

Risk

Regulatory and Compliance	Financial	Operational
Non compliance with TPR	Excessive Charges	Member Data
Failure to interpret regulations	Pension Fund accounting mistakes	Administrative failures
Failure to comply with disclosure requirements	Authority costs due to failure to apply scheme / tax rule correctly	Premises
Failure to communicate with scheme members	Failure to deduct correct employee contributions	Software failure/ corruption
	Fraud	Workforce planning

TPR – Example Risk Register

Public Service toolkit downloadable

Example risk register

Risk area 1 – Operations	Likelihood (1: least likely, 10: most likely)	Impact (1: least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Operational disaster (fire/flood etc)	1	6	6	Business continuity procedures in place for administrator	Scheme manager	Annual	Q1 Y2	Up-to-date business resiliency programme provided by administrator as at 01/01 Y2, reviewed by scheme manager at meeting in Q1 Y2
				Business continuity plans in place for scheme manager	Scheme manager	Annual	Q2 Y2	Documented programme in place to ensure continuity will be provided by pension finance manager to scheme manager in time for quarterly meeting in Q2 Y2
				Contracts with all advisers and suppliers are recorded on central database	Pension finance manager	Annual	Q1 Y3	Contracts held in hard copy in safe, and electronically in secure area of scheme management intranet. Checked by pension finance manager January Y2
Member data incomplete or inaccurate	5	7	35	Annual report from administrator, used as basis for rectification plan	Scheme manager	Annual	Q3 Y2	Initial rectification plan completed Q3 Y1. New report received from administrator at Q1 Y2 meeting, revised rectification plan agreed with administrator. To review progress at Q3 quarterly meeting
				'Not known at this address' returns from annual statements checked by tracing agency	Pension administrator	Annual	Q2 Y2	Details provided by administrator mid January Y2, passed to tracing agency at end of January. 25% traced by quarterly meeting in Q1, update will be provided to scheme manager for Q2 meeting
Administration process failure/misadministration	4	8	32	Formal agreement in place with administrator, including SLAs	Pension finance manager	Annual	Q1 Y3	Last reviewed Q2 Y1, three year agreement
				Authority levels clearly agreed and kept up-to-date	Scheme manager	Annual	Q2 Y2	Last reviewed Q2 Y1
				Review independent audit reports of administrator's processes	Scheme manager	Annual	Q2 Y2	AAF01/06 held by administrator as at DD/MM/YYYY
				Ongoing dialogue with third party administrator	Pension administration manager	Ongoing	Q2 Y2	Weekly phone calls between pension administrator manager and third party administrator, plus ad hoc calls when necessary
				Written reports and quarterly presentations by administrator to scheme manager	Scheme manager	Quarterly	Q2 Y2	Next report from administrator due two weeks before quarterly meeting

[TPR - example](#)

[Fire example](#)

Potential negative outcomes

- Censure by the Pensions Regulator (TPR) for non-compliance with the requirements of the Public Service Pensions Act 2013 and other primary legislation.
 - Findings against the authority by the Pensions Ombudsman.
 - Failure to fulfil financial responsibilities.
 - Overpayment or underpayment of pension amounts.
 - Incomplete data leading to valuation assumptions which could result in increased employer contributions.
 - Incorrect tax liabilities for the authority and scheme members.
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Public Service Governance and Administration Survey 2016

		Fire	Police	LGPS	Other
1	Survey response rate	98%	76%	90%	100%
2	Conflicts policy and procedure for pension board members	80%	71%	85%	100%
3	Register of interests	86%	74%	87%	100%
4	Knowledge and Understanding arrangements	94%	89%	93%	100%
5	Frequency of scheme manager attendance at pension board meetings	68%	43%	86%	82%
6	Procedures for assessing and managing risk	44%	51%	92%	91%
7	Risk register	38%	51%	91%	91%
8	Where risk management procedures have contributed significantly to new or revised internal controls	14%	28%	29%	20%
9	Where administration is delivered in-house	24%	20%	73%	36%
10	Employers providing timely, accurate and complete data	58%	63%	7%	9%
11	Data review within the last 12 months	68%	77%	83%	100%
12	Data review covering both before and after 1 April 2015	68%	61%	76%	91%
13	Where data review identified any issues or problems	45%	52%	66%	100%
14	All annual benefit statements received by statutory deadline	32%	54%	45%	36%
15	Average number of complaints entering IDRPs	48%	44%	38%	60%
16	Procedures in place to identify, assess and report breaches of the law to TPR	78%	69%	91%	100%
17	Proportion that had identified any breaches of the law in the past 12 months	58%	11%	45%	64%
18	Proportion of reported breaches that were thought to be materially significant	38%	9%	15%	45%
19	Frequency of visiting TPR web site	60%	29%	61%	73%
20	Proportion judging TPR to be effective	82%	74%	85%	82%

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