

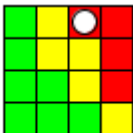
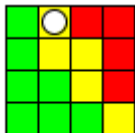

# CHB CoLP Pensions Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: Chris Anastasi

Generated on: 24 January 2022

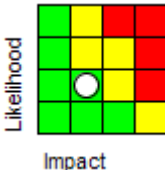
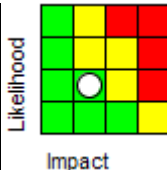



Rows are sorted by Risk Score

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 COLP PSB 08 McCloud Legal Case</b>	<p><b>Cause:</b> Implementation of the remedy process following the resolution of the McCloud judgement.</p> <p><b>Event:</b> The impact to the pension administration team of implementing the McCloud judgement remedy.</p> <p><b>Effect:</b> The Pensions Office is unable to adequately comply with required administration processes arising from the resolution of the McCloud judgement.</p>	<p>Likelihood</p>  <p>Impact</p>	16	<p>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.</p> <p>On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the Police Pension Scheme.</p> <p>On 16 July 2020 the government published a consultation document that sets out options for how the government will remove the discrimination.</p>	<p>Likelihood</p>  <p>Impact</p>	8	31-Mar-2022	

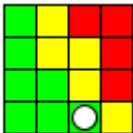
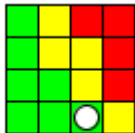

22-Jan-2021 Graham Newman				<p>No updates had been received at the date of updating the Register in January 2021.</p> <p>On 4 February 2021 HM Treasury published its response to the consultation document and set out its preferred remedy choice.</p> <p>The Home Office also released a document relating to the government response but aimed specifically at the Police Pension Scheme. Their document gives general details as to how the remedy proposal would work for the Scheme.</p> <p>Further technical guidance and legislative changes are required before the remedy can 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 COLP PSB 08a	Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.	Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.	Graham Newman	<u>21-Jan-2022</u>	<u>31-Mar-2022</u>
CHB COLP PSB 08b	Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration.	Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration.	Graham Newman	<u>20-Jan-2022</u>	<u>31-Mar-2022</u>
CHB COLP PSB 08c	Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.	Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.	Graham Newman	<u>21-Jan-2022</u>	<u>31-Mar-2022</u>

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
CHB COLP PSB 02 Legislative compliance	<p><b>Cause:</b> (i) Lack of appropriate knowledge or skill. (ii) Lack of training/ appropriately skilled staff.</p> <p><b>Event:</b> The failure to comply with legislative requirements.</p> <p><b>Effect:</b> (i) Inaccurate benefits paid. (ii) Financial loss (iii) Increase in Appeals (iv) Reputational damage (v) Fines from Pensions Regulator</p>		4	<p>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.</p> <p>In addition, other bodies such as the Pensions Regulator, HM Revenue &amp; Customs, the Office of National Statistics and the Financial Conduct Authority impose rules that work alongside the Scheme Regulations or may even supersede them.</p> <p>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.</p>		4	30-Apr-2022	
30-Aug-2019				22 Jan 2021				Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 02a	Ensuring that suitable staff are recruited at the correct salary levels and that appropriate training is provided will	Ensuring that suitable staff are recruited at the correct salary levels and that appropriate training is provided will help to prevent non-compliance with legislative requirements.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

	help to prevent non-compliance with legislative requirements.	<u>The vacant Pensions Manager post was advertised, and candidates were interviewed. The successful candidate started the role on 1 February 2022.</u>			
CHB COLP PSB 02b	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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

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 COLP PSB 03 Pension Scheme Administration (Personnel)</b>	<p><b>Cause:</b> (i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.</p> <p><b>Event:</b> The failure of administrators to accurately calculate and pay the correct levels of benefits.</p> <p><b>Effect:</b>(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions</p>	<p>Likelihood</p>  <p>Impact</p>	4	<p>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.</p> <p>In addition, other bodies such as the Pensions Regulator, HM Revenue &amp; Customs, the Office of National Statistics and the Financial Conduct Authority impose rules that work alongside the Scheme Regulations or may even supersede them.</p> <p>The pensions administration software is designed to do the majority of the calculations that are performed, but in some cases manual calculations are required – this may be because the software has not caught up with regulatory changes or simply that the software cannot do what is asked of it. Manual calculations require greater knowledge and ability on behalf of the staff required to perform them; are often significantly more time consuming; and introduce a greater risk of human error.</p> <p>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.</p>	<p>Likelihood</p>  <p>Impact</p>	4	<u>30-Apr-2022</u>	

30-Aug-2019				This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator.				Constant
				17 Jun 2021				

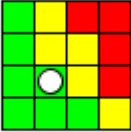
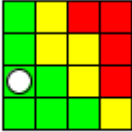

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 03a	Job descriptions used at recruitment to attract candidates with skills and experience related to police pension administration. The appraisals process to monitor progress and assess training needs.	Ensuring 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.	Kate Limna	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP 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 Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 03c	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 <del>having worked from home since 23 March 2020</del> <u>periodically being required to work from home.</u>	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP 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.  <u>Staff returned to the office for a minimum two days a week from 31 January 2022. This will increase to three days a week from 28 February 2022.</u>	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 03e	Sufficient preparation time is built into the production of any annual statement with a statutory deadline.	Ensuring that sufficient preparation and production time is allocated when planning for the issue of any statements etc with a statutory deadline. In particular, awareness of this issue is necessary if the production requires significant manual intervention.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 04a	Training on how to use the software and how to recognise and report problems and faults to be provided to all staff.	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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

CHB COLP PSB 04b	The software provider is contracted to provide regular updates to the system as developments and enhancements are made. In addition, as regulations are amended, or legislation and factors are updated there is a requirement to ensure the software is also updated.	Monitoring the system updates made by the system provider to ensure they are made accurately and on time.	Graham Newman	<u>21-Jan-</u> <u>2022</u>	<u>30-Apr-</u> <u>2022</u>
CHB COLP 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.	Graham Newman	<u>21-Jan-</u> <u>2022</u>	<u>30-Apr-</u> <u>2022</u>



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 COLP PSB 05 Pension Fraud</b>	<b>Cause:</b> (i) Continued payment of pensions following death. (ii) Staff acting inappropriately <b>Event:</b> Fraudulent claim of pension benefits. <b>Effects:</b> (i) Overpaid pensions.(ii) Financial loss	Likelihood  Impact	4	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.	Likelihood  Impact	2	<u>30-Apr- 2022</u>	
30-Aug-2019				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>21 Jan 2021</b>				Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP-PSB 05a	Robust fraud protection/detection processes.	<p>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.</p> <p><u>The Pensions Manager is due to meet with Internal Audit to discuss new procedures and options created by the National Fraud Initiative.</u></p>	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

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<b>CHB COLP PSB 07 Cyber Security</b>          30-Aug-2019 Graham Newman	<b>Cause:</b> (i) Ineffective procedures. (ii) Inadequately trained staff. (iii) IT system failure (iv) Data Accuracy. (v) Lack of resources. <b>Event:</b> Breach of Corporate IT systems and cyber security <b>Effect:</b> (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	<b>4</b>	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.	 Likelihood	<b>4</b>	<u>30-Apr-2022</u>	          Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 07a	Pensions administration staff to be aware of the corporate policy regarding cyber security and to follow the guidelines given.	Corporate online training regarding cyber-security to be carried out by all staff and reviewed as required.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 07b	Corporate and departmental specific software to be updated as required to ensure the latest and most secure version is being used.	To ensure the most up-to-date software is being used, staff should update their computers as and when prompted.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 07c	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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 07d	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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>



Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 01a	The year-end procedures of the Pensions Office remain 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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

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
CHB COLP PSB 06 Protected Pension Age (PPA)	<p><b>Cause:</b> Retiring officers of a certain age losing their PPA as a result of being re-employed by the same sponsoring employer without a sufficient break between retirement and re-employment.</p> <p><b>Event:</b> Protected Pension Age (PPA)</p> <p><b>Effect:</b> HMRC make 'unauthorised payment' charges to both the member and the organisation.</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	1	<p>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).</p> <p>An officer that retires between the ages of 50 and 55 and is then re-employed 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.</p> <p>The required break is 6 months, but this can be reduced to 1 month if the employment is not materially similar.</p> <p>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.</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	1	30-Apr-2022	<div> <div>Constant</div> <div></div> </div>
30-Aug-2019 Graham Newman				21 Jan 2022				Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 06a	Ensuring that staff within City of London Police HR are aware of the rules regarding re-employment and PPA.	<p>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.</p> <p><u>A training session has been agreed with the Pensions Office to provide refresher training to all Human Resource officers on the rules regarding re-employment and PPA.</u></p>	Azeem Bhatti	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 06b	Monitoring job-applicants to ensure retired officers who are being re-employed are leaving the required break.	<p>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.</p> <p><u>Human Resource officers ask for a validation report that shows the last date of service. This then ensures the dates are checked so the required break is built into the recruitment start date. The return to work letter has been reviewed and approved by the Pensions Office.</u></p>	Azeem Bhatti	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 06c	Ensuring that officers that are coming up to retirement are aware of the rules regarding re-employment and PPA.	<p>The City of London Police HR will ensure that all retiring officers are informed of the rules regarding re-employment and PPA.</p> <p><u>A line has been added into the retirement letter issued by Human Resources to remind officers of the required break should they be thinking of re-joining as a member of staff.</u></p> <p>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.</p>	Azeem Bhatti; Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>