

Risk Register – Appendix 3

Red Risks

Risks remaining “red”, high risk:

- **PEN018: Failure to set in place appropriate Cyber Security measures:** (Red) In accordance with Committee Minute 90, dated 16 December 2021, the Fund’s cyber security risk rating was increased to red until the Fund receives sufficient assurance from the Council’s IT Dept. that this risk is being fully managed. Whilst measures are believed to be in place, active assurance is still required. An external consultant is being appointed to provide members with an independent professional opinion on how this risk should be managed.
- **PEN022: Rectification of records with GMP and non GMP issues – Time-consuming, costly & may causes reputational damage:** (Red) Potentially incorrect liabilities being paid by the Fund because of GMP and other pension component values missing, incorrectly recorded, or incorrectly valued. Consequently, progress with the Pensioner Payroll Database reconciliation project may impact on the Fund’s liabilities and its reputation.
- **PEN037: Failure to implement a strategy to address the administration backlogs:** (Red) Based on the findings of the SWAP audit report published in March 2022 the strategy to review the administration backlogs was reconsidered and an updated strategy included within the Fund’s 2022/23 business plan. The primary aim of the new strategy will be to outsource the backlog to 3rd party administrator, with a view to clearing it over the next 12 months.
- **PEN042: Significant retrospective legislation changes related to the McCloud case:** (Red) Following the release of the Government’s consultation document in July 2020 analysis of the Scheme’s members who may be affected was undertaken. Indications suggest that potentially c27k members may be affected, as well as increasing the work on several supplementary administrative tasks. The impact actuarially speaking is likely to be minimal. Final regulation is expected by October 2023 and officers have put in place a project plan to gather the data required to fulfil the regulations. Members requested that it be kept as a red risk until the administrative impact is completely clear.
- **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** (Red) Progress and updates should continue to be regularly reported to Committee. An independent audit was conducted in 2021 and has been presented to the Board & Committee for consideration. Whilst a further audit was commissioned for 2022, it is noted that the Fund’s audit plan was altered by the business plan approved in April 2022 suspending this audit. At the Committee meeting on 5 September this audit was recommissioned.