

Appendix 1 Administrative Risk Review

| London Borough of Haringey Pension Fund Risk Register | | | | | | | | | | |
|---|----------------|---|--------|------------|------------|---|---|--------------------|------------------|-------------|
| Risk Ref | Risk Group | Risk Description | Impact | Likelihood | Risk Score | Controls and Mitigations In Place | Further Actions | Revised Likelihood | Total Risk Score | Reviewed on |
| AD1 | Administrative | Structural changes in an employer's membership, including transfers out of the pension fund, closures to new membership, and situations where an employer ceases to exist with insufficient funding or bond placement | 5 | 3 | 15 | <p>1) The Fund actively monitors potential changes among scheme employers, including regularly reviewing the Fund Actuary's Funding Risk Management tool, which provides the most recent employer funding positions.</p> <p>2) At each actuarial valuation, the Fund Actuary reviews employer contributions rates and deficit recovery periods to reflect the strength of the employer covenant.</p> <p>3) Periodic reviews of the covenant strength of the employers are undertaken and indemnity applied where appropriate.</p> | <p>Treat</p> <p>1) Officers, in consultation with the Fund's Advisors, will continue to monitor the scheme employers participating in the and provide any advice to the Pensions Committee and Board as appropriate.</p> | 2 | 10 | 30/06/2024 |
| AD5 | Administrative | Incorrect data due to employer error, user error or historic error leads to service disruption, inefficiency and conservative actuarial assumptions. | 4 | 3 | 12 | <p>1. The Fund's data is held securely through a hosted arrangement provided by the Fund's administration software provider. The system's integrity is routinely assessed, with Service Organisation Controls (SOC) reports being provided.</p> <p>2. The Council has a data recover plan in place which ensures data is stored securely and regularly backed up.</p> <p>3. The Council regularly reviews its Business Continuity Plan to ensure it remains robust and relevant.</p> <p>4. Officers are required to complete mandatory Cyber Security Awareness training.</p> | <p>Treat</p> <p>1) Officers will continue to review and monitor its processes to ensure the most up to date processes are in place to minimise data errors.</p> | 2 | 8 | 30/06/2024 |
| AD3 | Administrative | Concentration of knowledge in a small number of officers and risk of departure of key staff. | 3 | 2 | 6 | <p>1) The Fund's pension administration team completed a restructure in 2022 which consider the development of team members and succession planning including two new apprenticeship roles.</p> <p>2) Detailed process notes and policies are kept in place, and regularly reviewed by the Head of Pensions.</p> | <p>Tolerate</p> <p>1) Current process are in place to ensure the continued development and effective succession planning in the team. Officers will continue to review resource requires and provide any advice to the Pensions Committee and Board as appropriate</p> | 2 | 6 | 30/06/2024 |
| AD6 | Administrative | Failure of financial system leading to benefits to scheme members and supplier payments not being made and Fund accounting not being possible. | 3 | 2 | 6 | <p>1) The Fund has a robust payment processing procedure which includes regular payment processing dates.</p> <p>2) The Fund has various methods of process payments including BACS, CHAPS and Faster Payment Methods.</p> | <p>Tolerate</p> <p>1) Not further actions identified at this stage</p> | 2 | 6 | 30/06/2024 |

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| AD2 | Administrative | Failure of cyber security measures, including information technology systems and processes, leading to loss, disruption or damage to the scheme or its members. | 4 | 2 | 8 | <p>1) The Fund's data quality is regularly reviewed and updated, at least once every three years as part of the actuarial valuation.</p> <p>2) The Fund also undertakes frequent data cleansing exercises with the most recent due exercise due to be completed in 2024.</p> <p>3) The Fund updates its pensions administration strategy at least once every three years to ensure scheme employer reporting compliance.</p> | <p>Treat</p> <p>1) Officers, will continue to monitor the developing cybers security related risks and where appropriate implement any new controls.</p> <p>2) Officers will continue to review the Business Continuity Plan and implement it in the event of a breach in cybersecurity</p> | 1 | 4 | 30/06/2024 |
| AD4 | Administrative | Failure of securely sent sensitive data and any unidentified data flows being sent insecurely. | 4 | 2 | 8 | <p>1) In circumstances where member data needs to be shared with external parties and advisors, this is done through secure platforms.</p> | <p>Tolerate</p> <p>1) Not further actions identified at this stage</p> | 1 | 4 | 30/06/2024 |