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	Mar-24	Internal service standards potential to be below target due to recruitment and retention issues.	CEM Benchmarking proposed to be used long-term. Alternative benchmarks to be considered. Altair insights to be considered for reporting. Work needed on Insights in order to utilise these reports effectivley. Development work will be required	SJ/VE/LS
		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	4	16	Monthly	Consider payroll disaster test outside SCC network. Revised Business continuity plan to be tested in LloydsCBO. Consider staffing resource increase.	Increased due to implementation of enhanced admin to pay as we switch between the systems, long term should help to reduce this risk.	SJ/VE/LS
		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	ongoing		slight increase in likelihood due to staffing issues	SJ/LS
		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	May-24	I-Connect will be an additional source of assurance once fully implemented, subject to appropriate review of data intergrity.	Increase in resources in systems and data team.	SJ/VE
		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 Data and Systems 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-24	Review need for more address and mortality tracing as identified in business plan. Looking at electronic proof of life.		SJ/VE
		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-24	Consider CEM/alternative benchmarking		SJ/VE/LS
		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. Implementation of new management structure in Jan 23	4	4	16	ongoing, Mar 24	Significant amount of regulatory change and factor changes 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/VE/LS
		Failure to have appropriate pay levels or to monitor and understand turnover resulting in an insufficient number of experienced staff and failure to plan succession	4	3	12	Staffing numbers are appropriate - pay levels are sufficient to recruit staff - turnover is not too high. The organisational structure is appropriate	Continual review Management review of turnover and market pay levels via benchmarking results, monitor equivalent advertised positions	4	3	12	May-24	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 entry level job grading.		SJ/VE/LS
		Failure to have appropriate structures with progression and regular "We Talk" conversations. Skill sets not monitored and staff not appropriately trained	4	4	16	Staff are motivated through career progression and regular feedback. Skills are monitored and staff are trained appropriately. Structure allows for sucession planning	Continual Management review following we talk conversations, customer feedback results and complaints monitoring	3	3	9	ongoing	Identify staff development needs from we talk process.		SJ/VE/LS

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4.2 To ensure data quality is accurate, secure and protected and critical systems are available at all times	4.2 Failure to ensure data quality is accurate, secure and protected and critical systems are available at all times	Fraud, by scheme members or staff.	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	Review following change TRP code of practice making cyber security responsibility of thew fund. Increased use of MPP and potential Audit of MPP.	Substaintial assurance audit report received for administration.	SJ/VE/LS
		Ongoing employer structure changes which may impact on the sections service delivery capability	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.	3	3	9	May-24	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 transfers and LEA MATs		SJ/VE/LS/L
		Failure to maintain and monitor a breaches log	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	Sep-23	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/VE/LS/L
		Failure to resouce and implement AVC provider review, Pensions Nudge and Shared cost AVC arrangement.	2	4	8	Correct Scheme documentation, procedure in place, review process, reconcilliation of employer AVC statements, guidance form LGA	Online access and statements for members, which are checked, data flow from employers, compliance with guidance from LGA	2	4	8	Dec-23	Working through the AVC review project and monitoring impact on resources		SJ/ME
		Failure to provide a robust and reliable administration system to facilitate the delivery of performance standards	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	External hosting of system. ICT audit reviews. Class User Group, JPG and Testing working party and other user groups	4	2	8	May-24			SJ/VE
		Failure to have appropriate processes in place for system updates	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	May-24	Review following 2023 Audit 2023 report and internal reviews and ongoing rollout of Iconnect		SJ/VE
		Failure to provide appropriate contingency arrangements for failure of the system	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/VE
		Failure to ensure that contract(s) for key suppliers are adequate and performance is monitored	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-24			SJ/VE/LS
		System processing schedules, backups, periodic testing not in place, to monitor outputs, identify exceptions and take corrective action where necessary. Failure to adequately test System changes.	4	3	12	Documented processing schedules, Heywood release guides and housekeeping guidance	Upgrade procedure in place - User Acceptance Test	4	2	8	Every release upgrade	New internal release sign off to be documented for hosted environment.		SJ/VE

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		Failure to use authentication controls (including "strong" / complex passwords, regular password changes, account lockout after three failed login attempts, robust user administration procedures) -				Staffs ICT and Altair system parameters / controls, including ping, 12 character passwords, 2FA	Audit (ICT)				May-24	check TPR guidance to ensure current controls are sufficient.		SJ/VE
		Amendments to admin. and systems procedures are not authorised by section managers.	3	4	12	Scheme of delegation Altair security roles restrict who can change system parameters	Audit	2	2	4	May-24			SJ/VE
			5	4	20			5	3	15				
		Failure to protect against increased physical or cyber threats				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. Cyber framework and policy being developed				May-24	Complete Cyber Framework exercise and complete Cyber Policy. Review assurance in this area. Heywoods, Staffs ICT and Experian.		SJ/VE/LS/M
		Failure of SCC finance system to have correctly working functionality and set up for SPF, causing issues for accounts closure, payments, VAT and intercompany reimbursements.	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-24			TB
		General data Protection Regulation, not being fully followed in the administration of the Staffordshire Pension Fund.	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-24			SJ/VE/LS
		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	May-24	Seeking more resource on this team		SJ/VE
		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. Regulation amend and SAB guidance. Software changes for calcualtions developed by Heywoods to match relevant regulatory requrements as currently in place.	4	4	16	May-24	First request for 2021 data sent to employers, some issues with quality, further requests tfor 2022/23 data now sent.	Project team working effectivley, software is being evolved.	SJ/VE
		Failure to appoint an intergrated service provider (ISP) and supply quality information to the National Pensions Dashboard Progamme	4	4	16	Data Quality checks, Actuarial assesment of data quality, software solution.	Club Vita, CIPFA Benchmarking, NFI	3	3	9	May-24	Awaiting software solution. Awaiting revised timeline from Central Government.	Need to step up data clensing inadvance of dashboard launch, including address tracing	SJ/VE
		Failure to comply with TPR single CoP and actuarial data quality requirements resulting in data issues at the 2025 scheme valuation	4	2	8	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 2025 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-24	Focus is on data quailty for the PDP, other projects and 2025 valuation to comply with actuary requirements. Altair insights now gives immediate data quality reporting.		SJ/VE/ME

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4.3 To Communicate to our key stakeholders in a clear informative style	4.3 Failure to Communicate to our key stakeholders in a clear informative style	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				SJ/ME
		Failure to communicate regularly with scheme members	4	3	12	Communications via Staffordshire Pension Fund website and electronic or employer channels. Annual pensioner newsletter (in contact).	Pensions Board / Committee reports Communications Strategy and Communications Plan and regular review, MPP working group, webinars	4	2	8	May-24	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. Video "how to" guides	Consider take-up and outcome from ongoing electronic ABS issue. Consider age profile of MPP take-up for future exercises	SJ/VE/LS/M
		Failure to communicate regularly with employers	4	3	12	Employer database of addresses maintained and regular updates distributed. Employers have bespoke area on 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	May-24 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/VE/LS/M
		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/VE/LS/M
		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 accessability of website has had on member understanding and increase in enquiries		SJ/VE/ME
4.4 Ensure administration compliance with regulatory codes of practice and legislation.	4.4 Failure to comply with regulatory codes of practice and legislation.	Failure to review statutory requirements including changes to LGPS and translation into revised working practices in accordance with statutory deadlines	4	4	16	Internal technical specialists, guidance from professional advisers, local and national working groups, core software updates. Officer review meetings for regulatory changes.	Internal and external audit, reviews following actuarial reporting. Regular Altair software updates encompass most regulatory changes. Changes communicated to staff and appropiate training provided	4	3	12	ongoing			SJ/VE/LS
		LGPS regulation changes in relation to fair deal, McCloud & Goodwin. Processing and funding issues (see duplicated on funding tab)	4	5	20	Systems updated and adequate staff resouce and training in place	KPIs maintained at previous levels	3	5	15	May-24 ongoing	Review and monitor legislative changes		SJ/VE/LS
		Failure to deal with any complaints and/or IDRPs appropriately that may arise.	3	4	12	Staff Training, leadership and management	Audit, complaint monitoring, process for IDRP review has been introduced with HR teams and employers to understand their roles and responsibilities.	3	3	9	ongoing			SJ/LS
		Employers' failure to carry out their responsibilities for scheme administration.	4	5	20	Administration strategy, TPR requirements, employer focus training, communicaion of employer admin strategy.	Employer sanction process and TPR breach reporting, employer admin strategy	4	3	12	ongoing	Review employer performance monitoring processes to be expanded now Altair insights available.		SJ/VE/LS/M
		Substantial fines and reputational damage for breaches in Data Protection	3	4	12	Internal training and breach reporting procedures, additional checking layer for issue of documents and certificates.	Management controls, IGU reporting procedures. GDPR training, staff awareness. Staff undertake refresher data protection and protective marking training on an annual basis.	2	3	6	ongoing			SJ/LS