

# CHB CoLP Pensions Detailed risk register EXCLUDING COMPLETED ACTIONS

**Report Author:** Graham Newman

**Generated on:** 22 October 2024



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><b>12</b></p>	<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 and subsequently published a consultation document that sets out options for how the government will remove the discrimination.</p>		<p><b>6</b></p>	<p><u>31 Dec 2024</u></p>	

			<p>In 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>On 10 March 2022 the Public Services and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to support the implementation of the McCloud remedy and is to be implemented in two phases.</p> <p>Phase one took effect from 1 April 2022 and moved all remaining active members of the legacy schemes into the 2015 Scheme.</p> <p>Phase two is in respect of implementation of the deferred choice underpin.</p> <p>The finalised Police Pensions (Remediable Service) Regulations 2023 were laid in Parliament on 20 July 2023 and came into force from 1 October 2023.</p> <p>Since this date, all new retirements have been calculated with reference to the Remedy and retiring officers have been provided with a Remediable Service Statement to provide them with comparative figures – i.e. what they would receive with the Remedy</p>				
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## Appendix 1

22-Jan-2021				<p>and what they would receive if they elected to reject it.</p> <p>Officers that retired before October 2023 must be contacted before April 2025 and be provided with their potential options under Remedy.</p> <p>Those officers that are still active members of the pension scheme must be provided with details of their benefits as a result of Remedy by September 2024.</p> <p><b>22 February 2024</b></p>				Constant
Graham Newman								

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 08a	The Public Service and Judicial Offices Act 2022 confirmed the intention to introduce legislation to the statute books from 1 October 2023 but applied retrospectively to 31 March 2012 and 31 March 2015. The Pensions Office will need to prepare for the implementation of the new regulations, including the development of processes and calculations for the amended schemes and should be aware of all relevant correspondence issued by the Home Office / National Police Chiefs Council (NPCC) and regular attendance at seminars, forums, webinars and user groups – this includes the Technical Working Group.	<p>Continue with membership of working groups ( Police Technical Group, South East Counties Senior Officer Group (SECSOG), Aquila Heywood Remedy Implementation Group. Aquila Heywood Police &amp; Fire User 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 / NPCC.</p> <p>Membership to these groups etc to continue to ensure that the Pensions Office is kept up to date with any developments and issues that may arise.</p>	Graham Newman	6-Oct-2023	<u>31-Dec-2024</u>
CHB COLP PSB 08b	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 Force 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 has developed systems to identify qualifying scheme members in bulk reports.</p>	Graham Newman	6-Oct-2023	<u>31-Dec-2024</u>

## Appendix 1

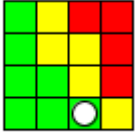
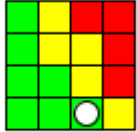

		Any missing information to be obtained and scheme member record update			
CHB COLP PSB 08c	System Development calculation/revaluation	<p>The software has been updated to allow for calculations and recalculations of deferred benefits and those already in receipt of pension to identify incorrect values and any over/underpayments. The calculators are kept under constant review to ensure that they work as intended and regular updates are provided as they are developed by the software supplier.</p> <p>Calculators have also been developed and provided by the Government Actuary's Department to calculate arrears payable/collectible (benefits and contributions) plus interest payable if applicable</p>	Graham Newman	22 Feb 2024	<u>31-Dec-2024</u>
<u>CHB COLP</u> <u>PSB 08d</u>	<p>Continue to work in conjunction with Force HR/NPCC in respect of all communications to be sent to affected officers.</p> <p>Regular contact and discussion between all relevant parties – Force HR, Pensions Administration &amp; Federation.</p>	<p>It will be essential for communications to be regular and clear.</p> <p>The Pensions Office Police Pensions webpage carries current information from various sources including the Home Office. Further communications will continue to be added as it is released.</p> <p><del>The 2023 Annual Benefit Statements (ABS) contained a statement on McCloud provided by the Home Office</del></p> <p><del>The ABS will need to be amended following implementation of the amended regulations as a Remediable Service Statement will need to be provided for each active scheme member in 2024.</del></p> <p><del>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.</del></p> <p><u>For scheme members that are eligible for the McCloud Remedy, the 2024 Annual Benefit Statements included a 'Remediable Service Statement'(ABS-RSS) that provided details in respect of McCloud, comparative details should they elect to accept or reject the Remedy and the estimated payment / refund due dependent upon their decision.</u></p> <p><u>Where, as a result of implementing the McCloud Remedy, a scheme member's pensions growth has retrospectively exceeded the Annual Allowance during the Remedy Period a Remediable Pension Savings Statement (R-PSS) was issued.</u></p> <p><u>Document templates for both the ABS-RSS and R-PSS were provided by the National Police Chief's Council (NPCC).</u></p>	Graham Newman	<u>22 October 2024</u>	<u>31-Dec-2024</u>



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		Resources were confirmed by the City of London Police to provide for an additional pensions administrator role within the Pensions Office. Interviews were held in February 2024 and the successful candidate was appointed to the new position with effect from 1 April 2024.			
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	6 Oct 2023	31 March 2025

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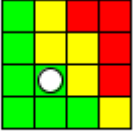
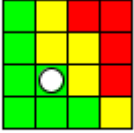
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CHB COLP PSB 03 Pension Scheme Administration (Personnel)</b>	<p><b>Cause:</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>	<p>8 4</p>	<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>Incorrect member data, lack of administrative knowledge and skills could lead to incorrect calculation of pension benefits and delays in payment. This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator</p> <p>The Pensions Office had a long outstanding vacancy for the lead police administrative role. This post was filled in October 2023 and resources to allow for a new police administrative role were confirmed by the City of London Police. Interviews for this new role were carried out in February 2024 and the successful candidate started with effect from 1 April 2024.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>31 March 2025</p>	

## Appendix 1

30-Aug-2019 Graham Newman				22 May 2024					Constant
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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	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025
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 originally to take account of COVID 19 and hybrid working-	Graham Newman	6 Oct 2023	31 March 2025
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 hybrid working.	Graham Newman	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025



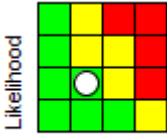
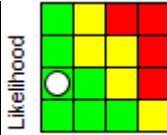

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p><b>CHB COLP PSB 04 Pension Scheme admin (Systems)</b></p> <p>30-Aug-2019</p>	<p><b>Cause:</b>(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) IT system failure (v) Data Accuracy. (vi) Lack of resources.</p> <p><b>Event:</b> Failure of the Pension Scheme administration software.</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>	<p>4</p>	<p>The Pension Scheme administration software is designed to support the administrator by providing efficient and accurate benefit calculations.</p> <p>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.</p> <p>If the software system fails it may lead to benefits being calculated inaccurately or the failure to calculate them at all.</p> <p>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.</p> <p>A ' member self-service' on-line portal is in the process of being rolled-out to all pension scheme members. This will require an assessment for the purposes of adding to the Risk Register.</p> <p><b>22 February 2024</b></p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>31 March 2025</p>	<p>■</p> <p>Constant</p>

## Appendix 1

Graham Newman							
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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	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025
CHB COLP PSB 04d	Ensuring the security of the new pensions administration 'member self-service' portal.	Ensuring that the pensions administration 'member self-service' portal is accurately assessed for the purposes of the Risk Register.	Graham Newman	22 February 2024	31 March 2025

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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>  30-Aug-2019 Graham Newman	<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	<b>4</b>	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.  <b>6 Oct 2023</b>	 Likelihood  Impact	<b>2</b>	31 March 2025	  Constant

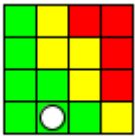
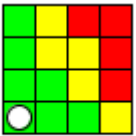
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP-PSB 05a	Robust fraud protection/detection processes.	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Annually sending Life Certificates to Overseas Pensioners.	Graham Newman	6 Oct 2023	31 March 2025
CHB COLP PSB 05b	Robust identity verification processes	Controls in place to verify and ensure the legitimacy of any signed discharge form. This must also include timeframes in respect of how long a letter of authority from a scheme member is valid.	Graham Newman	6 Oct 2023	31 March 2025



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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, ensuring the protection of scheme member data.	Graham Newman	6 Oct 2023	31 March 2025
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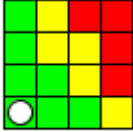
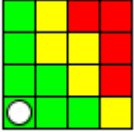
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<p><b>CHB COLP PSB 01 Actuarial Data</b></p> <p>30-Aug-2019</p> <p>Graham Newman</p>	<p><b>Cause:</b> (i) Inaccurate data supplied to the Home Office either by City of London or any other Police Authority. (ii) Poor assumptions used by the Home Office.</p> <p><b>Event:</b> The actuarial data provided to the Home Office is inaccurate.</p> <p><b>Effect:</b> National employer rate incorrectly determined.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>2</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>At the Police Pension Board meeting of 9 October 2020 Members determined that the Impact of this risk should be increased from 1 to 2, but the Likelihood should remain at 1 thus increasing the overall risk score to 2 and remaining green.</p> <p><b>6 Oct 2023</b></p>	 <p>Likelihood</p> <p>Impact</p>	<p>1</p>	<p>31 March 2025</p> <p>Accept</p>	<p>Constant</p>

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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	6 Oct 2023	31 March 2025

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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
<p><b>CHB COLP PSB 06 Protected Pension Age (PPA)</b></p> <p>30-Aug-2019</p> <p>Graham Newman</p>	<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>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</p>  <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Impact</p>	<p><b>1</b></p>	<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>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</p>  <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Impact</p>	<p><b>1</b></p>	<p>31 March 2025</p>	<p style="text-align: center;">■</p> <p style="text-align: center;">Constant</p>



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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>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.</p>	Kelly Glazebrook	6 Oct 2023	31 March 2025
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>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.</p>	Kelly Glazebrook	6 Oct 2023	31 March 2025
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>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.</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>	Kelly Glazebrook ; Graham Newman	6 Oct 2023	31 March 2025