic exercise, 2022 plan to default all pensioners to electronic communication.	SJ/JW
Failure to communicate regularly with employers	4	3	12	Employer database of addresses maintained and regular updates distributed. Employers have bespoke area on New look Staffordshire Pension Fund website with full access to current documentation and news.	Pensions Board / Committee reports and review. Audit. Employer focus news letter, issued bimonthly, employer focus peergroup, employer focus training.	4	2	8	ongoing	Annual events will determine communications e.g. year end data collection, contribution band review changes. Other than this employer communications are sent as required (statutory or other changes), dedicated virtual sessions for topical or forthcoming projects.		SJ/JW
Failure to consider accessibility (ie alternative formats, languages etc)	1	4	4	Communications are reviewed against CC standard for accessibility	All major communications subject to accessibility checks. National and regional communications groups.	1	3	3	ongoing	As communications issued	Communications Officers responsible for ensuring compliance and SCC webteam.	SJ/JW
Failure to have a modern, accessible, well used web site	4	3	12	Web site for employers, scheme members, publicly available www.staffspf.org.uk	Internal management review, led by annual/statutory events, update, and scrutiny by Staffordshire Web Team.	3	3	9	ongoing	Consider the impact accesability of website has had on member understanding and increase in equiries		MS/JWi

4.4 Ensure administration compliance with regulatory codes of practice and legislation.

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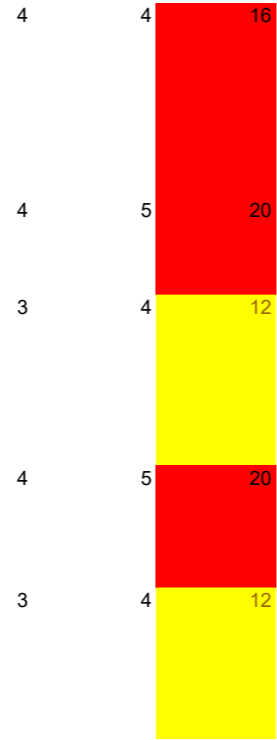
Failure to review statutory requirements including changes to LGPS and translation into revised working practices in accordance with statutory deadlines

LGPS regulation changes in relation to fair deal, McCloud & Goodwin. Processing and funding issues (see duplicated on funding tab)

Failure to deal with any complaints and/or IDPRs appropriately that may arise.

Employers' failure to carry out their responsibilities for scheme administration.

Substantial fines and reputational damage for breaches in Data Protection



Internal technical specialists, guidance from professional advisers, local and national working groups, core software updates. Officer review meetings for regulatory changes.

Systems updated and adequate staff resource and training in place

Staff Training, leadership and management

Administration strategy, TPR requirements, employer focus training, communication of employer admin strategy.

Internal training and breach reporting procedures, additional checking layer for issue of documents and certificates.

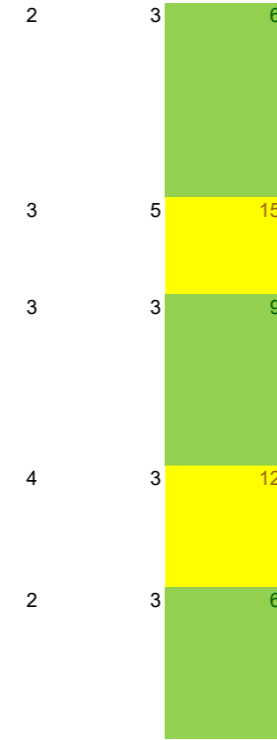
Internal and external audit, reviews following actuarial reporting. Regular Altair software updates encompass most regulatory changes. Changes communicated to staff.

KPIs maintained at previous levels

Audit, complaint monitoring, process for IDRP review has been introduced with HR teams and employers to understand their roles and responsibilities.

Employer sanction process and TPR breach reporting, employer admin strategy

Management controls, IGU reporting procedures. GDPR training, staff awareness



ongoing

ongoing

ongoing

ongoing

ongoing

Software changes delivered and implemented in a timely manner as required

Review and monitor May-23 legislative changes

Stage 1 IDPRs now done by employers, Stage 2 legal input external to increase resource

Review employer performance monitoring processes to be expanded now Altair insights available.

Staff undertake refresher data protection and protective marking training on an annual basis.

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