

LOCAL PENSIONS BOARD – 30 JUNE 2023

Report of the Director of Finance

STAFFORDSHIRE PENSION FUND RISK REGISTER

Recommendations of the Chairman

1. That the Local Pensions Board ('Board') notes the risks, relating to Administration from the current Staffordshire Pension Fund Risk Register, as presented in Appendix 1.

Background

2. At their meeting in June 2022, the Pensions Committee noted the high-level risks identified within the Staffordshire Pension Fund Risk Register. The Committee also asked the Board to continue to undertake a regular detailed review of the risks identified and the process for maintaining the Risk Register, and report back to the Committee on any areas of concern.
3. To assist with their review, the Board requested that one of the four main risk areas (Governance, Funding, Administration, and Investment), be presented to them at each meeting, for their consideration. This was to align with the risk area considered by the Officer working group that quarter.
4. Board members have joined the Assistant Director for Treasury & Pensions and Senior Pensions and Investment Officers, forming the Officer working group, on a quarterly basis. Working through the detail of the individual risks, they collectively determine individual risk scores by considering the potential impact any one risk might have, together with the likelihood of that risk occurring. Members of the Board are invited to continue to attend these working groups if they so wish.
5. At a meeting on 19 May 2023, the Officer working group, together with a member of the Local Pensions Board, reviewed the risk area of Administration. Pre and post control ratings were re-assessed, considering any new controls or sources of assurance. New areas of potential risk were also considered. Post control, Fund Officers believe there are three areas of high risk and ten areas of medium risk.
6. The three high-level risk areas relate to staffing resource levels, the provision of the data required from scheme employers in relation to the McCloud remedy and the payment of payroll, in light of the implementation of the enhanced admin to pay process.
7. The thirteen areas of medium risk relate to several matters including:
 - i) Performance standards and their consistency;
 - ii) Pay levels, staff retention and succession planning;
 - iii) Breaches reporting;
 - iv) System failures, and cyber or fraud attacks;

- v) Accuracy of information from Employers; and
- vi) Implementation of regulation.

Whilst all the medium risk areas are deemed to be well managed and have appropriate controls in place, the scores have increased predominantly due to the likelihood of an event happening. E.g. implementation of changes in regulations.

8. The full list of the current Administration Risks is presented in Appendix 1 for the Board to discuss and / or note at today's meeting.

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Equalities implications: There are no direct implications arising from this report.

Legal implications: There are no direct legal implications arising from this report.

Resource and Value for money implications: The main resource implications have not been explicitly assessed but arise directly from either any mitigating actions or from the impact of the risk identified.

Risk implications: The main topic of this report is risk assessment and management.

Climate Change implications: There are no direct implications arising from this report.

Health impact assessment screening: There are no direct implications arising from this report.