

Pension Fund - Risk Register actions updates

No.	Category	Risk	Risk Factor/Cause	Effect/Consequences	Proximity	Risk Owner	Controls		Current Risk			Progress
							Current Controls	Control Assessment	Impact	Likelihood	Score	Actions as at 30/11/22
3.1	Resources & skills	Over reliance on key officers may lead to significant knowledge gaps resulting in failure to manage the Fund effectively.	Available resource; Requirement to maintain admin costs; Absence of succession management in relation to supporting crucial aspects of the operation of the Fund.	May lead to significant knowledge gaps resulting in failure to manage and operate the Fund effectively.	Ongoing	Dir Fin & Corp Govern/ Dir People, Perform & Change	Use of external advisers (investment/tax/SPPA) provides additional resilience and resources. Pension administration system implemented with help modules which can be enhanced to include details specific to SBC Pension Fund; Teams structured to reduce single points of failure and manage succession planning. Procedure notes written tested, system of regular review agreed Introduction of Overpayment policy to formalise controls and procedure TOLERATE	Effective	2	2	4	Additional controls added to reflect introduction of the Overpayments policy
5.4	Administrative	Failure to prevent fraud or misappropriation by scheme member, employee or scheme employer within the Fund may lead to loss of funds.	Lack of monitoring; Lack of segregation of duties.	Inability to provide a high quality pension service to members; Financial loss to the Fund; Impact on benefits paid to members.	Ongoing	HR Shared Services Manager	Robust segregation of duties and other internal controls to mitigate against this risk; Immediate action taken upon discovery of fraud; Internal & External Audit programme also picks up the monitoring of this risk. Introduction of Overpayment policy to formalise controls and procedure TREAT To request from each External Employers audited accounts to provide assurance on their internal controls	Effective	2	2	4	Wording has been agreed and this will be added to the template SUP5 for 2022/23
5.6	Administrative	Failure to keep pension records up to date and accurate may lead to incorrect pensions information being issued or incorrect benefits calculations or payments	Lack of info from members and employers; Human error; IT systems failure.	Incorrect records leading to incorrect estimates being issued and potentially incorrect pensions being paid.	Ongoing	HR Shared Services Manager	Pension administration system with remote access available for staff; Business World used for monthly pension payments with remote access available for staff; Staffing structure of HR Shared Services continues to monitored to ensure adequate staffing and knowledge maintained; All HRSS staff fully trained mandatory Data Protection and fully compliant with SBC Info. Governance requirements; Annual Statements issued to active and deferred members, including list of beneficiaries. Form included for changes or discrepancies, Communication strategy approved and website launched Member self service available to all active and deferred members. Introduction of Overpayment policy to formalise controls and procedure TOLERATE	Partially Effective	2	2	4	Additional controls added to reflect introduction of the Overpayments policy
6.1	Regulatory & Compliance	Failure to administer and manage Fund in line with requirements of legislation and other regulations e.g. LGPS regulations, HMRC may lead to benefits calculated incorrectly and/or breach legislation	Changes to legislation; Lack of staff training; Lack of knowledge and skills	Wrong pension payments made or estimates given; Breach of regulations; Prosecution.	Ongoing	HR Shared Services Manager/ Pension & Investments Manager	Compliance with new accounting standards and pension fund regulations are subject to robust internal and external audit review and reporting; Participation in the active Scottish Pensions networks and CIPFA updates; External Audit review extends beyond financial controls; Pension Board review of decisions; Appraisal process implemented to identify training and development requirements. Introduction of Overpayment policy to formalise controls and procedure TREAT Annual review of Competency Framework to all staff Review and action to be developed for requirements under The Pension Regulator Single Code	Effective	2	2	4	Competency Framework implemented for all staff along with new appraisal process. Annual review meetings taking place. Review commissioned on required changes resulting from Single Code. Full report to be presented to Committee

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6.2	Regulatory & Compliance	Changes in legislation and other regulatory frameworks may impact adversely on the Fund in terms of funding levels and governance structures	Central Govt. legislation changes. Government Actuary Department review and subsequent regulatory changes	Loss of independence in the management of the Fund; Impact on Fund value and benefits; Increased costs to the Fund, employer contributions; Potential loss of active scheme members.	Ongoing	Dir Fin & Corp Govern/ Dir People, Perform & Change	<p>Participation in active CIPFA and Scottish Pension network allow changes and impacts to be identified quickly;</p> <p>Involvement with COSLA discussions on Pensions;</p> <p>Monitoring and highlighting actions and decisions from scheme advisory board;</p> <p>TREAT</p> <p>Seek to input into any of the legislative change through active membership of COSLA;</p> <p>Review and actions to be developed for requirements under The Pension Regulator Single Code</p>	Partially Effective	4	4	16	Responding to all consultations and participating in all national groups. Acting Chief Financial Officer is a member of Director of Finance group. Monitoring Scheme Advisory Board web site on monthly basis. Review commissioned on required changes resulting from "Single Code". Full report to be presented to Committee.