

London Borough of Barnet Pension Fund Pension Administration Risk Register

Updated by: London Borough of Barnet Pensions Team

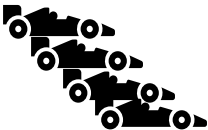


Date Updated: September 2024

Caring for people, our places and the planet

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Velocity

Risk Velocity is defined as the time to impact (i.e., an estimate of the timeframe within which a risk may occur). The Pensions Team use a traffic light system to classify how risk velocity measured:

1 , 12 , 13 , 15		- very rapid; within a couple of days
2 , 3 , 8 , 14 , 16		- risk may occur within a few days up to a couple of months
4 , 5 , 6 , 7 , 9 , 10 , 11 , 17 , 18		- a slow impact that may occur over several months or more

Risks

1. Operational disaster
2. Incomplete or inaccurate data
3. Maladministration
4. Excessive charges by suppliers
5. Failure to pay contributions
6. Failure of non-public sector employers
7. Failure to interpret rules correctly
8. Appropriate personnel in key roles
9. Conflicts of interest
10. Admission agreements not in place
11. Commercial viability of suppliers
12. Non-compliance with GDPR
13. Negative media exposure
14. Impact of staffing issues on admin
15. Cyber security breach
16. Risk of fraud
17. Effect of new pensions regulations
18. Failure to produce annual report and accounts within deadline

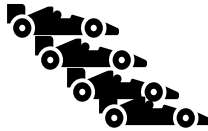




Risk Scores

The risk scores are calculated as Likelihood x Impact.

As the Impact tends to be fixed, it is the Likelihood that requires risk management.

London Borough of Barnet Pension Fund – Pension Administration Risk Register






Summary of Risks

Risk	Description	Current Risk Score	Lowest Possible Risk Score	Risk Velocity	Risk Owner	Date Risk Identified
ADM01 Operational disaster (Fire / flood etc)	An event occurs that would impact the ability to deliver all / parts of the pension service.	3 [3,1]	3 [3.1]		WYPF	August 2017
ADM02 Incomplete or inaccurate member data	To fulfil legal obligations, the pension service is dependent on receiving accurate information and data from scheme employers, and for the administrator to maintain member records.	6 [2.3]	3 [1.3]		WYPF	August 2017
ADM03 Administration process failure/maladministration	Administration of the pension scheme should be in line with the Local Government Pension Scheme (LGPS) rules.	3 [1,3]	3 [1,3]		WYPF	August 2017
ADM04 Excessive charges by suppliers	The cost of running the pension scheme should not exceed the agreed budget.	2 [1,2]	2 [1.2]		Head of Pensions & Treasury	August 2017
ADM05 Employer's failing to pay contributions to the fund	If the fund does not receive the correct contributions from employers to fund pension liabilities, this could lead to a scheme deficit.	6 [3,2]	4 [2,2]		Finance Manager - Pensions	August 2017

Caring for people, our places and the planet

London Borough of Barnet Pension Fund – Pension Administration Risk Register


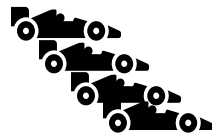


Summary of Risks

Risk	Description	Current Risk Score	Lowest Possible Risk Score	Risk Velocity	Risk Owner	Date Risk Identified
ADM06 Failure of non-public sector employers	Should admitted bodies default on payments, the fund is left with additional pension liabilities.	6 [3,2]	2 [2,2]		Pensions Manager, LBB	August 2017
ADM07 Failure to interpret rules or legislation correctly	The Board does not have the level of pension knowledge to perform their role effectively.	2 [1,2]	2 [1,2]		Senior Pensions Officer - LBB	August 2017
ADM08 Appropriate personnel in place to perform in designated and key roles	WYPF does not comply with statutory obligations and is unable to evidence appropriate governance.	6 [2,3]	3 [1,3]		WYPF	August 2017
ADM09 Conflicts of interest	Decisions made may be influenced by other factors and may be subject to challenge.	2 [1,2]	2 [1,2]		Pensions Manager, LBB	August 2017
ADM10 Admission agreements & bonds not arranged in good time	If a new employer is not admitted to the Fund in a timely manner, then employees will not be able to have access to their benefits.	4 [2,2]	2 [1,2]		Pensions Manager, LBB	January 2019

Caring for people, our places and the planet

London Borough of Barnet Pension Fund – Pension Administration Risk Register





Summary of Risks

Risk	Description	Current Risk Score	Lowest Possible Risk Score	Risk Velocity	Risk Owner	Date Risk Identified
ADM11 Commercial viability of strategic suppliers	If the commercial viability of a strategic supplier declines this could lead to operational failings resulting in service disruption / reduction, failure to complete statutory duties and financial costs.	6 [2,3]	4 [2,2]		Head of Pensions & Treasury	March 2019
ADM12 Non-compliance with GDPR	Failure to adhere to GDPR may lead to the breach of GDPR regulations (e.g. breach of personal information), which will result in enforcement action from TPR and the ICO, resulting in financial and reputational impact on the Council.	6 [2,3]	4 [2,2]		Pensions Manager, LBB	March 2019
ADM13 Negative media exposure and member experience	Negative media attention may lead to ineffective media management impacting on the reputation of the Council and impacting on staff morale.	6 [2,3]	3 [1,3]		Pensions Manager, LBB	March 2019
ADM14 Impact of staffing issues on pensions administration	WYPF staff absence (due to both illness and leave) should be managed to ensure that the service levels are maintained so there is no detrimental effect on the payment of members benefits and general service levels.	4 [2.2]	4 [2,2]		Pensions Manager, LBB	April 2020

Caring for people, our places and the planet

London Borough of Barnet Pension Fund – Pension Administration Risk Register



Summary of Risks

Risk	Description	Current Risk Score	Lowest Possible Risk Score	Risk Velocity	Risk Owner	Date Risk Identified
ADM15 Cyber security breach	The Fund holds large amounts of personal data which can make them a target for fraudsters and criminals. Steps need to be taken to protect members which includes protecting them against the 'cyber risk'.	8 [2,4]	4 [1,4]		Head of Pensions & Treasury	March 2019
ADM16 Risk of fraud by paying pensions to ineligible individuals or transferring fraudulent arrangements	The Fund should evaluate the various forms of fraud in relation to pensions administration and then arrange for the implementation of appropriate controls that are proportionate.	3 [1,3]	3 [1,3]		Pensions Manager, LBB	March 2019
ADM17 Effect of new pensions legislation and LGPS regulations	New pensions legislation or updates to the LGPS regulations can affect members pension benefits within the Fund.	3 [1,3]	3 [1,3]		Pensions Manager, LBB	March 2019
ADM18 Failure to produce compliant annual report and accounts within deadline	The Accounts and Audit Regulations 2015 (2022 amendment) require audited accounts to be published on the 30 September after the year end. The risk of the Pension Fund Accounts not being published is that the Council Accounts will not be complete.	6 [3,2]	2 [1,2]		Pensions Finance Manager, LBB	April 2020

Caring for people, our places and the planet

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Summary of Risks

Risk	Description	Current Risk Score	Lowest Possible Risk Score	Risk Velocity	Risk Owner	Date Risk Identified
ADM19 Employer unable to pay contributions	If an employer is unable to pay the contributions on behalf of their members, this could lead to a cessation for that employer in the Fund with members earning no future pension benefits.	4 [2,2]	4 [2,2]		Head of Pensions & Treasury	Feb 2024
ADM20 Business Continuity for the Barnet Pensions Team	There should be adequate business continuity planning within the Council for the Barnet Pensions Team to ensure that the service provided to all stakeholder to the fund is not reduced which could lead to member, employer and investment issues.	4 [2,2]	4 [2,2]		Head of Pensions & Treasury	Feb 2024

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM01 Operational disaster (Fire / flood etc)	Business Continuity	<ul style="list-style-type: none"> WYPF has Business Continuity Procedures and Disaster Recover Plans in place, which are reviewed and tested regularly. 	<ul style="list-style-type: none"> WYPF have advised that two further tests will take place in the summer of 2023. The LBB Pensions Team will review the reports when available. September 24 – The WYPF 2024 Business Continuity Plan has been received and reviewed by LBB Officers and is deemed satisfactory. September 24 – LBB Pensions Team have completed a BCP for LBB. 	WYPF Mark Fox	July 2024
ADM02 Incomplete or inaccurate member data	Governance	<ul style="list-style-type: none"> Common and Conditional data analysis provided monthly by WYPF. Regular updates provided by WYPF on the Data Improvement Plan. 	<ul style="list-style-type: none"> WYPF to update the LBB Pensions Team when employers are not providing the relevant information, so appropriate action can be taken. The LBB Pensions Team continue to work with employers who still have unprocessed leavers. Regular updates provided by WYPF on progress on the data improvement plan. Employers to be reminded of their responsibilities at each employer forum meeting. Process for rectification historical records 	WYPF Jim Nokku WYPF Mark Fox Mark	Ongoing - Monthly March 2024 Ongoing - Monthly Ongoing - Biannually Ongoing -

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM03 Administration process failure / maladministration	Statutory Duty	<ul style="list-style-type: none"> Formal agreement in place with WYPF, including agreed SLA's. WYPF authority levels agreed with clear definition of delegated authorities and individual approval authorities. Scheme Event Calendar in place to ensure regulatory deadlines are achieved. WYPF staff training plans in place to ensure processing in accordance with LGPS requirements. Monthly reports by WYPF provided to LBB Pensions Manager. 	<ul style="list-style-type: none"> The LBB Pensions Team to review the latest WYPF ISO9001 and ISO27001 reports , when available, which details the controls in place at WYPF. WYPF to update the LBB Pensions Team on any errors or issues in the monthly report, or earlier, if deemed appropriate September 24 – ISO9001 report received (dated December 2023). No non- conformities or observations identified. September 24 – LBB to chase for ISO27001 report 	Mark Fox	Ongoing - annually
				WYPF	Ongoing – Monthly
				Mark Fox	December 24
ADM04 Excessive charges by suppliers	Finance	<ul style="list-style-type: none"> Pension scheme budget agreed annually. Periodic review of suppliers. 	<ul style="list-style-type: none"> LBB Pensions Team to review supplier charges – looking at budgets and value for money. Business plan and strategy on fees, including asking for budgets from suppliers, is in progress.. To be shared with Board and Committee when review complete. September 24 – process for reviewing 	David Spreckley	December 24
				David Spreckley	Ongoing – Annually
				Adam	December 24

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM05 Employer's failing to pay contributions to the fund	Financial	<ul style="list-style-type: none"> LBB reconcile contributions paid against contributions reported to be paid by employers. WYPF undertake a 'rough check' that contributions paid are in line with the Rates & Adjustments Certificate. 	<ul style="list-style-type: none"> New Admitted Bodies are asked to commence paying contributions (at a temporary rate) prior to the Admission Agreement being to avoid delays in payment. See Risk ACC01 in Non-Administration Risk Register. September 24 – WYPF have advised that they do some 'light touch' checks, and these have been reviewed by the Fund auditors. 	Mark Fox	Ongoing – when applicable
ADM06 Failure of non-public sector employers	Financial	<ul style="list-style-type: none"> The LBB Pension Team monitor employer covenant and business strength. The LBB Pensions Team have access to a Hymans modeller, enabling the employer contribution rate to be calculated quicker. 	<ul style="list-style-type: none"> The LBB Pensions Team to ensure all admitted bodies have an appropriate bond/guarantee is in place. New process with effect from April 2024 means that new admissions (with less than 100 members) will be on a pass-through basis which eliminate the need for new employers to provide a bond/guarantee. September 24 – Covenant review has been delayed due to new business plans being pulled together by employer. Letter to 	Mark Fox Mark Fox David Spreckley	Ongoing – when applicable Ongoing – when applicable Ongoing

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM07 Failure to interpret rules or legislation correctly	Compliance	<ul style="list-style-type: none"> Up to date training log in place for Local Pensions Board to show completion of training undertaken. Training is a standing item at Local Pensions Board meetings, where training is reviewed, and further training needs can be identified. 	<ul style="list-style-type: none"> The LBB Pensions Team to update the training for undertaken by Board members monthly. The LBB Pensions Team to facilitate training requests received from Board members (either external or internal training). 	Jim Nokku Jim Nokku	Ongoing – Monthly Ongoing – when applicable
ADM08 Appropriate personnel in place to perform in designated and key roles	Compliance	<ul style="list-style-type: none"> WYPF ensure that the personnel in key roles in relation to the administration of the Fund are suitably experienced and qualified to perform in their roles and have the appropriate authorities. 	<ul style="list-style-type: none"> September 24 – WYPF have advised that "all staff undertake mandatory/annual training for fraud, data protection and cyber security. Regular training provided by WYPF management Team and opportunity to attend training by external providers such as LGA. All staff have opportunity to undertake pension qualifications and for appointment to senior roles a pension qualification is required. Regular 1 to 1's are also done with team members and there is an annual appraisal for all staff" 	WYPF	Ongoing – at least annually

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM09 Conflicts of interest	Compliance	<ul style="list-style-type: none"> All Pension Board members to declare any conflicts and potential conflicts before each meeting and recorded in the conflict-of-interest register. All pension board members to complete and renew relevant educational material. 	<ul style="list-style-type: none"> No further actions required; risk has reached its target score and is being tolerated with the existing controls and mitigations in place. 	Mark Fox	N/A
ADM10 Admission agreements & bonds not arranged in good time	Governance	<ul style="list-style-type: none"> The LBB Pensions Team now have access to a Hymans modeller, enabling calculation of the employer's contribution rate, thus speeding up the admission process. 	<ul style="list-style-type: none"> LBB Pensions Team to review and update the Admissions, Bonds and Cessations process to make it less labour intensive and more efficient. New process with effect from April 2024 means that new admissions will be processed quicker and more efficiently going forward. 	Mark Fox	Ongoing - Monthly

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM11 Commercial viability of strategic suppliers	Business Continuity	<ul style="list-style-type: none"> Contract monitoring takes place monthly with quarterly reporting to Financial Performance and Contracts Committee. Contract register kept under review with checks on financial status of strategic suppliers. Contract management arrangements in place, including indicators to identify financial stress. 	<ul style="list-style-type: none"> In the unlikely event that WYPF go out of business and cease to provide third party admin services, the LBB Pensions Team will be able to tender for a new provider by using the This can be done by using the National LGPS Framework. 	David Spreckley	Ongoing – when applicable
ADM12 Non-compliance with GDPR	Statutory Duty	<ul style="list-style-type: none"> The LBB Pensions Team are required to undertake regular training on GDPR regulations and information security. WYPF staff must also complete GDPR awareness training. 	<ul style="list-style-type: none"> WYPF to update LBB on any data breaches and actions taken to mitigate breach. The LBB Pensions Team to report any data breaches to the Council’s Data Protection Team. September 24 – WYPF have advised that "training is provided and managed by Bradford Council through the Evolve system. It is mandatory for staff to complete it annually" and that "WYPF staff must adhere to Bradford Council's data security breach procedures". 	WYPF WYPF	Completed Ongoing – Monthly

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM13 Negative media exposure and member experience	Governance	<ul style="list-style-type: none"> External Communications team to liaise with S151 Officer should a media enquiry arises. WYPF to refer any media enquiries to the LBB Pensions Team for action. 	<ul style="list-style-type: none"> Press releases to be shared with Local Pension Board and Pension Fund Committee members prior to publication (if possible). Member experience to be measured by quarterly satisfaction surveys and feedback by WYPF. Standard response drafted in relation to investments held in Israeli companies. 	Mark Fox	Ongoing – when applicable
				WYPF	Ongoing – Quarterly
				David Spreckley	Completed
ADM14 Impact of staffing issues on pensions administration	Business Continuity	<ul style="list-style-type: none"> WYPF have developed their own Business Continuity plan which considers staff absence. The LBB Pensions Team monitor service levels through regular reports and calls with WYPF. This information is also reported to the Local Pension Board. 	<ul style="list-style-type: none"> The LBB Pensions Team to continue to regularly monitor WYPF performance levels, complaints and resourcing levels. Should there be any issues, these will be raised with senior management at WYPF and Commercial Team at the LBB. The LBB Pensions Team speak at least quarterly with WYPF on staffing levels. 	Mark Fox	Ongoing – Monthly
				Mark Fox	Ongoing – quarterly
				Mark Fox	Ongoing – quarterly

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM17 Effect of new pensions legislation and LGPS regulations	Statutory Duty	<ul style="list-style-type: none"> The LBB Pensions Team to monitor and review updates to pensions legislation to determine the impact on members benefits. The LBB will work with other stakeholders and bodies ensure relevant communication is sent to appropriate parties. 	<ul style="list-style-type: none"> WYPF to provide updates of any new relevant regulations that will affect the Barnet Fund through monthly reports and regular meetings. The LBB Pensions Team to attend quarterly meetings of the London Pension Officers Group (LPOG) to share best practice on LGPS regulations. LBB Pensions Team hold monthly training sessions on pensions related subjects. The LBB Pensions Team attend training sessions to complete CPD required by professional bodies 	<p>WYPF</p> <p>Mark Fox</p> <p>LBB Pensions Team</p> <p>LBB Pensions Team</p>	<p>Ongoing – when applicable</p> <p>Ongoing - Quarterly</p> <p>Ongoing - Quarterly</p> <p>Ongoing – when applicable</p>
ADM18 Failure to produce audited annual report and accounts within deadline	Statutory Duty	<ul style="list-style-type: none"> The LBB Pensions Team will ensure all working papers and data is in place when preparing the accounts, so that when the audit commences, the process is more efficient. The LBB Pensions Team to agree an audit program with the Auditors and ensure that this is adhered to. 	<ul style="list-style-type: none"> The Auditors and the LBB Pensions Team to maintain regular communication throughout the audit. Ensure that the Auditors are employing suitably qualified staff to undertake the audit. 	<p>Adam McPhail</p> <p>Adam McPhail</p>	<p>Ongoing – when applicable</p> <p>Ongoing – when applicable</p>

London Borough of Barnet Pension Fund – Pension Administration Risk Register

Risk Details

Risk	Nature of Risk	Controls in Place	Actions to mitigate risk	Action Owner	Action Completion Date
ADM19 Employer unable to pay contributions	Financial	<ul style="list-style-type: none"> The Pension Fund recently approved an updated contribution review policy, which sets out the process that can be followed by an employer if they are unable to pay pension contributions to the Fund (such as paying reduced pension contributions). 	<ul style="list-style-type: none"> The revised contribution review policy has been sent to all employers, along with Q&As on what an employer should consider if it wants to request a reduced contribution rate. 	David Spreckley	Ongoing – when applicable
ADM20 Business Continuity for the Barnet Pensions Team	Business Continuity	<ul style="list-style-type: none"> Review of the internal resources required by LBB to manage the Barnet Pension Fund undertaken by senior LBB management. 	<ul style="list-style-type: none"> LBB Management Team to be asked to confirm that there is appropriate business continuity planning for the LBB Pensions Team. Updates to be provided to both Local Pensions Board and Pension Fund Committee. September 24 – Action Plan needs to be put in place by LBB due to Haad of Pensions leaving Council. 	David Spreckley Kevin Bartle	Ongoing – when applicable December 24