

APPENDIX C – Pensions Risk Register – August 2016

Pensions																
R i s k n o t e	S e r v i c e	Risk	Causes (s)	Consequences (s)	Risk Owner	List of current controls	I	L	Current Risk Score	Risk Response; <i>Tolerate</i> <i>Treat</i> <i>Terminate</i> <i>Transfer</i>	Further Actions / Additional Controls	I	L	Residual Risk Score	Action owner	Managed
1	Pensions	If we fail to reconcile HRMC GMP data with the Pensions Section data there is a risk of overpayment of Pensions Increase	Government changes to end contracting out legislation. Contracting out ends April 2016 and between 2015 and 2018 we need to reconcile our GMPs to the information held by HM Revenue. From 2018 we take on responsibility for GMPs so we need to ensure we pay the correct Pensions Increase (e.g. no GMP means we pay full PI and if there should be a GMP we pay less PI).	Overpaying pensions Reputation	Ian Howe	Checking of HMRC GMP data to identify any discrepancies in against our data	3	4	12	Treat	Implement national recommendations in a timely way once they are agreed LGA liaising with Treasury on GMP reconciliation in order to assist pension funds Pensions to have dedicated resource working on this project	3	2	6	Ian Howe	Managed at Service level
2	Pensions	If we fail to meet the service requirements of the three Fire Authorities we may lose their business	Changes in legislation on the Firefighters pension scheme, Managing the Fire fighters pension scheme changes and the retained fire fighters buy back. Only limited knowledge in the Section in this key area.	Reputation Potential loss of business	Ian Howe	Quarterly meetings take place with the Fire Authorities to resolve issues Membership of the Midlands Fire Officer Group enables us to identify and resolve issues early Resource on the team increased	3	2	6	Treat	Continue to monitor and development improvements to work processes guiding all three Fire Authorities to the same processes and decisions	2	2	4	Ian Howe	Managed at Service level

5	I n v s	If assets held by the Fund are ultimately insufficient to pay benefits due to individual members	Ineffective setting of asset allocation strategy to take into account potential future investment returns and the risks associated with achieving these returns	Reputation Significant financial impact on scheme employers due to the need for large increases in employer contribution rates.	Chris Tambini/ Colin Pratt	Ensuring that asset allocation policy is set robustly and that changes to the investment environment, and the associated risks, are taken into account	5	2	10	Treat	Officers and members need to be aware of the potential for different asset classes to produce significantly different investment returns over both the short-term and the long-term, but also accept that frequent changes are likely to be costly	4	2	8	Chris Tambini/ Colin Pratt	Managed at service level and via Local Pension Committee
6	P e n s / I n v s	If the sub-funds of Community Admission Bodies were not monitored to ensure that there is the correct balance between risks to the Fund and fair treatment of the employer	Changing financial position of both sub-fund and the employer	Reputation Significant financial impact on employing bodies due to need for large increases in employer contribution rates, which may ultimately lead to insolvency and a deficit that has to be met by the Fund.	Ian Howe/ Colin Pratt	Ensuring, as far as possible, that the financial position of Community Admission Bodies is understood. On-going dialogue with them to ensure that the correct balance between risks and fair treatment continues.	5	2	10	Treat	Dialogue with the employers, particularly in the lead up to the setting of new employer contribution rates.	3	2	6	Ian Howe/ Colin Pratt	Managed at Service level

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