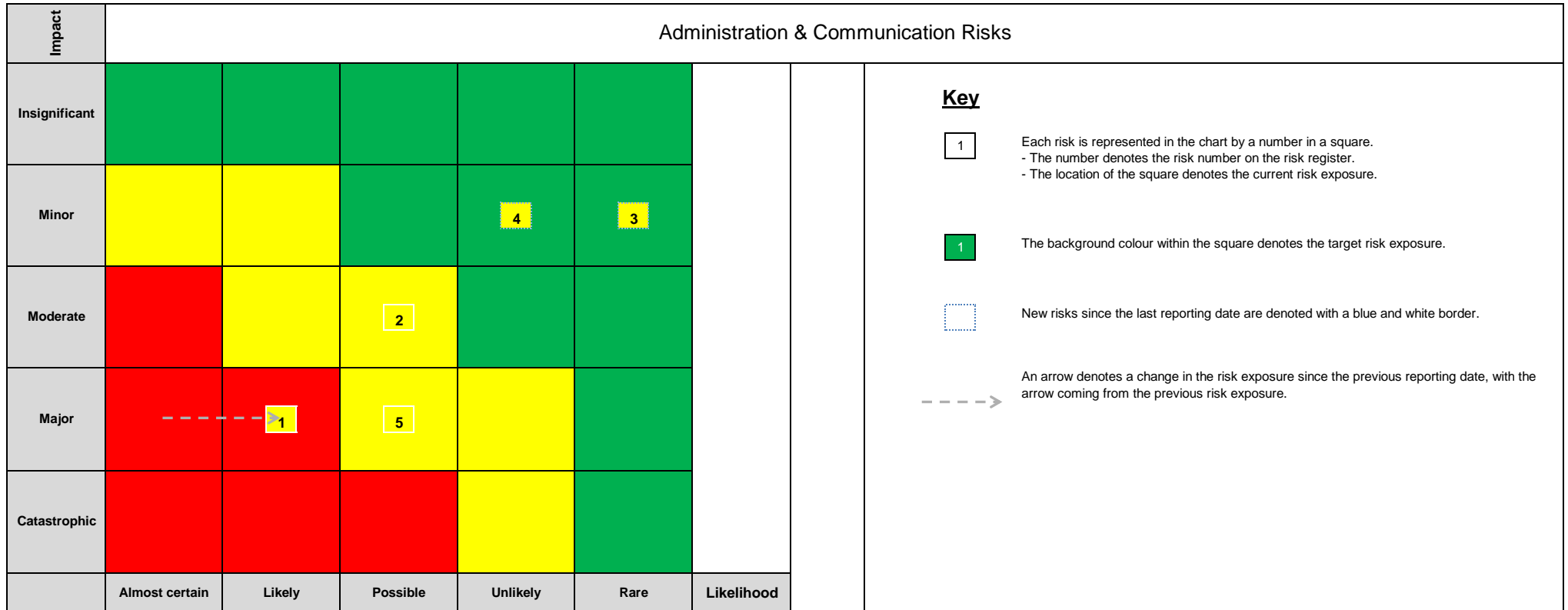


Administration and Communication Risks Heat Map and Summary



07 November 2019

Hackney Pension Fund - Control Risk Register

Administration & Communication Risks

Objectives extracted from Administration Strategy (03/2017) and Communications Strategy (04/2016):

- A1 Deliver an efficient, quality and value for money service to its scheme employers and scheme members
- A2 Ensure payment of accurate benefits and collect the correct contributions from the right people in a timely manner
- A3 Ensure the Fund's employers are aware of and understand their role and responsibilities under the LGPS regulations and in the delivery of the administration function
- A4 Maintain accurate records and communicate all information and data accurately, and in a timely and secure manner
- A5 Set out clear roles and responsibilities for the Council and Equiniti and work together to provide a seamless service to Scheme employers and scheme members
- C1 Promote the scheme as a valuable benefit and provide sufficient and up to date information so members can make informed decisions about their benefits
- C2 Communicate in a plain language style
- C3 Ensure the Fund use the most appropriate means of communication, taking into account the different needs of different stakeholders
- C4 Look for efficiencies in delivering communications including greater use of technology
- C5 Evaluate the effectiveness of communications and shape future communications appropriately

Risk no.	Risk Overview (this will happen)	Risk Description (if this happens)	Strategic objectives at risk (see key)	Current impact (see key)	Current likelihood (see key)	Current Risk Status	Internal controls in place	Target Impact (see key)	Target Likelihood (see key)	Target Risk Status	Meets target?	Date Not Met Target From	Expected Back On Target	Further Action and Owner	Risk Manager	Next review date	Last Updated
1	Poor Membership Data	Poor administration and/or provision of data result in inaccurate data giving rise to financial, reputational risks, actuary unable to set contribution rates, higher contribution rates, member dissatisfaction, inaccurate benefit statements produced, overpayment of benefits etc.	A4	Major	Likely		1 - annual monitoring of membership records, valuation checks, external data validations 2 - Monthly monitoring of contributions to ensure that employers paying across correct contributions along with membership data being supplied 3 - Service Level Agreement with external administrator and monthly monitoring of contract. Monitoring of employers and Pensions Administration Strategy which enables Fund to recoup additional administration costs for sub-standard performance. 4 - Provision of employer support to ensure employers have the knowledge and understanding necessary to provide correct information	Moderate	Possible		☹️ Current impact 1 too high Current likelihood 1 too high	01/12/2018	Dec 2020	1 - Prioritise completion of development work on interface (RC) 2 - Roll out employer portal to all employers (JS) 3 - Develop and roll out data improvement plan (JS/RC) - DONE 4 - liaise with Hackney payroll team to roll out new contribution monitoring report (RC) 5 - Ensure equiniti roll out employer strategy in line with contract (JS)	Julie Stacey/Rachel Cowburn	31/12/2019	30/09/2019
2	Poor Stakeholder Engagement	Poor communication with stakeholders (e.g. member communications late or incomplete, poor explanation of scheme) giving rise to disaffection, poor understanding amongst members and employers and actions against Council	A3, C1-5	Moderate	Possible		1 - Range of communication options for members and employers 2 - Provision of employer support to new or struggling employers	Moderate	Unlikely		☹️ Current likelihood 1 too high	01/12/2018	Dec 2019	1 - Roll out member self service (JS) 2 - Roll out employer portal (JS) 3 - Carry out scheme member satisfaction surveys (JS)	Julie Stacey	31/12/2019	30/09/2019
3	Pension Overpayments - increased costs through failure to cease pension payments	Pension Overpayments arising as a result of non-notification of death, re-employment, or ceasing education. This has financial and reputational consequences.	A2	Minor	Rare		1 - Management of NFI matches and follow up. NFI exercises to identify checks 2 - Write to pensioners each year over age 80 and overseas seeking confirmation of ongoing pension entitlement.	Minor	Rare		☺️			1 - Existence checks to be carried out (JS)	Julie Stacey	31/12/2019	30/09/2019
4	Discretionary Policies - insufficiently robust policies expose Fund to higher costs	Regulations allow the Pension Fund and employers certain areas where they are able to exercise discretion. Excessively generous or insufficiently robust policies of the Pension Fund and employers exposed to higher costs and reputational risks.	A2, A3	Minor	Unlikely		1 - Controls – Agreed policies and procedures to control such risks, which are regularly reviewed and approved by Pensions Committee. 2 - Ensuring that employers are aware of the additional costs that could arise from the exercise of their discretions or lack of policy.	Minor	Unlikely		☺️				Julie Stacey	31/12/2019	30/09/2019
5	Poor delivery of administration service	Risk that third party administrator does not deliver in accordance with contractual requirements	A1-5	Major	Possible		1 - Strict service standards and SLAs in place 2 - Appointment through robust procurement exercise 3 - Expert contract management team in place 4 - Regular monitoring of KPIs 5 - Regular service review meetings	Major	Unlikely		☹️ Current likelihood 1 too high	01/12/2018	Dec 2019	1 - Ensure contract requirement are met 2 - Early identification and escalation of issues	Julie Stacey	31/12/2019	30/09/2019