## **CHB COLP PSB Register**

Report Author: Matt Mott

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| Risk no, title,<br>creation date,<br>owner             | Risk Description (Cause, Event, Impact)   | Current Risk Rating | & Score | Risk Update and date of update   | Target Risk Rating & | Score | Target Date     | Current<br>Risk score<br>change<br>indicator |
|--|---|---------------------|---------|--|----------------------|-------|-----------------|--|
| CHB COLP PSB 01 Actuarial Data  8 Oct-2019 Chamberlain | Cause: (i) Inaccurate data supplied to the Home Office either by City of London or any other Police Authority. (ii) Poor assumptions used by the Home Office.  Event: The actuarial data provided to the Home Office is inaccurate.  Effect: National employer rate incorrectly determined. | Impact              | 1       | The rate of employers' pension contributions for the Police Pension Scheme is set nationally and is based upon the actuarial data provided by all police forces in the country.  Data is supplied to the Home Office at the end of each financial year together with a forecast for the following 5 years. The forecasts are subsequently updated twice more during the financial year.  If inaccurate data is supplied, either by the City of London Police or other Forces, the assumptions used to determine the employer contribution rate may be flawed which in turn may lead to an incorrect rate being used.  8-Oct-2019 |                      | 1     | 31-Mar-<br>2021 | Constant                                     |

| Action no           | Action description             |   |           | Latest Note<br>Date | Due Date        |
|---------------------|--------------------------------|---|-----------|---------------------|-----------------|
| CHB COLP<br>PSB 01a | thorough, accurate and timely. | The actuarial data supplied to the Home Office is based upon information extracted from the payroll system, the pension system and the general ledger. The extracts are reconciled and checked for errors or inconsistencies before submission to the Home Office. The City of London has no jurisdiction or control over data submitted by other Police Authorities. | Matt Mott |                     | 31-Mar-<br>2021 |

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|--|---|-------------------------|-------|--|----------------------|-------|-----------------|--|
| CHB COLP PSB 02 Legislative compliance     | Cause: (i) Lack of appropriate knowledge or skill. (ii) Lack of training/ appropriately skilled staff.  Event: The failure to comply with legislative requirements.  Effect: (i) Inaccurate benefits paid. (ii) Financial loss (iii) Increase in Appeals (iv) Reputational damage (v) Fines from Pensions Regulator | Impact                  |       | The Regulations of the Police Pension Scheme set out how police pensions should be calculated; the procedures to be followed in certain circumstances (i.e. normal retirement and ill health retirement); the timeframes/deadlines to be adhered to; and the notifications to be provided to Scheme members.  In addition, other bodies such as the Pensions Regulator, HM Revenue & Customs, the Office of National Statistics and the Financial Conduct Authority impose rules that work alongside the Scheme Regulations or may even supersede them.  Failure to comply with the governing legislation may lead to inaccurate benefits being paid or deadlines being missed which in turn may lead to damage to the City's reputation and/or fines being levied by bodies such as the Pensions Regulator.  8-Oct-2019 | Impact               | 4     | 31-Mar-<br>2021 | Constant                                     |

| Action no           | Action description | Latest Note   |                               | Latest Note<br>Date | Due Date        |
|---------------------|--------------------|---|-------------------------------|---------------------|-----------------|
| CHB COLP<br>PSB 02a | 81                 | training is provided will help to prevent non-compliance with legislative requirements. | Graham<br>Newman<br>Matt Mott | 8-Aug-2019          | 31-Mar-<br>2021 |

| CHB COLP | The governing legislation may change or evolve over time   | Regular attendance at seminars, forums, webinars and user groups will ensure that knowledge | Graham    | 8-Aug-2019 | 31-Mar- |
|----------|--|---|-----------|------------|---------|
| PSB 02b  | and it is therefore important that staff maintain accurate | of the relevant legislation is kept up-to-date and accurate.                                | Newman    |            | 2021    |
|          | and up-to-date knowledge of the Regulations.               |   | Matt Mott |            | 1       |

|   |  | O      | z Score | Risk Update and date of update   | Target Risk Rating & | Score | Target Date     | Current<br>Risk score<br>change<br>indicator |
|---|--|--------|---------|--|----------------------|-------|-----------------|--|
| PSB 03 Pension Scheme Administratio n ( | Cause: (i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.  Event: The failure of administrators to accurately calculate and pay the correct levels of benefits.  Effect:(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions | Impact | 4       | The Regulations of the Police Pension Scheme set out how police pensions should be calculated; the procedures to be followed in certain circumstances (i.e. normal retirement and ill health retirement); the timeframes/deadlines to be adhered to; and the notifications to be provided to Scheme members.  In addition, other bodies such as the Pensions Regulator, HM Revenue & Customs, the Office of National Statistics and the Financial Conduct Authority impose rules that work alongside the Scheme Regulations or may even supersede them.  If the members of the Pensions Office that are responsible for administration of the Police Pension Scheme lack the necessary knowledge and skills payment of benefits may be delayed and may be inaccurate.  This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator. | Impact               | 4     | 31-Mar-<br>2021 |  |
| 8-Oct-2019<br>Chamberlain               |  |        |         | 8-Oct-2019   |                      |       |                 | Constant                                     |

| Action no           | Action description  | Latest Note   | Action owner                  | Latest Note<br>Date | Due Date        |
|---------------------|---|---|-------------------------------|---------------------|-----------------|
| CHB COLP<br>PSB 03a | Job descriptions used at recruitment to attract candidates with skills and experience related to police pension administration. The appraisals process to monitor progress and assess training needs. | Ensuring that candidates with the necessary skills and abilities are employed by the City. Once in post, staff continue to receive relevant training and attend courses, seminars and conferences when appropriate.   | Matt Mott<br>Kate<br>Limna    | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 03b | Scheme administrators are trained to use the pensions administration software.  | Ensuring that administrators are fully trained to use the pension administration software to enable them to provide accurate and efficient calculations. In addition, administrators should know the correct process to report to the software provider any errors encountered with the system in order that they can be investigated and resolved. | Graham<br>Newman<br>Matt Mott | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 03c | Accurate and appropriate checking procedures in place at all areas of administration.   | Rigorous and thorough checking procedures are created and implemented to ensure all calculations and letters are checked for accuracy and legislative compliance.  All checking procedures reviewed and where necessary amended due to take account of COVID 19 and officers having worked from home since 23 March 2020                            | Graham<br>Newman<br>Matt Mott | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 03d | Practical disaster recovery/succession plans in place to ensure continuity in the event that key staff leave or are unable to work for a prolonged period of time.                                    | Ensuring that skill sets are not restricted to one staff member alone.  Priority cases and work types are identified to ensure continuation in the event that staff or other resources become unavailable.  Disaster Recovery reviewed in light of COVID 19 and officers having worked from home since 23 March 2020                                | Graham<br>Newman<br>Matt Mott | 8-Oct-2019          | 31-Mar-<br>2021 |

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|---|---|---------------------|---------|--|----------------------|-------|-----------------|--|
| CHB COLP<br>PSB 04<br>Pension<br>Scheme admin<br>(Systems)  8-Oct-2019<br>Chamberlain | Cause:(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) IT system failure (v) Data Accuracy. (vi) Lack of resources.  Event: Failure of the Pension Scheme administration software.  Effect: (i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions | Impact              | 4       | The Pension Scheme administration software is designed to support the administrator by providing efficient and accurate benefit calculations.  The software system is regularly updated by the provider as improvements to the software are developed and as new regulations and guidance is released by the legislative bodies.  If the software system fails it may lead to benefits being calculated inaccurately or the failure to calculate them at all.  A loss of confidence in the system may require all calculations to be carried out manually which would be time consuming and may mean that statutory deadlines are not met. This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator.  8-Oct-2019 | Impact               | 4     | 31-Mar-<br>2021 | Constant                                     |

| Action no | Action description |   |           | Latest Note<br>Date | Due Date        |
|-----------|--------------------|---|-----------|---------------------|-----------------|
|           | ε                  | Any faults with the system should be reported to the software provider as soon as possible and therefore it is important that all staff can recognise any issues and know how to report them. | Matt Mott |                     | 31-Mar-<br>2021 |

| CHB COLP<br>PSB 04b |   | accurately and on time.   | Matt Mott | 8-Oct-2019 | 31-Mar-<br>2021 |
|---------------------|---|---|-----------|------------|-----------------|
| CHB COLP<br>PSB 04c | Ensuring that the pensions administration software is included in the departmental business continuity plans. | Updating the business impact analysis details used in the departmental continuity plan as required. | Matt Mott | 8-Oct-2019 | 31-Mar-<br>2021 |

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|--|--|---------------------|---------|---|----------------------|-------|-----------------|--|
| CHB COLP<br>PSB 05<br>Pension Fraud<br>8-Oct-2019<br>Chamberlain | Cause:(i) Continued payment of pensions following death. (ii) Staff acting inappropriately Event: Fraudulent claim of pension benefits. Effects: (i) Overpaid pensions.(ii) Financial loss | Likelihood          |         | If the death of a police pension scheme beneficiary is not reported, their pension may continue to be paid when there is no longer an entitlement.  This may be a deliberate failure to report the death or may be where there is no fraudulent intention, but in either case it will lead to benefit overpayment and a potential financial loss.  8-Oct-2019 | Impact               | 2     | 31-Mar-<br>2021 | Constant                                     |

| Action no            | Action description |   |                                 | Latest Note<br>Date | Due Date        |
|----------------------|--------------------|---|---------------------------------|---------------------|-----------------|
| CHB COLP-<br>PSB 05a |                    | allows us to be notified of a death when registered]. Participation in the National Fraud | Claire<br>O'Malley<br>Matt Mott | 3- Feb-2020         | 31-Mar-<br>2021 |

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|---|---|---------------------|---------|--|----------------------|-------|-----------------|--|
| CHB COLP<br>PSB 06<br>Protected<br>Pension Age<br>(PPA)  8-Oct-2019 City of London<br>Police (HR) | Cause: Retiring officers of a certain age losing their Protected Pension Age (PPA) as a result of being reemployed by the same sponsoring employer without a sufficient break between retirement and re-employment. Event: Officers that retire from the Force at a certain age and are then re-employed by the same sponsoring employer without a sufficient break will lose their PPA Effect: HMRC make 'unauthorised payment' charges to both the member and the organisation. | Impact              | 1       | The minimum retirement age as set by HMRC is 55, however the Police Pension Scheme Regulations 1987 allow officers to retire before this age. They are therefore awarded a Protected Pension Age (PPA).  An officer that retires between the ages of 50 and 55 and is then reemployed by the same sponsoring employer (the City of London Police and the City of London Corporation) will lose their PPA if they do not leave a sufficient break between retirement and re-employment.  The required break is 6 months, but this can be reduced to 1 month if the employment is not materially similar.  If the PPA is lost, all pension payments made from that point until the member reaches age 55 will be deemed unauthorised by HMRC and a charge will be levied against the City of London Police (as the pension provider) and against the member.  8-Oct-2019 | Impact               | 1     | 31-Mar-<br>2021 | Constant                                     |

| Action no           | Action description  | Latest Note  | Action owner                              | Latest Note<br>Date | Due Date        |
|---------------------|---|--|---|---------------------|-----------------|
| CHB COLP<br>PSB 06a | Ensuring that staff within City of London Police HR are aware of the rules regarding re-employment and PPA.     | City of London Police HR will ensure that the necessary training in respect of re-employment and PPA is provided to members of the team and that procedures are in place so that this knowledge is maintained and passed on.   | Carl<br>Tomlinson<br>Azeem<br>Bhatti      | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 06b | Monitoring job-applicants to ensure retired officers who are being re-employed are leaving the required break.  | City of London Police HR will monitor any new applicant to ensure that any retired officer that is between the ages of 50 and 55 and is looking to be re-employed has taken the required break between retirement and re-employment. If necessary, they will determine whether the new employment is materially similar when assessing the length of the break that is needed. | Carl Tomlinson Azeem Bhatti               | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 06c | Ensuring that officers that are coming up to retirement are aware of the rules regarding re-employment and PPA. | The City of London Police HR will ensure that all retiring officers are informed of the rules regarding re-employment and PPA.  When required to provide input at pre-retirement courses, the Pensions Office will include details in respect of re-employment and PPA as part of their presentation.  | Carl Tomlinson Azeem Bhatti Graham Newman | 8-Oct-2019          | 31-Mar-<br>2021 |

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|--|---|---------------------|---------|--|----------------------|-------|-----------------|--|
| CHB COLP PSB 07 Cyber Security  8-Oct-2019 Chamberlain | Cause:(i) Ineffective procedures. (ii) Inadequately trained staff. (iii) IT system failure (iv) Data Accuracy. (v) Lack of resources.  Event: Breach of Corporate IT systems and cyber security Effect: (i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/sanctions. (iv) Breach of Data Protection regulations. (v) Loss/corruption of data | Likelihood          | 4       | A malicious breach of Corporate IT systems may lead to a failure of the pensions administration system and/or a breach of Data Protection regulations.  A failure of the pensions administration system or a breach of the DP regulations may mean a failure or inability to calculate benefits accurately and on time which may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office.  8-Oct-2019 | Impact               | 4     | 31-Mar-<br>2021 | Constant                                     |

| Action no           | Action description  | Latest Note   |           | Latest Note<br>Date | Due Date        |
|---------------------|---|---|-----------|---------------------|-----------------|
| CHB COLP<br>PSB 07a |   | Corporate online training regarding cyber-security to be carried out by all staff and reviewed as required.     | Matt Mott | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 07b |   | To ensure the most up-to-date software is being used, staff should update their computers as and when prompted. | Matt Mott | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 07c | I   | Updating the business impact analysis details used in the departmental continuity plan as required.             | Matt Mott | 8-Oct-2019          | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 07d | Pensions administration staff to be aware of Data Protection legislation. | Corporate online training regarding Data Protection to be carried out by all staff and reviewed as required.    | Matt Mott |                     | 31-Mar-<br>2021 |

|  |   |                       |       | staff reminded of the legislation and its rking since 23 March 2020, ensuring the   |                       |                 |                     |  |
|--|---|-----------------------|-------|---|-----------------------|-----------------|---------------------|--|
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| CHB COLP PSB 08 McCloud Legal Case  21-Sept-2020 Chamberlain | Cause: Implementation of the remedy process following the resolution of the McCloud judgement.  Event: The impact to the pension administration team of implementing the McCloud judgement remedy.  Effect: The Pensions Office is unable to adequately comply with required administration processes arising from the resolution of the McCloud judgement. | Impact                | 16    | In 2015 the Police Pension Scheme, was reformed. These reforms included 'transitional protection', for people closer to retirement. In December 2018, the Court of Appeal ruled that this directly discriminated against some younger pension scheme members – this is now referred to as the McCloud Judgement or McCloud.  On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the Police Pension Scheme.  On 16 July 2020 the government published a consultation document that sets out options for how the government will remove the discrimination. | Impact                | 8               | 31-Mar-<br>2021     | Constan                                      |
|  |   |                       |       |   |                       |                 |                     |  |
| Action no  | Action description  | Latest Note           |       |   |                       | Action<br>owner | Latest Note<br>Date | Due Date                                     |

| CHB COLP<br>PSB 08a | Keeping up to date with news from the Scheme Advisory Board, the Home Office, the Government Actuary's Department and the Technical Working Group.   | Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups. | Matt Mott | 21-Sept-<br>2020 | 31-Mar-<br>2021 |
|---------------------|--|--|-----------|------------------|-----------------|
| CHB COLP<br>PSB 08b | Making preparations for managing the additional workloads. This is likely to have an impact on the Pensions Administration budget however until the final remedy has been decided it is not possible to quantify the impact. | Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration                                   | Matt Mott | 21-Sept-<br>2020 | 31-Mar-<br>2021 |
| CHB COLP<br>PSB 08c | Making preparations for managing the expectations for those officers affected by the remedy.   | Preparing communications and standard responses (FAQs) to be sent to affected officers.  | Matt Mott | 21-Sept-<br>2020 | 31-Mar-<br>2021 |