

Administration and Communication

| Administration & Communication Risks | | | | | | |
|--------------------------------------|---|---|---|----|----|------------|
| Impact | | | | | | |
| 1 | | | | | | 11 |
| 2 | | | 3 | 4 | 10 | 13 |
| | | | | 1 | 8 | 2 |
| 3 | | | | 17 | 18 | |
| | | | | 15 | 16 | |
| 4 | | | 7 | | 6 | |
| 5 | | | | | 12 | 19 |
| | 5 | 4 | 3 | 2 | 1 | Likelihood |

Key

| | | | | | |
|--------------------|---------------------|-------------|---------------|---------------|-----------|
| 1 Insignificant | 5 | 4 | 3 | 2 | 1 |
| 2 Minor | 10 | 8 | 6 | 4 | 2 |
| 3 Moderate | 15 | 12 | 9 | 6 | 3 |
| 4 Major | 20 | 16 | 12 | 8 | 4 |
| 5 Catastrophic | 25 | 20 | 15 | 10 | 5 |
| | 5 Almost Certain | 4 Likely | 3 Possible | 2 Unlikely | 1 Rare |

Likelihood of risk occurring

New risk: **Risk moved since last update:** ----->

In accordance with the Northamptonshire Pension Fund Risk Policy, information relating to the ongoing monitoring and management of risks will be provided on a quarterly basis to the Northamptonshire Pension Fund Committee and the Pension Board . The information relating to the key risks, new risks , movement of risks and changes to agreed actions is included in each Update report.

Administration & Communication Risks Summary

| Risk no: | Risk | Strategic objective at risk (see key) | Risk category | Impact (see key) | Likelihood (see key) | Risk Status | Internal controls in place | Further Action? | Owner | Last Updated | Previous Impact | Previous Likelihood | Previous Risk Status | Risk removed (date) |
|---------------------------------------|---|---------------------------------------|-------------------|------------------|----------------------|-------------|--|-----------------|------------|--------------|-----------------|---------------------|----------------------|---------------------|
| Key Risks (ranked 8 or above): | | | | | | | | | | | | | | |
| 6 | Failure to manage the resources associated with increasing volumes of employing bodies entering the Fund, leading to unachieved targets. | | 8 Administration | 4 | 2 | | Continually monitor staffing position against new employers entering the Fund, multi skilled staff to help manage peak demands. | | Operations | 30/01/2017 | | | | |
| 7 | Employers unable to pay increased contribution rates, which could lead to employers defaulting on their contributions. | | 9 Administration | 4 | 3 | | Review of employer covenant, looking at the terms of the admission agreement and bond/guarantor arrangements. Negotiate terms of deficit recovery whilst keeping employer contribution rates as stable and affordable as possible. | | Operations | 30/01/2017 | | | | |
| 12 | Failure to include all required information in documents issued to members under disclosure regulations | | 14 Administration | 5 | 2 | | Legislation officers keep up to date with disclosure regulations and distribute knowledge to teams accordingly via relevant websites, seminars and working groups. Letters are generated through task management for consistency and are checked before being sent out. | | Operations | 30/01/2017 | | | | |
| New Risks: | | | | | | | | | | | | | | |
| 1 | Failure to protect the Fund if an Employer is unable to meet liabilities | 6&7 | Administration | 2 | 2 | | Bond and guarantor arrangements in place for new admitted bodies. Admitted bodies, Scheme employer and bulk transfer policy detailing specific requirements of each type of employer in the Fund. Funding Strategy Statement. | | Operations | 30/01/2017 | | | | |
| 2 | Administering authority unaware of structural changes in an employer's membership, or not being advised of an employer closing to new entrants, meaning the contribution level becomes inappropriate requiring review and increase. | | 6 Administration | 2 | 1 | | Employers are made aware of their responsibilities upon admission via the LGSS website and through direct employer communications. Risk assessments are carried out and open dialogue with the dedicated employer's team to ensure information is shared. | | Operations | 30/01/2017 | | | | |
| 3 | An employer ceasing to exist with insufficient funding, adequacy of bond or guarantee. Without the required cover the Fund will pick up the shortfall leading to increased contribution rates for other employers. | | 7 Administration | 2 | 3 | | Assess the strength of individual employer covenant in conjunction with the actuary and look at what bond/guarantor arrangements are in place in regards to deficit recovery. Close liaison with Employers in managing exit strategy in line with the Admitted bodies, Scheme employers and transfer policy and FFS. Ensure individual employers are monitored closely to pre-empt when they are likely to cease and put in arrangements to recover as much deficit as possible over the period. | | Operations | 30/01/2017 | | | | |
| 4 | Lack of understanding of employer responsibilities which could result in a statutory deadline being missed. | | 8 Administration | 2 | 3 | | Employers are made aware of their responsibilities upon admission via the LGSS website and through direct employer communication. The importance of a statutory deadline is stressed to the employer through these communications and via events such as the employer forums. Support is also available through the dedicated employers help line and templates issued where applicable (i.e. Year-end template with supporting notes) | | Operations | 30/01/2017 | | | | |
| 5 | Failure to apply and demonstrate fairness in the differentiated treatment of different fund employers by reference to their own circumstances and covenant. | | 9 Administration | 2 | 1 | | At each triennial actuarial valuation an analysis is carried out to access covenant and affordability on a proportional basis. Communication with employers at the earliest opportunity to address any pending issues. Funding Strategy Statement for which employers are consulted on. Administration Policy and Transfer, Scheme Employers and Bulk Transfer Policy in operation. | | Operations | 30/01/2017 | | | | |
| 6 | Failure to manage the resources associated with increasing volumes of employing bodies entering the Fund, leading to unachieved targets. | | 8 Administration | 4 | 2 | | Continually monitor staffing position against new employers entering the Fund, multi skilled staff to help manage peak demands. | | Operations | 30/01/2017 | | | | |
| 7 | Employers unable to pay increased contribution rates, which could lead to employers defaulting on their contributions. | | 9 Administration | 4 | 3 | | Review of employer covenant, looking at the terms of the admission agreement and bond/guarantor arrangements. Negotiate terms of deficit recovery whilst keeping employer contribution rates as stable and affordable as possible. | | Operations | 30/01/2017 | | | | |

| Risk no: | Risk | Strategic objective at risk (see key) | Risk category | Impact (see key) | Likelihood (see key) | Risk Status | Internal controls in place | Further Action? | Owner | Last Updated | Previous Impact | Previous Likelihood | Previous Risk Status | Risk removed (date) |
|--|---|---------------------------------------|-------------------|------------------|----------------------|-------------|---|-----------------|------------|--------------|-----------------|---------------------|----------------------|---------------------|
| 8 | Failure to gain efficiencies through joint working arrangements leading to higher administration costs, leading to lack of value for money. | | 10 Administration | 2 | 2 | | Working within LGSS where possible to achieve efficiencies. Working with the Communication group consisting of 6 other funds to gain efficiencies with items such as newsletters and statements. Comparisons are made with other Funds via CIPFA bench marking. Administration costs are monitored closely and reported to the pensions committee via business plan updates. | | Operations | 30/01/2017 | | | | |
| 9 | Unable to deliver pension services due to unavailability of staff leading to unachieved targets. | | 8 Administration | 2 | 2 | | Business continuity plan in place which includes the ability for staff to work remotely to meet the demands of the service. Multi skilling across the service for flexibility. | | Operations | 30/01/2017 | | | | |
| 10 | Effective performance management is not in place for the administration of the Fund | 1,2,3&8 | Administration | 2 | 2 | | Performance management reports are produced and shared with the management team on a monthly basis. Teams/individuals with performance issues are addressed via team leaders in 1:1s and PADP processes. A performance framework is in place and quarterly updates of performance are provided to the Pensions Committee and Local Pension Board for comment. Employer performance is also monitored and poor performance is addressed. | | Operations | 30/01/2017 | | | | |
| 11 | Inconsistencies in delivery due to failure to properly document processes and procedures | | 13 Administration | 1 | 1 | | Task management ensures that processes are adhered to and officers are guided to ensure correct information is sent and messages are consistent. All calculations and corresponding letters are checked before they leave the office. | | Operations | 30/01/2017 | | | | |
| 12 | Failure to include all required information in documents issued to members under disclosure regulations | | 14 Administration | 5 | 2 | | Legislation officers keep up to date with disclosure regulations and distribute knowledge to teams accordingly via relevant websites, seminars and working groups. Letters are generated through task management for consistency and are checked before being sent out. | | Operations | 30/01/2017 | | | | |
| 13 | Contributions are not processed and recorded appropriately in a timely manner. | 2,10,11&16 | Administration | 2 | 2 | | Sufficient resources in place and structured appropriately to carry out the necessary transaction processing. Internal Audit reviews take place on a regular basis and external audit reviewing processes annually | | Operations | 30/01/2017 | | | | |
| 14 | Failure to recognise the needs/requirements of our customers | | 15 Administration | 2 | 1 | | Feedback requested from customers post training events, member customer satisfaction questionnaires and employer customer satisfaction questionnaires sent annually. Employer forum workshops. Effectiveness review of the Committee on a yearly basis. | | Operations | 30/01/2017 | | | | |
| 15 | Failure to attract and retain members in the LGPS | | 12 Administration | 3 | 2 | | Engagement with stakeholders via the website, factsheets, forums, bulletins and road shows. | | Operations | 30/01/2017 | | | | |
| 16 | Failure to communicate adequately with scheme members and scheme employers | 1,2,3,10,12,13,14&15 | Administration | 3 | 2 | | A communication Strategy is in place and reviewed at least annually. Website regularly updated. Newsletters are published annually. Regular employer forums. Annual Benefit Statements produced and distributed. | | Operations | 30/01/2017 | | | | |
| 17 | Events relating to Scheme members e.g. Joining the scheme, transfers in and out and retirements are not processed and recorded adequately. | 10,11&14 | Administration | 3 | 2 | | Procedure notes detailing all key processes are in place. Induction and training procedures are in place. Adequate staff resources are in post. An overview of pension administration is provided to the Pensions Committee. | | Operations | 30/01/2017 | | | | |
| 18 | Records are not accurate or do not reflect changes in circumstances. | 10&11 | Administration | 3 | 2 | | Records are supported by appropriate documentation, input and output checks are undertaken. Regular reviews of data quality in line with the Public Service Pensions (Record keeping and misc. amendments) Regulations 2014. | | Operations | 30/01/2017 | | | | |
| 19 | Pension Fund systems and data may not be secure and appropriately maintained. | 10&11 | Administration | 5 | 1 | | System user controls are in place including regular password changes. Access rights are controlled. Data is backed up. Audit trails are in place. Pension system is protected against viruses and other system threats. The pensions administration system is regularly updated to ensure LGPS requirements are met. | | Operations | 30/01/2017 | | | | |
| Removed Risks: | | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | | |
| Key Changes (moved by 3 or more): | | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | | |