

SY PENSIONS AUTHORITY RISK REGISTER AS AT 06/02/18

Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change	Review Date	Commentary (if applicable)
01	Failure to ensure there are appropriate succession plans in place to ensure employees are given opportunities to demonstrate their capability to 'step-up' to more senior roles.	Leading to... Knowledge gaps; Negative impact on existing/remaining employees; Business continuity and resilience issues; Negative impact on service delivery; Poor performance and non-delivery of targets; Reputational damage; Potential knock-on effects where knowledge gaps could appear in areas where employees have been promoted from.	Fund Director	Training of employees; Sharing of information; Use of minutes and central resources to ensure employees are well informed; Involvement in all issues of management teams to ensure continuity; No immediate competitors for recruitment in the pensions industry; Procedures well documented; Currently carrying some vacancies to provide some flexible options; Need to provide full business case prior to any recruitment being undertaken; External HR support in place; Authority Management Committee in place; BMBC HR support.	3	P – H F – M OI – M	4	P – H F – L OI – L	Access to online training for all staff now available. Fund Director to report to the Authority 5/10/17 on structural proposals post pooling including succession planning and qualification levels for new posts. Delivery of internal training programme 17/18.	Fund Director		31/05/18	This has been updated to recognise appointments of new Fund Director and Head of Pensions Administration. There is a commitment to establishing qualification levels for all poSts and availability of formal and online training for all.
02	Failure to ensure that the elected Members knowledge and understanding of pensions related activities is robust and meets the statutory requirements in terms of Section 248a of the Pensions Act 2004.	Leading to... Improper scrutiny and challenge by elected Members; Mistakes, errors and omissions and non-compliance with statutory requirements; Failure to ensure contributions are collected; Failure to ensure benefits are calculated properly; Failure to ensure surplus monies are properly and prudently invested; Reputational damage in terms of censure from regulators.	Clerk to the Authority	Induction training provided to new Members which comprises a three day external training course; One day internal refresher course in 2013; Periodic awareness presentations delivered to Members; A self-assessment framework for Members and Chairs is in operation but needs refining – this should assist in identifying training requirements; Lead member for training identified; Working to the spirit of CIPFA Code of Practice (Code of Practice on Public Sector Pensions Finance, Knowledge and Skills, revised in 2013) – Treasurer is the nominated CIPFA officer; Production of Annual Report which includes commentary on Members training activities; External training augmented by internal training.	5	P – M F – VL OI – L	6	P – L F – VL OI – L	Review of Member self-assessments.	Treasurer		31/05/18	
03	Failure to ensure that required pay and contributions data from customers is provided in an accurate and timely manner.	Leading to... Negative impacts on operational targets; Inaccurate information being given to employees and pensioners resulting in complaints, customer dissatisfaction and reputational damage.	Fund Director	District group meetings between officers; Regular reports on progress submitted to Corporate Planning & Governance Board; Practitioner officer working group established; Ongoing liaison with external audit; Pensions Regulator responsible for regulating schemes and is able to fine and censure those responsible for inaccurate or late information; Pension strategy approved by Authority – reviewed and revised version to be ratified by SYPA on 15 th March – incorporates SLA's and improves upon them in terms of fines being levied for customers who are non-compliant.	2	P – M F – H OI – L	3	P L F – H OI – H	Pensions Administration Strategy kept under annual review. Monthly posting to be implemented from 1 st April 2018.	Head of Pensions Admin		31/05/18	Positive steps forward in this area but the risk remains high until the change to monthly posting has been implemented. The software has been delivered and testing is going well. Employers are participating in the testing.
04	Failing to ensure that social, environmental and other factors such as the use or endorsement of fossil fuel, obesity and tobacco by companies in which the Fund invests are considered when making investment choices.	Leading to... Non-achievement of investment objectives; Failure to protect and enhance the economic value of the companies the Fund invests in; Reputational damage.	Fund Director	Internal policy documents in place; Awareness information circulated within Investments Team; Membership of various pressure groups; Report to Members Oversight Board; Awareness of balance between risk (investing in companies that may have an interest in fossil fuels, obesity and tobacco) against reward (high yield investments); Pensions Climate Change Policy document published and feedback received; Investment Strategy document in place; Performance reports include information on investments made.	4	P – M F – M OI – M	5	P – L F – L OI – M	Reports to Members have been submitted during the year.	Head of Investments		31/05/18	Members are kept up to date with reports as appropriate.
05	Failure to ensure that the deposits held with banks and other financial institutions is repaid on the agreed due date. (Credit risk.)	Leading to... Financial loss; Negative impact on overall financial viability of the Scheme.	Fund Director	Treasury Management Strategy requires that deposits are not made with financial institutions unless they meet identified minimum criteria set by the Authority; Maximum sum to be invested identified for each institution; Credit monitoring arrangements in place; Financial references obtained for institutions that the Authority may potentially invest in.	5	P – L F – M OI – L	6	P – L F – L OI – L	Ongoing monitor and review.	Head of Finance		31/05/18	Treasury Management Strategy reviewed and approved March 2017. Monitoring reports submitted during the year.
06	Failing to ensure that the Authority has appropriate access to its cash resources to meet its commitments to make payments. (Liquidity risk.)	Leading to... Financial loss; Negative impact on overall financial viability of the Scheme; Inability to meet pensioner payroll costs and investment commitments.	Fund Director	The Fund has immediate access to its cash holdings with the majority of cash being deposited for no longer than a week, and no cash being deposited for more than a month.	5	P – L F – M OI – L	6	P – L F – L OI – L	Actuarial review in 2016 completed; new contribution rates in place from April 2017. Treasury management operations kept under review. Deposits of more than one month will be considered within the Treasury Management Policy limits.	Head of Investments		31/05/18	Cash levels are monitored on a daily basis.

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07	Failure to ensure the Authority protects the data it owns and the data it handles.	Leading to... Loss of personal information resulting in reputational damage and censure by Information Commissioner; Loss of trust from partner organisations; Successful attacks by hackers or third parties; Disruption and delays	Fund Director	Data backup undertaken daily and backed up information removed from site; Disaster Recovery Procedures and Business Continuity Plan in place; External audit by third party organisations the Authority works with; Security of emails via GSX accounts or the use of Mimecast software; IT Security Policy in place; Reporting of Incidents to Information Commissioner; Information Governance training included in the training programme; BOLD training available via BMBC; Data Protection Officers no longer in post within SY Pensions; Contract management arrangements regarding the software provided by SY Pensions to third parties includes performance management consideration; Liaison with landlord regarding improvements to physical security of Regent Street offices such as locks on doors undertaken. Mandatory data protection training in place.	3	P – L F – H OI – H	5	P – VL F – M OI – H	Bi-Annual review of Business Continuity Plan.	IT Manager		31/05/18	The IT plan is tested on an annual basis. No issues from the last test. The review of data storage and roll-out of Windows 10 is complete. The GDPR project features under risk 10 below.
									Roll-out of Windows 10 to enable hard drives to be encrypted.	IT Manager		Complete	
									Review of where data is stored to ensure it cannot be encrypted.	IT Manager		Complete	
									Provision of GDPR training when available.	IT Manager		31/05/18	
08	Failure to ensure that the reconciliations between SY Pensions and the DWP relating to the end of contracting out window (31/03/16) are undertaken within an appropriate timescale.	Leading to... SY Pensions will have to guarantee minimum pension levels and essentially have to underwrite the risk of miscalculation or lack/or poor information.	Fund Director	Details from central government are still emerging; Current lack of resources within SY Pensions makes this a challenging area to comply with; Approval received to outsource arrangements to I.T.M Ltd.	3	P – H F – M OI – M	4	P – M F – M OI – M	Review of work undertaken by I.T.M Ltd to ensure members' benefits are correct. Reconciliation work has been undertaken and recalculations ready to be done.	Head of Pensions Admin		31/05/18	Progress has been made but recalculations are now in a queue along with other work waiting to be done. Recalculation plan being developed.
09	Transition to the new pooling arrangements is not well managed.	Poorer value for money; Negative impact on the staff involved in the transition; Reputational damage for SYPA and the LGPS.	Clerk to the Authority	Joint Committee established; Chair of SYPA is Vice-Chair of the Joint Committee; Officer Steering Group with SYPA senior officers involved; Section 151/Monitoring Officer oversight of arrangements; Regular reports to SYPA & LPB.	3		3		Member and officer participation in pooling arrangements and reporting to SYPA.	Fund Director		31/03/18	Regular reporting in place at SYPA meetings. Key BCPP appointments now made. SYPA structure post transfer approved October 2017 pending review by the new Fund Director.
10	The implementation of the General Data Protection Regulation (GDPR) in May 2018.	The GDPR will impact on the way that we can lawfully collect, use, retain and share information about members. With new duties to report breaches and the potential for significant financial penalties it is important to ensure that we are ready to comply with the GDPR.	Fund Director	We are compliant with the current Data Protection Act with regard to data security and staff awareness. However, under GDPR all our current data sharing agreements must be reviewed and we also need to advise Scheme members of their privacy rights and the possibility of them requesting that we cease to hold aspects of their personal data. IT security is also being enhanced.	2		5		A project team is now in place including members from all parts of the organisation. A detailed project plan is being created and work has begun with regard to the steps that need to be taken.	Head of Pensions Admin		31/03/18	IT staff have gained GDPR qualifications. Data Protection Officer support from BMBC. Regular reports to the Authority. Member and LPB training being organised.
11	Maintaining a fully funded position so far as possible.	The actuary has reported a fully funded position as reported to the Investment Board in September 2016. The aspiration is to maintain this position at the 2019 valuation with a view to reducing the planned deficit recovery contributions.	Fund Director	An equity protection strategy is being prepared and planned to be in place by January/February 2018.	3		5		Update reports to Investment Board December 2017 re preferred protection strategy.	Fund Director/Head of Investments		31/03/18	Strategy approved by Investment Board December 2017. Expected to be implemented by February 2018.

Key to risk change indicators

Key: P = Probability F = Financial Impact OI = Other Impacts VL (1) = Very Low, L (2) = Low, M (3) = Medium, H (4) = High, VH (5) = Very High

