

# P&I Administration Risks

Report Type: Risks Report

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Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Title	Action Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
RS-PA-01 Employer LGPS knowledge	Lack of employer understanding of the LGPS and knowledge of the Service Level Agreement may cause incorrect information to be provided and additional queries from employers							Julie Edwards	No Change	05-Jul-2019
RS-PA-02 Staff Capacity Issues	A lack of capacity due to staff losses or sickness could adversely affect the workload of the pensions section resulting in decreased productivity.							Julie Edwards	P & I team recently underwent a restructure where further posts were added. Recruitment is in progress.	05-Jul-2019
RS-PA-03 Pensions Administration Software	The risk that the pensions administration software (Altair) causes disruption due to system crashes etc. leading to calculation errors, delays and a loss of working time.							Julie Edwards	No change	05-Jul-2019
RS-PA-04 Software Updates	Software updates resulting from scheme changes may create errors in calculations thus resulting in more time spent checking and re-doing calculations.							Julie Edwards	No change	05-Jul-2019
RS-PA-05 Staff Retention	Staff retention. There is a risk of losing trained staff to other organisations due to a lack of flexibility in the career matrix.							Julie Edwards	P & I team recently restructured. Further posts added which created opportunity for progression. JD's also re-evaluated to ensure adequately reflect the roles staff are doing.	05-Jul-2019
RS-PA-06 Quality / Timeliness Data from Employers	Poorly performing employers/payroll providers can cause additional work on the pensions team by not providing information which they have a statutory duty to provide. This results in wasted time chasing employers and creating a backlog of work.							Julie Edwards	No change	05-Jul-2019

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RS-PA-07 TUPE / Payroll Provider Changes	Additional work and disruption is caused due to outsourcing and changes in schools payroll providers creating losses of vital information. This results in a lot of extra work on pensions administration staff attempting to piece together information which should have been provided							Julie Edwards	No change	05-Jul-2019
RS-PA-08 TUPE Transfers / Academy Conversions	The increase of TUPE transfers / schools opting for academy status has resulted in an increased workload for pensions staff. The TUPE officer must deal with the admission agreements as well as liaising with external contractors and the fund actuaries. The range of employees involved differ between employer but range from one employee to hundreds.							Julie Edwards	No change	05-Jul-2019
RS-PA-09 Guaranteed Minimum Pension reconciliation	The end of contracting-out of the Additional State Pension from April 2016 means that a Guaranteed Minimum Pension reconciliation of the Fund's records with the HMRC's records will need to be completed by 2018. This reconciliation may result in identifying overpayments/underpayments. If the reconciliation is not complete before the closing of the office this could result in the Fund being liable for GMP's which we should not be responsible for.							Julie Edwards	ITM are still working on this with the aim to update pension records by June 2020 with any changes to pensions updated in July 2020.	05-Jul-2019
RS-PA-10 Mid / High Earner Optouts due to Tax Legislation	Tax legislation in respect of high-earners pensions contributions could result in a departure of high-earners from the Fund. High-earners leaving the Scheme could be perceived as senior management not advocating the benefits of the LGPS							Julie Edwards	we have not seen an increase in the number of high earners opting out of the scheme and unless the Annual Allowance limit reduces further, it is unlikely that this will become an issue.	05-Jul-2019

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RS-PA-11 Admitted Bodies Deficits	If Admitted Bodies who joined the Fund prior to 1997 fail or if current Admitted Bodies reduce their active members to 0, then the Fund has no powers to ensure these organisation make good any deficit.							Julie Edwards	An employer covenant exercise has been undertaken.	10-Jul-2019
RS-PA-12 Mid / high earner optouts due to high employee contribution rates	The 3% on average increase employee pension contributions implemented, with effect from 1 April 2014, by increasing the tiers of contributions paid by mid/high earners could result in a departure of mid/high-earners from the Fund. Mid/High-earners leaving the Scheme could be perceived as senior management not advocating the benefits of the LGPS. During current period of low pay increases members may opt out due to pressures on household budgets.							Julie Edwards	Reduction in the likelihood as there has been no evidence that this has happened so far.	05-Jul-2019
RS-PA-13 Annual Benefits Statements Issuance	The Public Sector Pensions Act 2013 requires that Annual Benefits Statements are issued to Scheme Members by 31 August. There is a risk that the Regulator will issue a fine although this is the position for most local authorities.							Julie Edwards	On track to meet 31st August 2019 deadline. Target is to have issued 95% of statements but this date and 98% by 31st January 2020. Due to the work completed last year to clear backlog queries this is achievable.	05-Jul-2019