

## 2023 Sept Administration Risk Register

| Risk Ref  | Service Area        | Rating | Portfolio Holder  | Director or Head of Service | Risk Identified  | Potential Consequence   | Notes |
|-----------|---------------------|--------|-------------------|-----------------------------|--|---|-------|
| ADMIN0001 | Administration Risk | 4      | Cllr David Thomas | Jane Thomas                 | Failure to pay pensions and lump sums on time  | Financial difficulty for the scheme member concerned, reputational risk to the Pension Fund, and additional cost to the employer where interest is payable as a result of late payment.   |       |
| ADMIN0002 | Administration Risk | 2      | Cllr David Thomas | Jane Thomas                 | Inability to deliver service as a result of loss of pensions administration system, or any other system used in the provision of service (eg. pensioner payroll). Failure of any system used by the service as a result of a breach of cyber security. | Failure to provide service. Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now. |       |
| ADMIN0003 | Administration Risk | 4      | Cllr David Thomas | Jane Thomas                 | Failure to hold scheme member's personal data securely.  | Poor data quality; compromised data; fines  |       |
| ADMIN0004 | Administration Risk | 6      | Cllr David Thomas | Jane Thomas                 | Failure to maintain and hold up to date and accurate pension records and potential impact on scheme members and employers.   | Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRPs and Ombudsman appeals; and, incorrect assessment of employer contribution rates.  |       |

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| ADMIN0005 | Administration Risk | 4      | Cllr David Thomas | Jane Thomas                 | Failure to communicate effectively with stakeholders.            | Scheme members unaware of their rights under the LGPS and make poor decisions in relation to pension rights. Employers unaware of the scheme regulations, the procedures and their responsibilities, resulting in poor or inappropriate decision-making and may adversely effect the flow of pensions data to the Pension Fund. |  |
| ADMIN0006 | Administration Risk | 4      | Cllr David Thomas | Jane Thomas                 | Pensioners living longer and, changing retirement patterns.      | Increased employer contribution rates.  | Work with the actuary ahead of the valuation where required to assess demographic changes. |
| ADMIN0007 | Administration Risk | 2      | Cllr David Thomas | Jane Thomas                 | Deteriorating patterns of ill health or other early retirements. | Increase in employer contribution rates and deficit recovery payments.  |  |
| ADMIN0009 | Administration Risk | 4      | Cllr David Thomas | Jane Thomas                 | Cessation of Service Contract for Pensions Administration System | Falure to meet legislative requirements and administer the LGPS. Risk of intervention by the Pensions Regulator, legal challenges, reputational risk.   |  |
| ADMIN0010 | Administration Risk | 4      | Cllr David Thomas | Jane Thomas                 | Payments to overseas pensions.                                   | Payments continuing to potentially deceased pensioners  | Finance<br>Finance and Funding<br>Jane Thomas  |