

# CHB LGPS Detailed risk register EXCLUDING COMPLETED ACTIONS

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Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CHB LGPS 009 McCloud Remedy</b>	<p><b>Cause:</b> Implementation of the proposed remedy following new pension legislation and scheme specific regulations for the removal of age discrimination from the LGPS due to the McCloud judgement.</p> <p><b>Event:</b> The impact of scheme amendments upon scheme members, Pensions Office and scheme employers due to implementation of the proposed remedy for McCloud.</p> <p><b>Effect:</b> The Pensions Office is unable to adequately comply with legislative and regulatory amendments arising from the proposed McCloud remedy.</p>	<p>Likelihood</p> <p>Impact</p>	<b>16</b>	<p>In 2014 the LGPS was reformed. These reforms included an 'Underpin 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.</p> <p>On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the LGPS.</p> <p>On 16 July 2020 the government published a consultation document that set out options for how the government proposed to remove the discrimination.</p> <p>On 4 February 2021 HM Treasury published its response to the</p>	<p>Likelihood</p> <p>Impact</p>	<b>4</b>	01-Apr-2023	

21-Jan-2022 Jeff Henegan				<p>consultation document and set out its preferred remedy choice.</p> <p>DLUHC have produced a document that gives general details as to how the remedy proposal would work for the LGPS.</p> <p>Further legislative changes are required before the remedy can be implemented, however, due to the complexity of the proposed remedy pension administrators and pension systems providers have commenced development of systems and processes based on current understandings to enable the remedy to be implemented.</p> <p><b>21 Jan 2022</b></p>				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 009a	DLUHC has confirmed the proposed remedy and the intention to introduce legislation to the statute books from 1 April 2023 but applied retrospectively to 31 March 2012 and 31 March 2014. The Pensions Office will need to understand what this means, develop processes and calculations to apply the regulations for the amended schemes and should be aware of all relevant correspondence issued by the DLUHC, LGA & HMRC and regularly attend seminars, forums, webinars and user groups.	<p>Continue with membership of working groups including South East Counties Senior Officer Group (SECSOG), Aquila Heywood Remedy Implementation Group, to ensure development of software and understanding of legislation.</p> <p>Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office</p>	Jeff Henegan	21-Jan-2022	01-Apr-2022
CHB LGPS 009b	Identification of eligible scheme members who will qualify for the remedy. All data must be reviewed and if necessary amended. In some cases data may be missing and must be requested from employers and previous pension providers	<p>Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.</p> <p>Software provider currently developing systems to identify qualifying scheme member on bulk reports.</p>	Jeff Henegan	21-Jan-2022	01-Apr-2022

		Develop data process to request missing information and scheme member record update			
CHB LGPS 009c	System Development Calculation/Revaluation	<p>Software provider currently developing calculations and recalculations of deferred benefits and those already in receipt of pension to identify incorrect values and any over/underpayments.</p> <p>Development should include bulk calculations and calculations for individuals, include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable if applicable.</p>	Jeff Henegan	21-Jan-2022	01-Apr-2022
CHB LGPS 009d	Working in conjunction with LGA to prepare communications and standard responses (FAQs) to be sent to affected scheme members.	<p>It will be essential for communications to be regular and clear. Further detail about the proposed remedy and delivery of it, including scheme members who may be affected, must be known prior to any specific remedy communications.</p> <p>The Pensions Office website carries current information from various sources including DLUHC. Further communications will be added when they are released.</p> <p>The Annual Benefit Statements (ABS) contain a statement on McCloud provided by the LGA.</p> <p>The ABS will need to be amended following implementation of the amended regulations as it is anticipated McCloud data will need to be included for each scheme member.</p> <p>Scheme members who may be affected will need a final communication confirming if benefit values have been amended and if so by how much, including value of arrears and interest if applicable.</p>	Jeff Henegan	21-Jan-2022	01-Apr-2022



	Investment Board throughout the year and is supplemented by market insight from the Corporation's Investment Consultant who will assist any strategic decisions required in between the three-year formal strategy reviews.				
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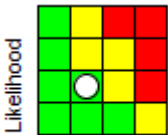
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 004a	Job descriptions used at recruitment to attract candidates with skills and experience related to LGPS administration. The appraisals process to monitor progress and assess training needs.	Ensuring that candidates 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.  Have trained multiple team members for extra duties due to parental leave cover.	Jeff Henegan	21-Jan-2022	31-Mar-2022
CHB LGPS 004b	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.	Jeff Henegan	21-Jan-2022	31-Mar-2022
CHB LGPS 004c	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.	Jeff Henegan	21-Jan-2022	31-Mar-2022
CHB LGPS 004e	Accurate and appropriate checking procedures in place at all areas of administration.	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.	Jeff Henegan	21-Jan-2022	31-Mar-2022



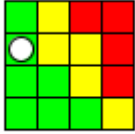






CHB LGPS 007d	Pensions administration staff to be aware of Data Protection legislation	Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for home working since 23 March 2020, ensuring the protection of scheme member data.	Jeff Henegan	21-Jan- 2022	31-Mar- 2022
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<b>CHB LGPS 008 Pension Administration Software</b> 17-Jun-2021	<b>Cause:</b> (i) Contract expires and is not replaced. (ii) Contract expires and replacement is delayed. <b>Event:</b> Unable to meet statutory obligations of the LGPS or PPS <b>Effect:</b> (i) Pensions not paid (ii) sanctions and fine (iii) Complaints and loss of reputation	 Likelihood	4	<u>The new contract has commenced.</u> <u>jeff Henegan</u>  21 Jan 2022	 Likelihood	4	31-Mar-2022	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
008a	<u>Commencement of data hosting by provider</u>	<u>From 24<sup>th</sup> November 2021 pensions data on Altair is now hosted on Heywood's servers.</u>	Jeff Henegan	21-Jan-2022	31-Mar-2022
008b	Removal of single person dependencies	<u>Following the implementation of the new contract further members of the Pensions Office will become involved to help develop new ways of working.</u>	Jeff Henegan	21-Jan-2022	31-Mar-2022
008c	Resourcing - Work with the successful vendor on resource requirements are identified from the onset. This will be part of a wider mobilisation plan	Project Management resource allocated from IT Project office to help manage post tender award to be confirmed and will commence once contract has been signed. <u>Over the coming months the pensions office will be looking to bring new modules of the pension software online.</u>	Jeff Henegan	21-Jan-2022	31-Mar-2022
008d	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.	David Clelland	21-Jan-2022	31-Mar-2022
008e	Include Data migration and Exit management in the requirement to vendors.	All system data identified; Analysis carried out on all data sets. Estimated budget allocated to each data migration event. Decommissioning of On-Premise legacy systems can be carried out under the current support contract.  Contractual obligation for migration support from the Incumbent exists.	Jeff Henegan	21-Jan-2022	31-Mar-2022

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<b>CHB LGPS 003 Legislative Compliances</b>  17-Dec-2019	<b>Cause:</b> (i) Lack of appropriate knowledge or skill. (ii) Lack of training/ appropriately skilled staff. <b>Event:</b> The failure to comply with legislative requirements. <b>Effect:</b> (i) Inaccurate benefits paid. (ii) Financial loss. (iii) Increase in Appeals. (iv) Fines from Pensions Regulator. (v) Reputational damage	 Likelihood	3	<p>Local Government Pension Scheme (LGPS) regulations determine how LGPS benefits 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.</p> <p>In addition, overriding pension legislation and other bodies such as the Pensions Regulator, HM Revenue &amp; Customs, the Office of National Statistics and the Financial Conduct Authority may impose rules that work alongside the LGPS regulations or may even supersede them.</p> <p>If the members of the Pensions Office that are responsible for administration of the LGPS Scheme lack the necessary legislative knowledge and skills payment of benefits may be delayed or may be inaccurate.</p> <p>This may lead to formal complaints or appeals from scheme members, there representative or scheme employers resulting in financial penalties and sanctions imposed by the governing bodies such as the Pensions Regulator or the Pensions Ombudsman and a loss of reputation.</p> <p><b>20 Jan 2022</b></p>	 Likelihood	3	31-Mar-2022	 Constant

Caroline Al-Beyerty							
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CHB LGPS 003a	Robust recruitment and training processes.	Robust recruitment and training processes.	Jeff Henegan	21-Jan-2022	31-Mar-2022
CHB LGPS 003b	The governing legislation may change or evolve over time and it is therefore important that staff maintain accurate and up-to-date knowledge of the Regulations.	Regular attendance at seminars, forums, webinars and user groups will ensure that knowledge of the relevant legislation is kept up-to-date and accurate.	Jeff Henegan	21-Jan-2022	31-Mar-2022

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CHB LGPS 005 Fraud  17-Dec-2019 Caroline Al-Beyerty	<b>Cause:</b> (i) Not notified of death. (ii) Staff acting inappropriately <b>Event:</b> Fraudulent claim of pension benefits. <b>Effect:</b> (i) Continued payment of pensions following death. (ii) Overpaid pensions. (ii) Financial loss	 Likelihood Impact	2	If the death of a LGPS 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.  <b>20 Jan 2022</b>	 Likelihood Impact	2	31-Mar-2022	Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB LGPS 005a	Robust fraud protection/detection processes.	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Annually sending Life Certificates to Overseas Pensioners.			Jeff Henegan	21-Jan-2022	31-Mar-2022



002d	report before submission to the Actuary	submitted separately from employer level cash flow data, which are held on two distinct management information systems. As a result, errors are more easily identified during the valuation process itself. For example, if the member data demonstrates that a given number of members belonging to a single employer retired during the valuation period then this should also be evident from the benefit payments reported in the cash flow data.	Henegan	2021	2022
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