



Haverling

L O N D O N B O R O U G H

LOCAL PENSION BOARD AGENDA

4.00 pm

**Tuesday
10 October 2023**

MS Teams

Members 6: Quorum 2

Jonathan Bunt, Independent Chair

Mark Holder, Scheme Member Representative
Yasmin Ramjohn, Scheme Member Representative
Joanne Sladden, Scheme Employer Representative
Dionne Weekes, Scheme Member Representative
Denise Broom, Scheme Employer Representative
Andrew Frater, Scheme Employer Representative

For information about the meeting please contact:

**Luke Phimister 01708434619
luke.phimister@onesource.co.uk**

AGENDA ITEMS

1 CHAIR'S ANNOUNCEMENTS

The Chair will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) – receive.

3 DISCLOSURE OF INTEREST

Members are invited to disclose any interest in any items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 MINUTES OF THE MEETING (Pages 1 - 2)

To approve as correct the minutes of the meeting and authorise the Chair to sign them.

5 TO RECEIVE FEEDBACK FROM RECENT MEETINGS OF THE PENSIONS COMMITTEE

6 PENSIONS ADMIN PERFORMANCE (Pages 3 - 32)

7 LPPA INTERNAL CONTROL ASSURANCE (Pages 33 - 64)

8 CODE OF PRACTISE 14 (Pages 65 - 68)

9 RISK REGISTER (Pages 69 - 96)

10 TRAINING (Pages 97 - 98)

Zena Smith
Head of Committee and Election Services

Public Document Pack Agenda Item 4

**MINUTES OF THE MEETING OF THE
LOCAL PENSION BOARD
Town Hall, Main Road, Romford
19 September 2023 (4.00 - 4.30 pm)**

Present:

Andrew Frater (Scheme Employer Representative), Mark Holder (Scheme Member Representative), Yasmin Ramjohn (Scheme Member Representative), Joanne Sladden (Scheme Employer Representative) and Dionne Weekes (Scheme Member Representative)

Apologies were received from Denise Broom

All decisions were taken with no votes against.

171 CHAIR'S ANNOUNCEMENTS

The Chair reminded members the process to take if they were to drop off of the Teams call.

172 APOLOGIES FOR ABSENCE

Apologies were received from Denise Broom.

173 DISCLOSURE OF INTEREST

There were no disclosures of interest.

174 MINUTES OF THE MEETING

The minutes of the previous meeting were agreed as a correct record.

175 LOCAL PENSION BOARD DRAFT ANNUAL REPORT

The Board were presented with the draft annual report.

Members were happy with the report however they requested a paragraph be added regarding the quoracy and membership of the Board.

176 WORK PROGRAMME DISCUSSION

The Board members discussed future work programme items. Members requested in particular for less COVID related items and information on the new independent chair that had been appointed.

Chairman

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LPP

Local Pensions Partnership
Administration

Havering Pension Fund

Quarterly Administration Report

1st April – 30th June 2023

lppapensions.co.uk

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DEFINITIONS

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Total Fund Membership

Total Fund Membership is the number of Member records held on the LPPA pensions administration system that are contributing to, awaiting benefits, or receiving benefits from the pension fund.

Current Age Demographic

The age profile of the Membership is split across three types of status:

Active Members – Members who are currently contributing toward their pension benefits.

Deferred Members – Members who hold a deferred benefit in the fund.

Pensioner Members – Pensioners and Dependants who are currently receiving a pension.

Page 11

Casework Performance Against SLA

Performance is measured once all information is made available to LPPA to enable them to complete the Process. Relevant processes are assigned a target timescale for completion, and the performance is measured as the percentage of processes that have been completed within that timescale.

Page 12

Casework Performance Against SLA

The category of 'Other' on this page covers processes including, but not limited to:

- APC/AVC Queries
- Additional Concs Cessation
- Change of Hours
- Change of Personal Details
- Under Three Month Opt-Out
- Main to 50:50 Scheme Changes
- Divorce Quotes
- Divorce Settlement
- Ill Health Reviews

Please note that this page includes cases that have met the SLA target, but the stop trigger may also have been actioned before the process has been completed.

Page 13

Ongoing Casework at the end of the Reporting Quarter

Please note the number of processes brought forward, does not match the corresponding number of outstanding processes reported in the previous quarter (due to various reasons which can include; but not limited to, the deletion of a process or changes in assigned categories).

Page 15 & 16

Helpdesk Performance

Average wait time measures the time taken from the caller being placed into the queue, to them speaking with a Helpdesk adviser.

Page 21 & 22

Member Online Portal

The number and percentage of records that are registered for LPPA's Member Self-Service facility, PensionPoint.

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Common/Conditional Data Fails

The Pension Regulator requires Administrators to keep Member data up to date to ensure benefits are accurately paid. This is split by Common Data (details that are specific to the Member) and Conditional Data (data that is related to the pension).

Individual Fails shows the total number of unique Members that have a single or multiple number of Common Data or Conditional Data fails. On both charts, the Accuracy Rate (%) then compares the number of Individual Fails to the total number of Scheme Members.

For more detail on the Data Items / Error types presented in these charts, please visit either the [TPR](#) or [PASA](#) (The Pension Administration Standards Association) websites.

OUR CORE VALUES

This administration report is produced in accordance with the Service Level Agreement (SLA) for the provision of pension administration services.

The report describes the performance of Local Pensions Partnership Administration (LPPA) against the standards set out in the SLA.

Within LPPA, our values play a fundamental role in guiding our behaviour as we grow our pensions services business and share the benefits with our Clients.



ANNUAL PLAN

✓ COMPLETED 📅 DUE

Page 7

	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Annual Benefit Statement and Newsletter to Deferred Members				📅								
Pension Increases		✓										
Annual Benefit Statement and Newsletter to Active Members					📅							
Pension Saving Statements							📅					
HMRC Scheme Returns							📅					
IAS19 data				📅	📅				📅			📅

EXECUTIVE SUMMARY

Forward thinking...
Working together...
Doing the right thing...
Committed to excellence...

This performance report covers the reporting period of Q1 2023/24 (April – June 2023)

Casework and Helpdesk performance metrics are trending in the right direction but this is not yet translating fully through to the member, employer and client experience. Performance is starting to “look green” but doesn’t yet “feel green”. This is due to a number of factors, including:

- The spikes in work for bereavements and retirements from Project PACE were cleared in line with plans. This was achieved at the end of June, hence some delays persisted through Q1 2023.
- Expressions of dissatisfaction are a lag indicator, typically 2-3 months and member, employer and client experience takes some time to catch up with performance improvement

All public service pension schemes use the SCAPE (Superannuation Contributions Adjusted for Past Experience) rate, to work out the factors used to calculate the Cash Equivalent Transfer Value (CETV) for certain transfers and divorce calculations. Factors were unavailable from the beginning of April and all impacted calculations were on hold until the new factor tables were issued in June 2023.

Payroll

All pensioner payroll and lump sum payments due in the reporting period were made on time (this equates to over £100m, across all clients, in pension payments per month).

Statutory deadlines

All regulatory and statutory deadlines due in the reporting period were met.

- Pensions Increase was successfully run.
- P60s produced and made available to members.
- Newsletter issued to retired members.

Casework SLA performance

Overall performance against SLAs is back above the targeted 95 %, however performance has been impacted by a focus to clear cases that had already failed the SLA due to the impact of Project PACE. Cases that have missed SLA impact the performance measure when they are completed and not when they miss.

As confirmed in the previous quarterly performance report, the SLAs are measured in line with contractual obligations.

EXECUTIVE SUMMARY CONTINUED

Satisfaction scores

Helpdesk satisfaction score at the end of Q1, was 71 %. Lower satisfaction scores point to the quality of the call and some members felt that their query was not resolved fully. LPPA has had a large number of new starters in the Helpdesk and although training does take place before call handlers are allocated to call queues, members can and do ask questions that new call handlers have not been trained to answer. Further cross-skilling and upskilling is underway to equip call handlers to handle the wide variety of calls received into LPPA.

Retirement satisfaction scores reduced during the period. At the end of Q1, satisfaction was 58 %, at the end of Q4 satisfaction was 69 %. Retirement satisfaction scores are generally a lag indicator and lower satisfaction was expected due to the impact of Project PACE and the disruption caused through the first few months of 2023.

Pensions Helpdesk

Helpdesk performance for the period has seen average call wait time below the non-contractual target of 4 minutes, at an average of 3 minutes 42 seconds. Despite high call volumes during a seasonally busy time, due to Pensions Increase, tax code changes and P60, Helpdesk performance continues to trend in the right direction.

Forward thinking...
Working together...
Doing the right thing...
Committed to excellence...



Fund Membership

In this section...

- Total fund membership
- Current age demographic

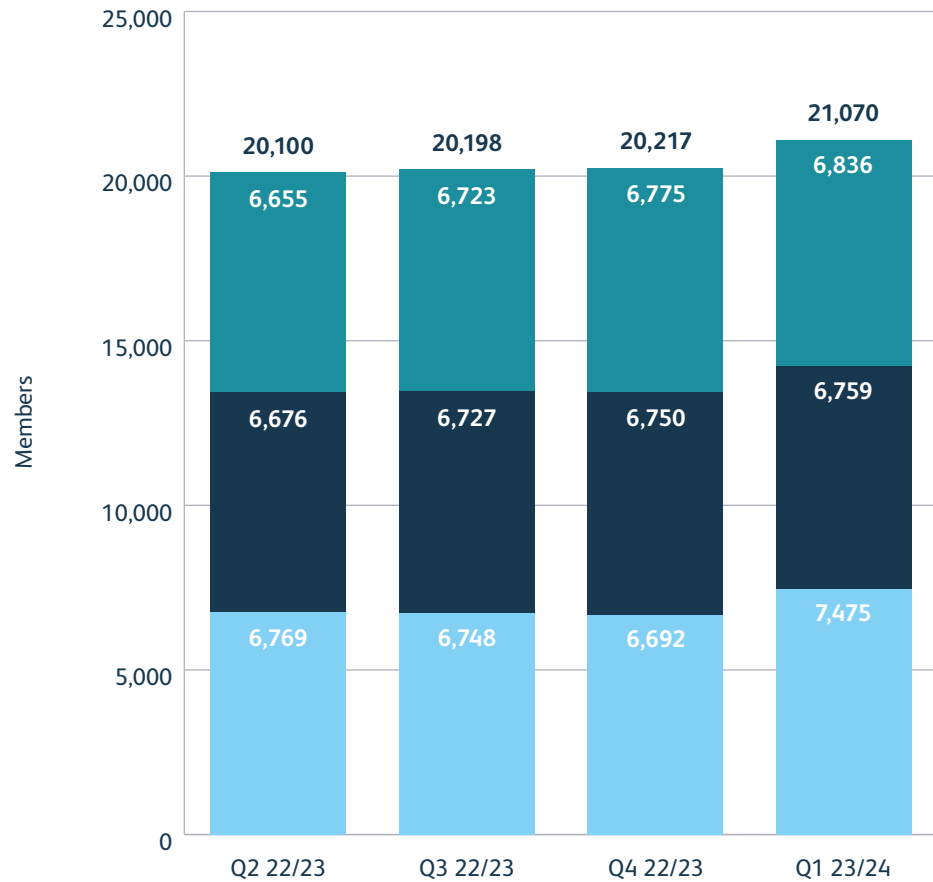
TOTAL FUND MEMBERSHIP



TOTAL FUND MEMBERSHIP

CLIENT SPECIFIC

Active Contributors Deferred Beneficiaries Pensioners & Dependents



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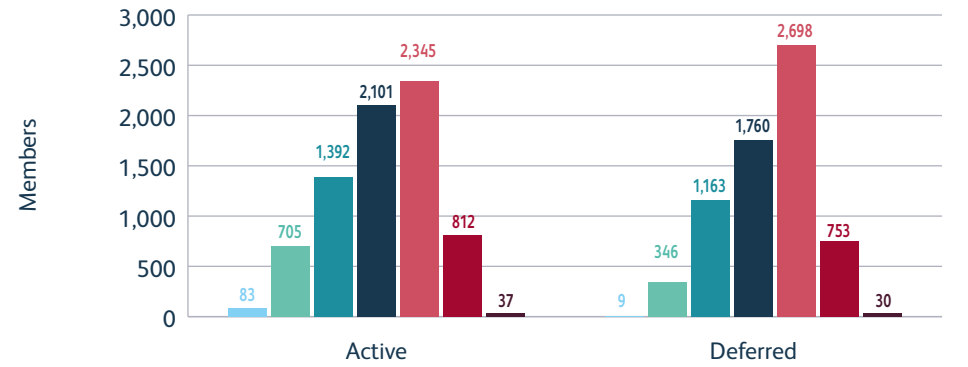
Members



CURRENT AGE DEMOGRAPHIC

CLIENT SPECIFIC

Under 21 21 to 30 31 to 40 41 to 50 51 to 60 61 to 70 Over 70

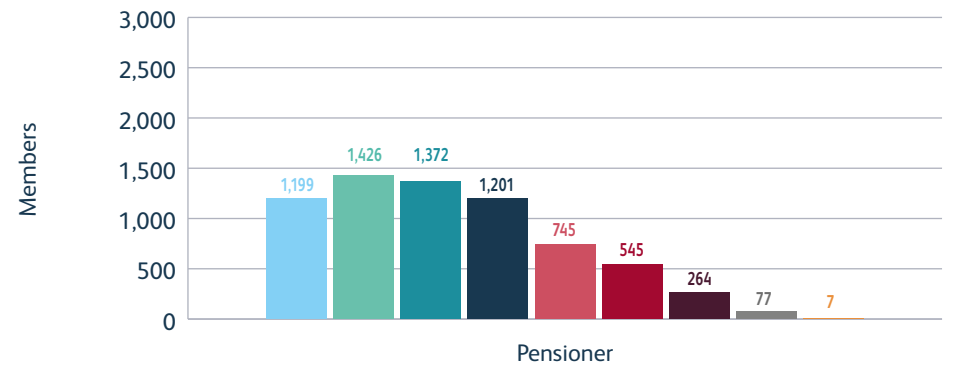


Members

Active

Deferred

Under 65 65 to 69 70 to 74 75 to 79 80 to 84
85 to 89 90 to 94 95 to 99 100+



Members

Pensioner

Casework Performance

In this section...

- Performance – all cases
- Performance standard
- Ongoing casework at end of reporting quarter

CASEWORK PERFORMANCE

Please note:

Agreed with clients that LPPA's monthly operational targets would be relaxed from Nov 22 to Jan 23, in line with UPM migration timings (22/23).

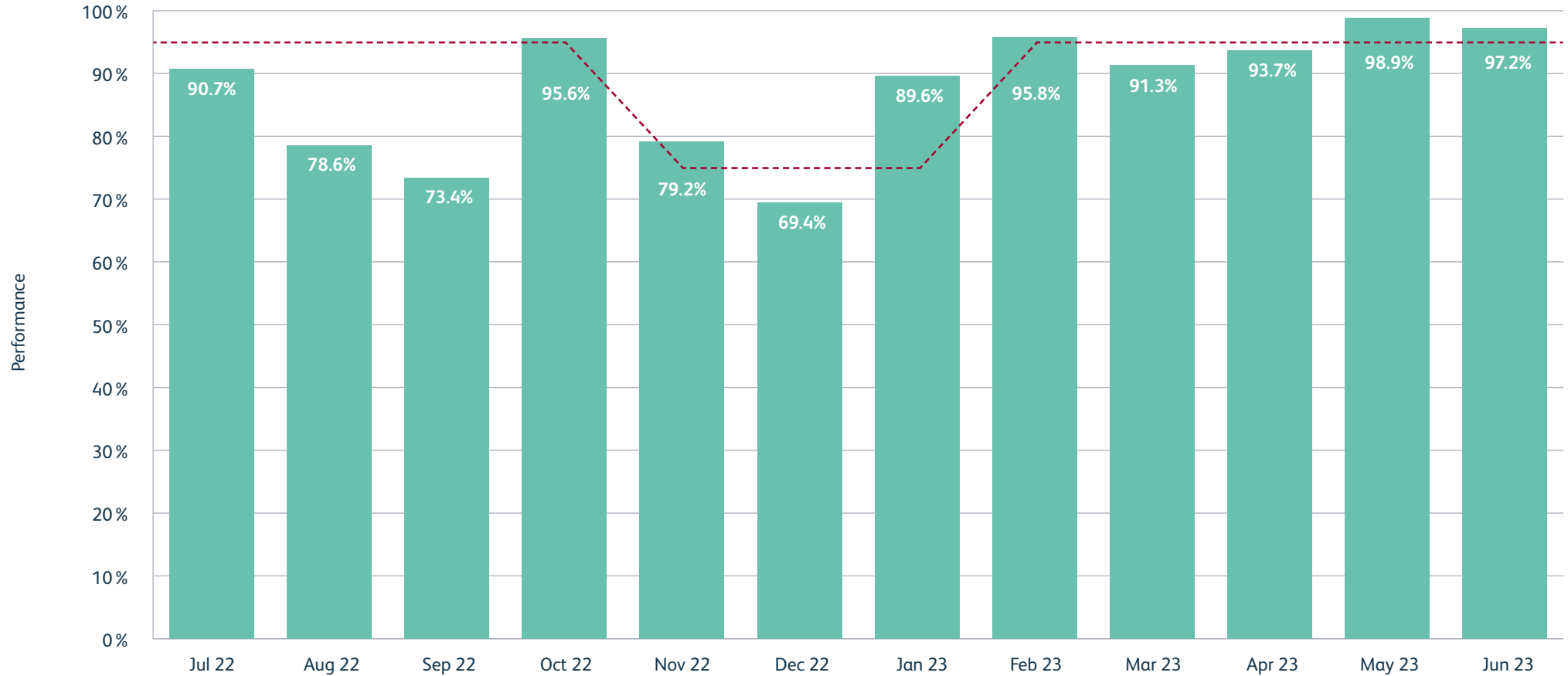


PERFORMANCE – ALL CASES

CLIENT SPECIFIC

--- Target

The quarterly SLA performance was 97.0%



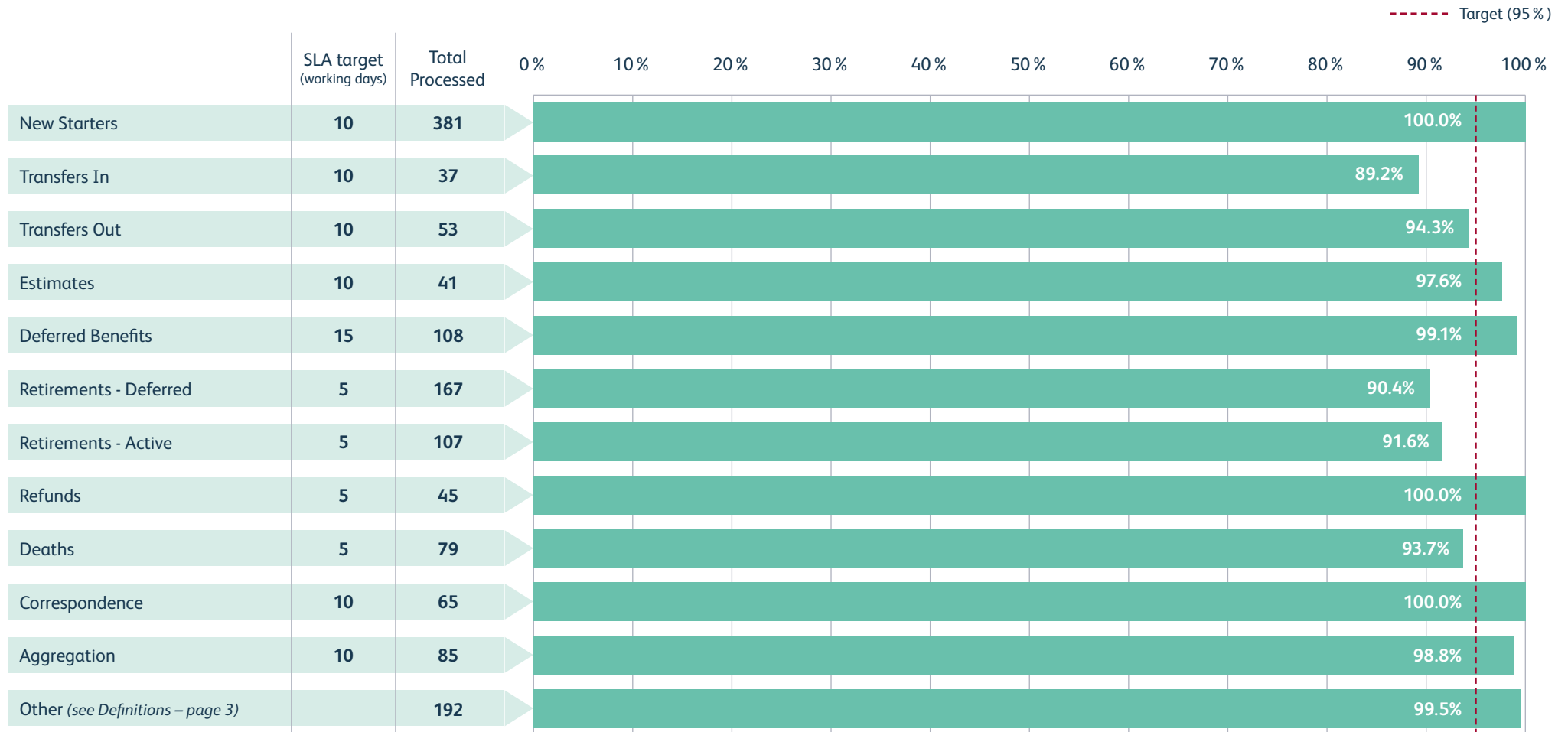
CASEWORK PERFORMANCE



PERFORMANCE STANDARD

CLIENT SPECIFIC

Page 14



CASEWORK PERFORMANCE

ONGOING CASEWORK AT THE END OF THE REPORTING QUARTER CLIENT SPECIFIC

The following table is created by identifying all reportable casework within UPM, and includes those that have subsequently Completed / Aborted / Remain Outstanding within the quarter. The figures in this table cannot be compared to those in the previous slide for a number of reasons including: the table includes aborted cases, but the horizontal bar graph does not; the SLA 'stop trigger' can be actioned before the process has been completed.

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	Brought Forward at 01/04/23	Received (Inbound)	Completed (Outbound)	Outstanding as of 30/06/23
New Starters	39	377	410	6
Transfers In	128	67	64	131
Transfers Out	127	72	58	141
Estimates	14	68	50	32
Deferred Benefits	155	184	154	185
Retirements - Deferred	146	181	184	143
Retirements - Active	127	156	157	126
Refunds	36	102	76	62
Deaths	124	112	112	124
Correspondence	36	82	74	44
Aggregation	122	192	133	181
Other (see Definitions – page 3)	94	300	314	80
TOTALS	1,148	1,893	1,786	1,255

Helpdesk Calls Performance

The Helpdesk deals with all online enquiries and calls from Members for all funds that LPPA provide administration services for.

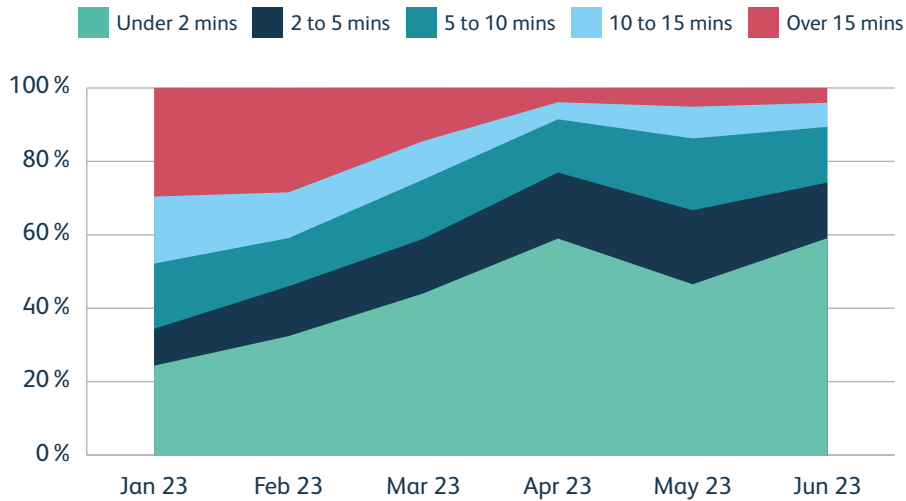
In this section...

- Wait time range
- Calls answered (%)
- Total calls

HELPDESK CALLS PERFORMANCE

WAIT TIME RANGE

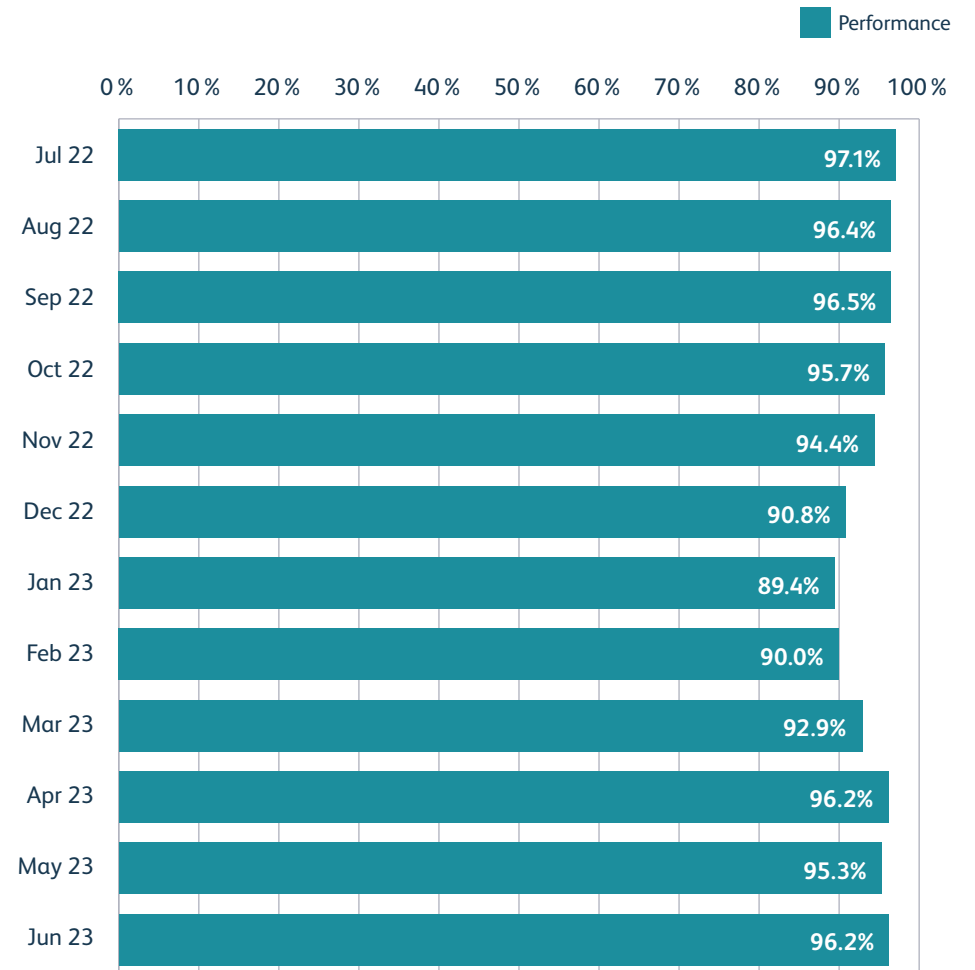
ALL LPPA



	Under 2 mins	2 to 5 mins	5 to 10 mins	10 to 15 mins	Over 15 mins
Jan 23	24.4%	10.0%	17.8%	18.3%	29.6%
Feb 23	32.4%	13.6%	13.1%	12.5%	28.4%
Mar 23	44.1%	14.9%	16.1%	10.5%	14.5%
Apr 23	59.0%	18.0%	14.5%	4.7%	3.9%
May 23	46.5%	20.2%	19.6%	8.7%	5.1%
Jun 23	59.1%	15.2%	15.2%	6.6%	4.1%

CALLS ANSWERED (%)

ALL LPPA



HELPDESK CALLS PERFORMANCE

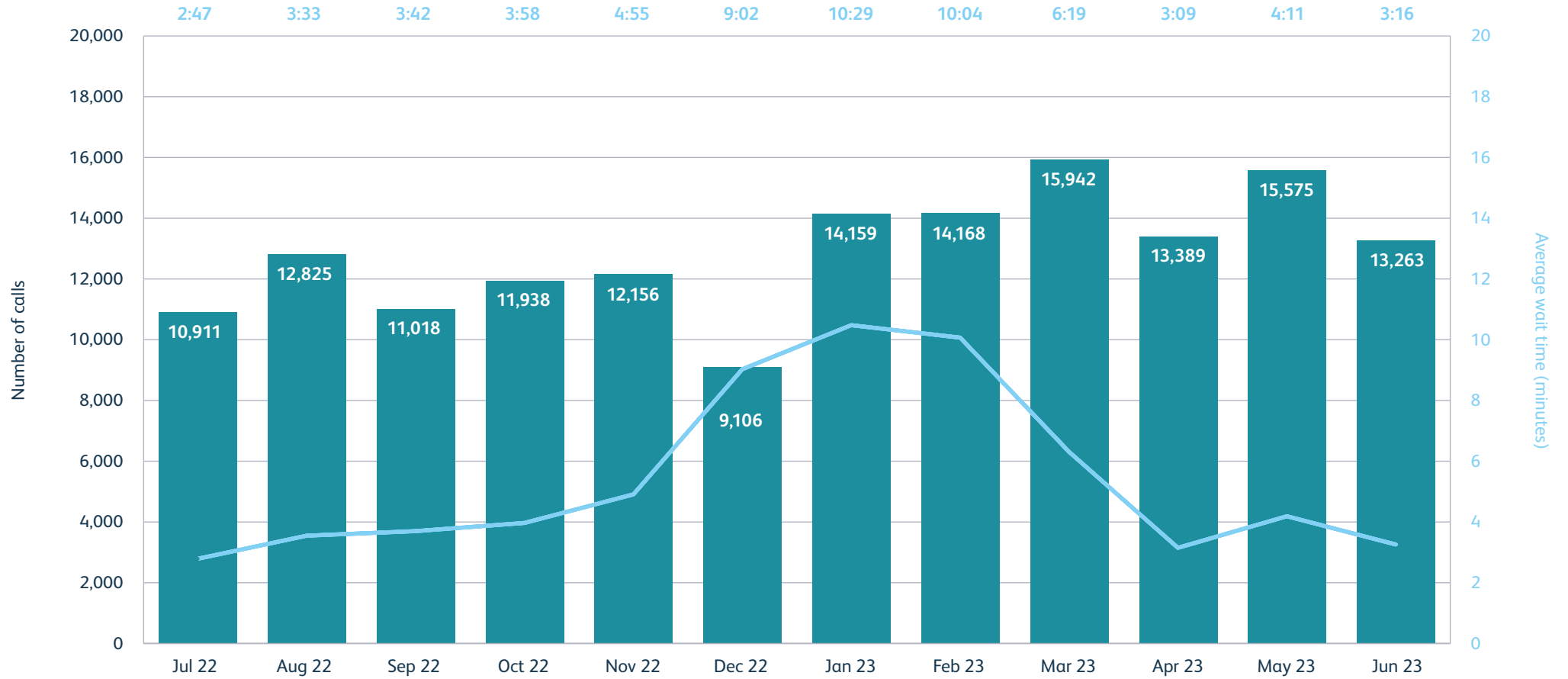


TOTAL CALLS

ALL LPPA

Average wait time (mm:ss)

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Customer Satisfaction Scores

In this section...

- Helpdesk calls satisfaction
- Retirements

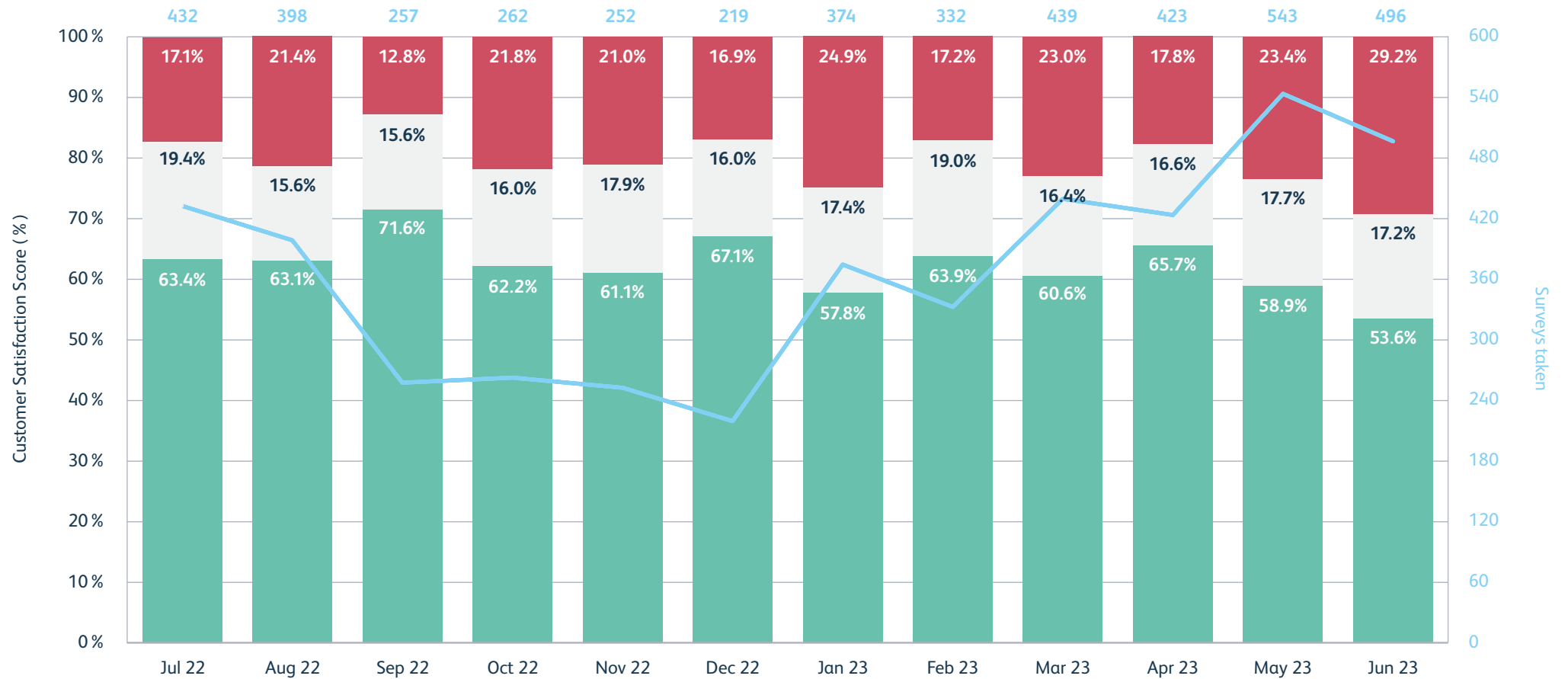
CUSTOMER SATISFACTION SCORES



HELPDESK CALLS SATISFACTION

ALL LPPA

■ Dissatisfied
 ■ Neutral
 ■ Satisfied
 — Surveys taken



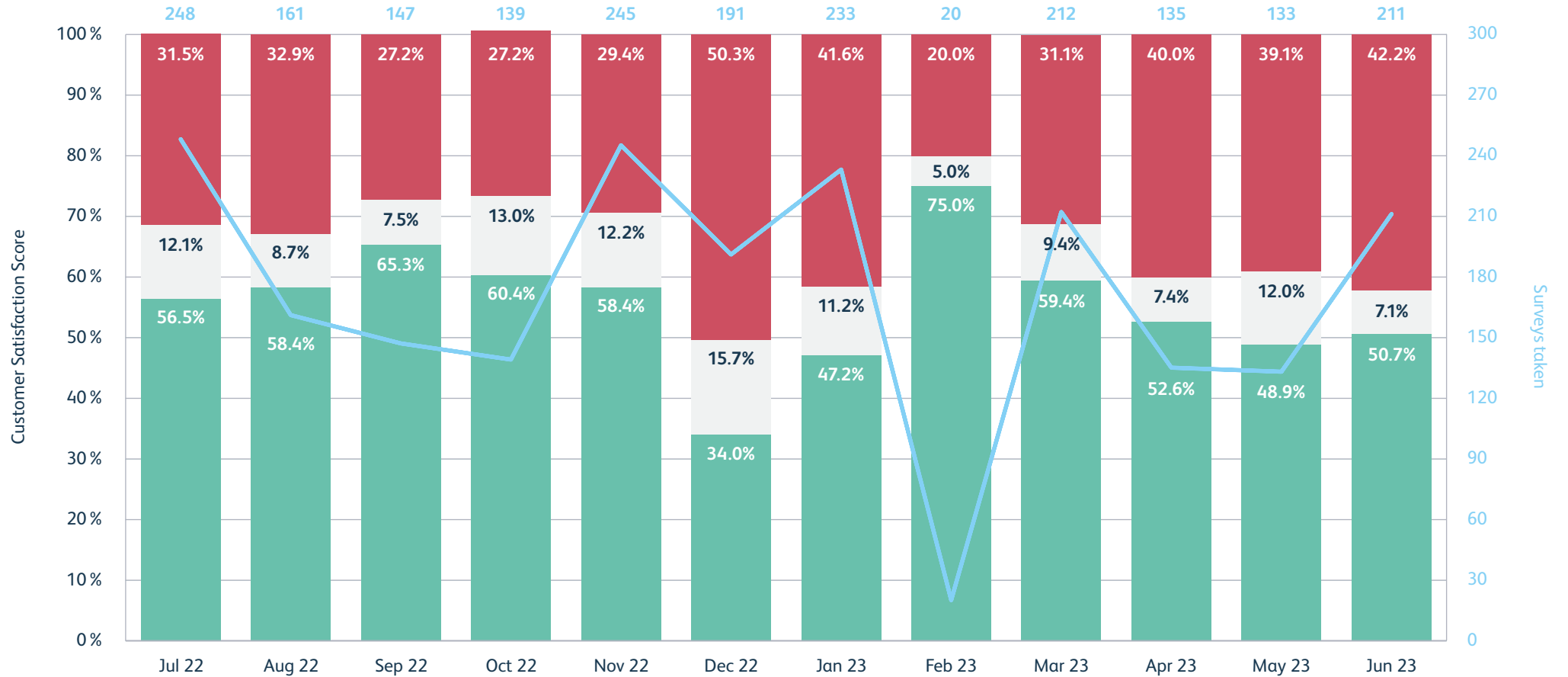
CUSTOMER SATISFACTION SCORES

Please note:

Surveys were paused in February and reinstated in March, following a review of the process. Some surveys were being issued before payment had been made to the member – the timing of the survey has now been updated to correct this.

RETIREMENTS ALL LPPA

Dissatisfied Neutral Satisfied Surveys taken





Member Online Portal

In this section...

- Total members registered
- Members registered (%)

Please note:

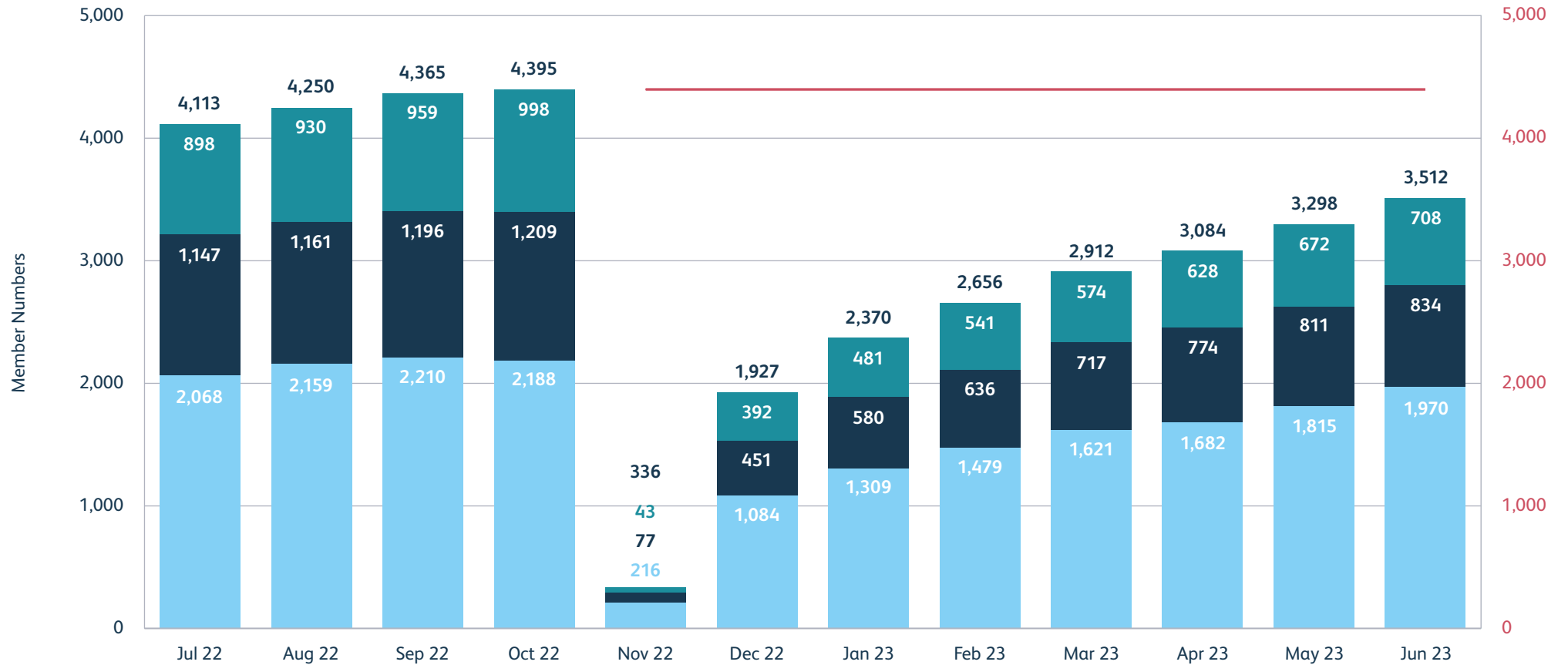
Registration numbers have been slightly understated in previous monthly figures, these have been corrected in this report.

▾ **TOTAL MEMBERS REGISTERED**
CLIENT SPECIFIC

■ Active
 ■ Deferred
 ■ Pensioner

— 4,395 (previous My Pension Online registrations as of October 2022)

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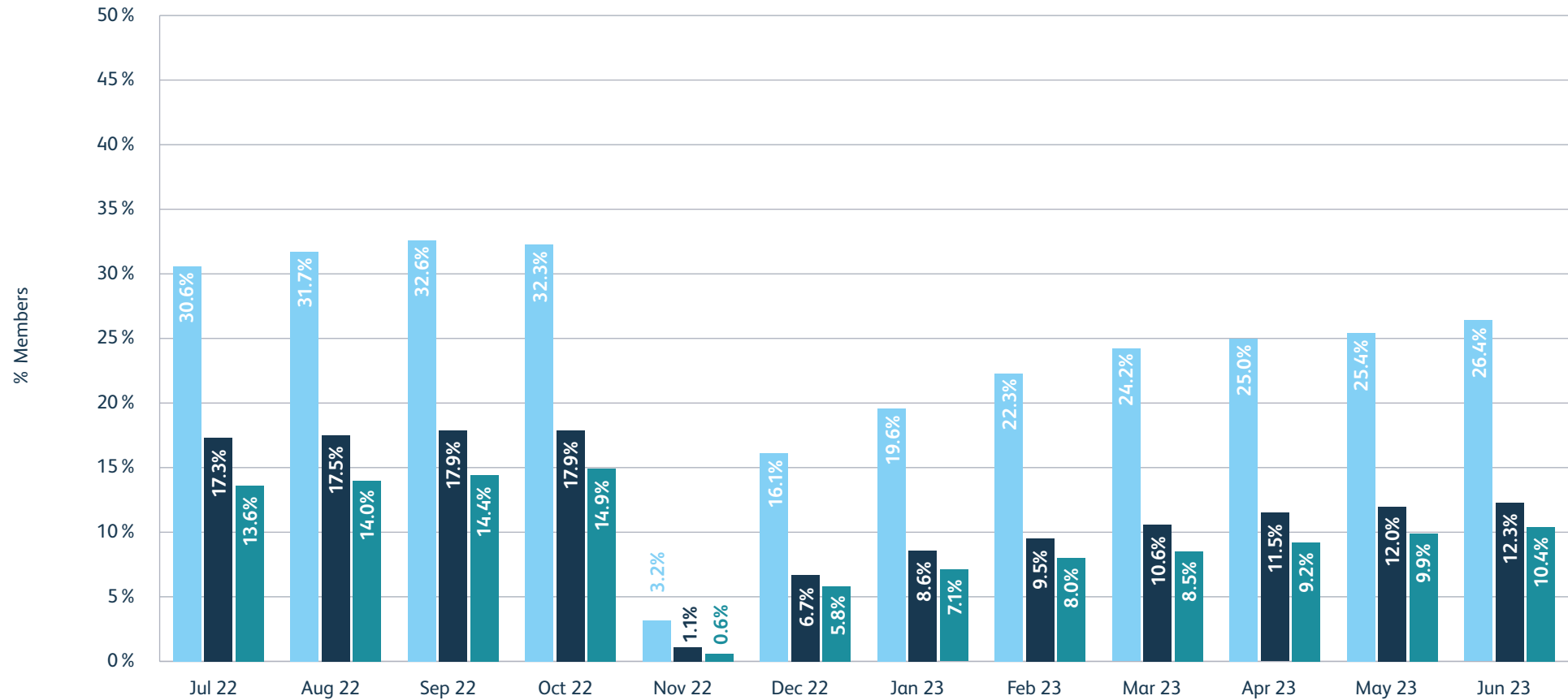




MEMBERS REGISTERED (%)

CLIENT SPECIFIC

Active Deferred Pensioner



Employer Engagement & Member Communication Activity

In this section...

- Delivered
- Scheduled
- Engagement communications (Employers & Members)

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



DELIVERED

ALL LPPA

- Employer training sessions have been delivered with a focus on annual and monthly data returns and navigating the UPM employer portal.
- Automated UPM email notifications went live, confirming to employers when data files have successfully been submitted, and processing has been completed by LPPA.
- Following feedback from employers, improvements have been made to the leaver form in the UPM portal (it is now quicker and more straightforward to complete).
- The online LPPA [retired member newsletter](#) was issued to all email contactable members (and is available to access on the LPPA website), including details on how to access their online P60 in PensionPoint (paper copies issued when requested by members).

LPPA website updates:

1. 2023 Spring Budget updates - update on pension increases
2. P60 information for retired members
3. A new homepage went live on the LPPA Pensions website, to make it easier for members and employers to find relevant information



SCHEDULED

ALL LPPA

- McCloud updates will continue to be added to the LPPA website for members, and with updates expected from the LGA (Local Government Association) and NPCC (National Police Chiefs' Council) in July, proactive letter communications will start to be issued to members.
- The online LPPA Summer newsletter will be published on the website and issued to deferred and active members on email. It will include details of how to view / understand their ABS, which will be available on PensionPoint by 31 August 23.
- As part of our ongoing employer training programme, a new event will focus on employer responsibilities, and useful resources that can be accessed on the LPPA website in support of these pension administration duties.
- Updates and improvements will continue to be made to the UPM employer portal and PensionPoint in Q2 (and ABS notification activity will deliver increased member registrations).

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



ENGAGEMENT COMMUNICATIONS

CLIENT SPECIFIC

- UPM employer portal training was delivered and 1 Havering Pension Fund employer attended
- Year end training was delivered and 1 employer attended

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EMPLOYERS

CLIENT SPECIFIC

Date	Employer	Activity	Number in attendance
04 Apr	Unity Schools Partnership	Year End Training	1
16 May	Lime Education Trust	UPM Employer Portal	1



Data Quality

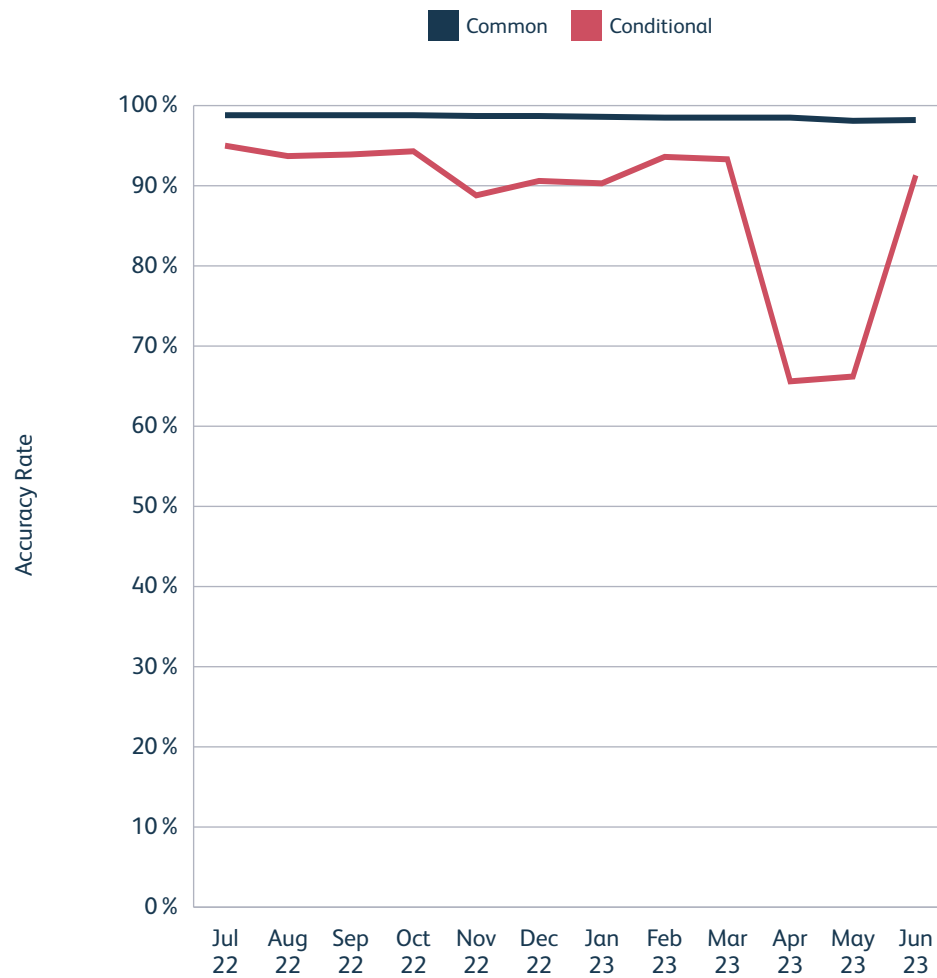
In this section...

- TPR data scores
- Common data
- Conditional data

DATA QUALITY

TPR DATA SCORES

CLIENT SPECIFIC



Please note:

Fall in April's Conditional Data score is seasonal, and specifically related to Annual Allowance calculations (which follow employer submission of data returns and ABS processing).

	Common (Target 95%)	Conditional (Target 90%)
Jul 22	98.8%	95.0%
Aug 22	98.8%	93.7%
Sep 22	98.8%	93.9%
Oct 22	98.8%	94.3%
Nov 22	98.7%	88.8%
Dec 22	98.7%	90.6%
Jan 23	98.6%	90.3%
Feb 23	98.5%	93.6%
Mar 23	98.5%	93.3%
Apr 23	98.5%	65.6%
May 23	98.1%	66.2%
Jun 23	98.2%	91.3%

END OF QUARTER DATA QUALITY

(TPR SCORES)



COMMON DATA

CLIENT SPECIFIC

Data Item	Active	Deferred	Pensioner / Dependant
Invalid or Temporary NI Number	1	5	12
Duplicate effective date in status history	0	12	12
Gender is not Male or Female	18	0	0
Duplicate entries in status history	2	15	23
Missing (or known false) Date of Birth	0	0	0
Date Joined Scheme greater than first status entry	4	1	0
Missing Surname	0	0	0
Incorrect Gender for members title	0	0	0
Invalid Date of Birth	5	0	0
No entry in the status history	1	0	0
Last entry in status history does not match current status	21	10	1
Member has no address	39	148	25
Missing Forename(s)	0	0	0
Missing State Retirement Date	18	0	0
Missing postcode	41	169	57
Missing Date Joined Pensionable Service	5	0	0
Total Fails	155	360	130
Individual Fails	90	196	90
Total Members	7,475	6,759	6,836
Accuracy Rate	98.8%	97.1%	98.7%
Total accuracy rate	98.2%		

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CONDITIONAL DATA

CLIENT SPECIFIC

Data Item	Fails
Divorce Records	0
Transfer In	24
AVC's/Additional Contributions	13
Deferred Benefits	4
Tranches (DB)	21
Gross Pension (Pensioners)	2
Tranches (Pensioners)	82
Gross Pension (Dependants)	9
Tranches (Dependants)	14
Date of Leaving	287
Date Joined Scheme	303
Employer Details	3
Salary	219
Crystallisation	331
Annual Allowance	482
LTA Factors	152
Date Contracted Out	4
Pre-88 GMP	145
Post-88 GMP	320
Total Fails	2,415
Individual Fails	1,829
Total Members	21,070
Accuracy Rate	91.3%

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Administration

Annual Internal Control Assurance Report 2022/23

for the year ending 31st March 2023

September 2023

lppapensions.co.uk

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Administration

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EXECUTIVE SUMMARY

LPPA, part of the LPP Group, provides pension administration services to over 660,000 members across over 1,300 active employers for its 18 LGPS and blue light clients.

LPPA’s aim is to make pensions simple at a time when our members need us the most. Our vision, is to be the provider of choice for public sector pensions administration.

To help LPPA achieve its vision, we are investing in our people by providing training and opportunities for professional qualifications. LPPA’s values set the foundation for the services we provide and the member experience we strive to deliver.

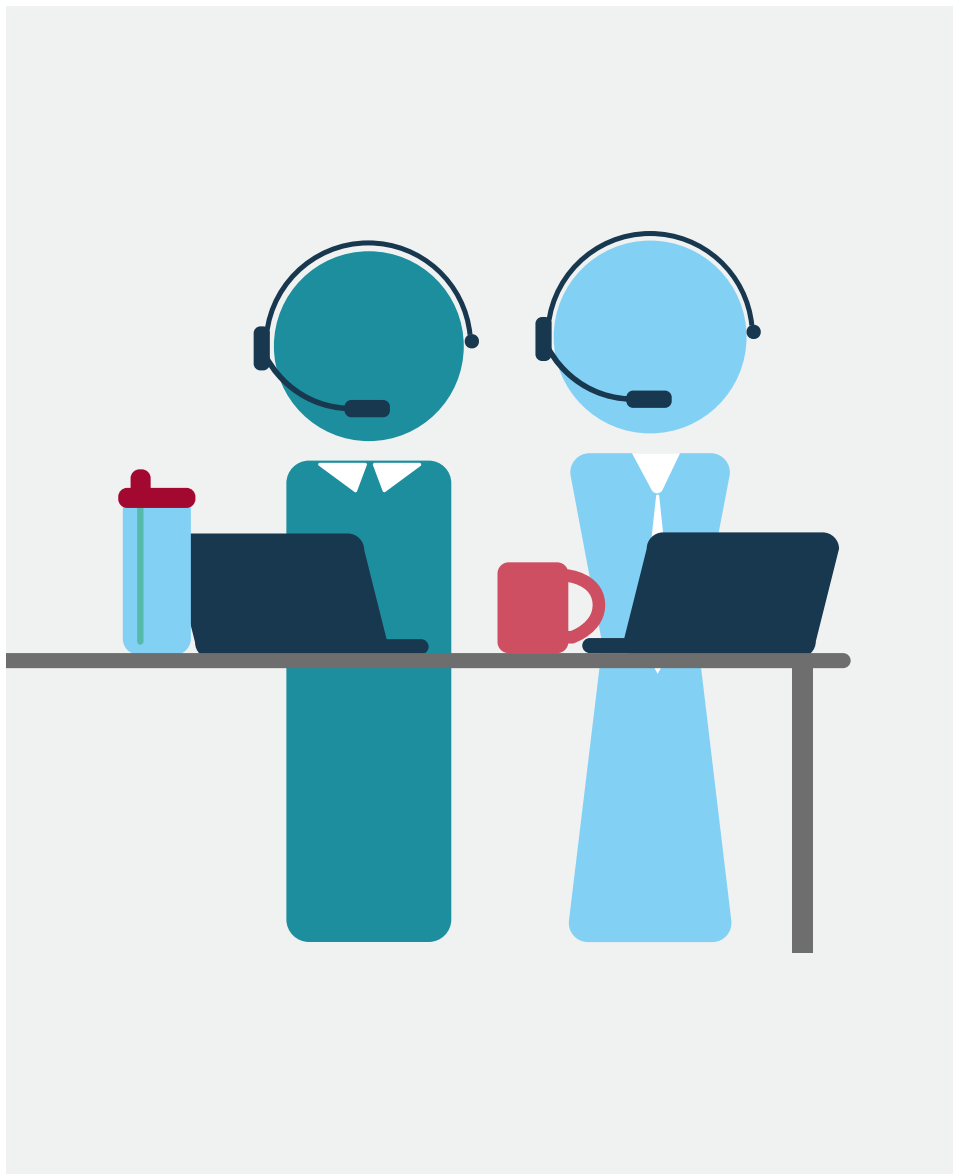
This report outlines the specific control objectives to support the evolution of LPPA as we move forward into the future.

During 2022/23 LPPA has delivered its flagship programme, Project PACE, to deliver one single core pensions administration system for LPPA by the end of 2022. Civica’s Universal Pensions Management system (UPM) replaces the multitude of disparate non-integrated systems previously in place. Key deliverables include:

- Strengthen the LPPA control framework to support the path to AAF 01/20 by April 2024 with automated bank validation and laying the foundations for digital identity verification.
- To deliver a scalable, stable solution built on industry standard platforms that will meet Cyber Essentials, Cyber Essentials Plus, ISO-27001 and UK GDPR/DPA 2018 requirements.
- To provide improved member and employer experience by introducing greater self-service functionality.

At the end of this reporting period, 31st March 2023, LPPA has successfully migrated all 17 of its existing clients, and in addition, has onboarded a new LG client onto UPM.





During the year 2022/23 we have maintained the strong, effective and collaborative working relationships we have with our clients, and we sincerely thank them all for their support during a very challenging period of change. Our focus is now on returning to business as usual and driving continuous improvement in member experience and the services we provide.

1
OFFICE

18
CLIENTS

OVER 1,300
ACTIVE
EMPLOYERS

OVER 660,000
MEMBERS

LPP

Local Pensions Partnership
Administration

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REPORT BY THE HEAD OF RISK & COMPLIANCE

This Report relates to the pension administration services provided by Local Pensions Partnership Administration Limited (LPPA).



Janet Morville-Smith
Head of Risk & Compliance LPPA

The reporting year, 2022/23, has seen a lot of change in LPPA. All of the live pension scheme data relating to the 18 pension schemes administered by LPPA has been successfully migrated across from various legacy systems into the Universal Pensions Management system (UPM). Historic data is still in the process of being fully migrated. This migration has been managed in a phased approach, with the last of our 18 clients migrating across in December 2022. This has been a significant transformation project that LPPA have carried out, with aggressive timescales, completing this work in just 12 months. However, with the hard work and support of everyone at LPPA, from the LPPA Board down, the migration was successfully completed with the security and integrity of all the data maintained.

The scale and complexity of the migration has created challenges with the loss of some experience and short term business disruption. LPPA acknowledge this and we are working hard to address the challenges as we return to business as usual. LPPA has enhanced its training programmes to achieve this, whilst at the same time driving continuous improvement in member experience and the services we provide for our clients.

The reporting period has been challenging, not only because of the amount of change, but from a risk & compliance perspective too. I have had to balance the risks to the business with the impact the change program has had on the business, whilst being pragmatic about the delivery of the risk management framework so as not to adversely affect the provision of the services to our clients and their members. At the same time, ensuring that those services are being provided in a compliant manner.

My technical and compliance teams have been working tirelessly on the myriad of regulatory consultations that have been published by the Home Office, Department of Levelling Up, Housing and Communities, HMRC and others, mostly in regard to the McCloud remedy implementation for Local Government, Police and Firefighters pension schemes. We responded to no fewer than 6 separate consultations.

From this reporting period, LPPA brought Internal Audit in-house. I have recruited a fully qualified, CMIIA Internal Auditor. The key benefit of LPPA providing its own Internal Audit is that the auditor has a full knowledge and understanding of LGPS and Public Sector Pensions, as well as quickly developing their knowledge of LPPA processes and practices. The auditor has the benefit of insight of LPPA's goals and future plans and is able to measure against these as well as LPPA's values when conducting an audit, ensuring the Executive Leadership Team have the relevant information when making key decisions.



To date, this report has provided assurances to our Clients that the services provided by LPPA are in compliance with the Pension Regulator's Code of Practice 14 and local government and public sector pensions legislation. This assurance has come from me as the Head of Risk & Compliance for LPPA and does so again for this reporting period.

During 2022/23 a lot of work has been ongoing with an external party to set the foundations for LPPA to be able to provide its clients with an independent assurance opinion in the form of an AAF 01/20 Report. AAF 01/20 is the 'de facto' market standard. A number of award-winning pensions administrators use the AAF control framework including Mercer/JLT, Barnett Waddingham, Trafalgar House, and XPS. LPPA is keen to establish robust and effective independent assurance reporting. AAF 01/20 will deliver the following:

- It is the "de facto" standard for pensions administration assurance reporting and adopted by many pensions administrators of similar or larger size and scale
- AAF will provide a list of pre-determined controls and is recognised across the industry
- It will give clients and their various oversight bodies (Committees and Boards) the independent assurance they require
- Ensures LPPA meets shared service contractual obligations
- Reduces the number of Client audits currently carried out on LPPA

During 2023/24 LPPA will be working closely with our third party provider with the aim of providing the first AAF 01/20 Report in 2024.

This report will not omit or distort information relevant to the scope of the services being described in the Control Objectives, whilst acknowledging that it has been prepared to meet the common needs of a broad range of clients and may not therefore include every aspect of the services that each individual client may consider important in its own particular environment.



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LPPA STRUCTURE

Organisational Structure

LPPA is a subsidiary of Local Pensions Partnership Limited. LPPA's head office is in Preston, Lancashire.

LPPA

LPPA provides pension administration services for Local Government Pension Schemes, Fire Fighter Pension Schemes and a Police Pension Scheme. We look after the needs of over 660,000 pension scheme members, across 18 pension schemes.

As a leading third party pensions administrator, we are responsible for the pension administration services, including calculation and payment of pension benefits, data quality and member and employer engagement.

Internal Controls

The system of internal controls is based upon an ongoing process designed to identify the risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

A key element of this structure includes formally agreed, clear definitions of the responsibilities and authority delegated to individual managers across all major activities, supported by LPPA's Executive Leadership Team, LPPA's Audit, Risk & Compliance Committee and the LPPA Board.

The LPPA Risk Management Framework includes the Risk Register, which maps and monitors the risks that threaten achievement of the Control Objectives and regularly reviews and tests the Controls to ensure they remain effective in managing those risks.

Governance Structure

The LPPA Board has an independent Chair and includes 2 Non-Executive Directors and representatives of LPP's shareholders.

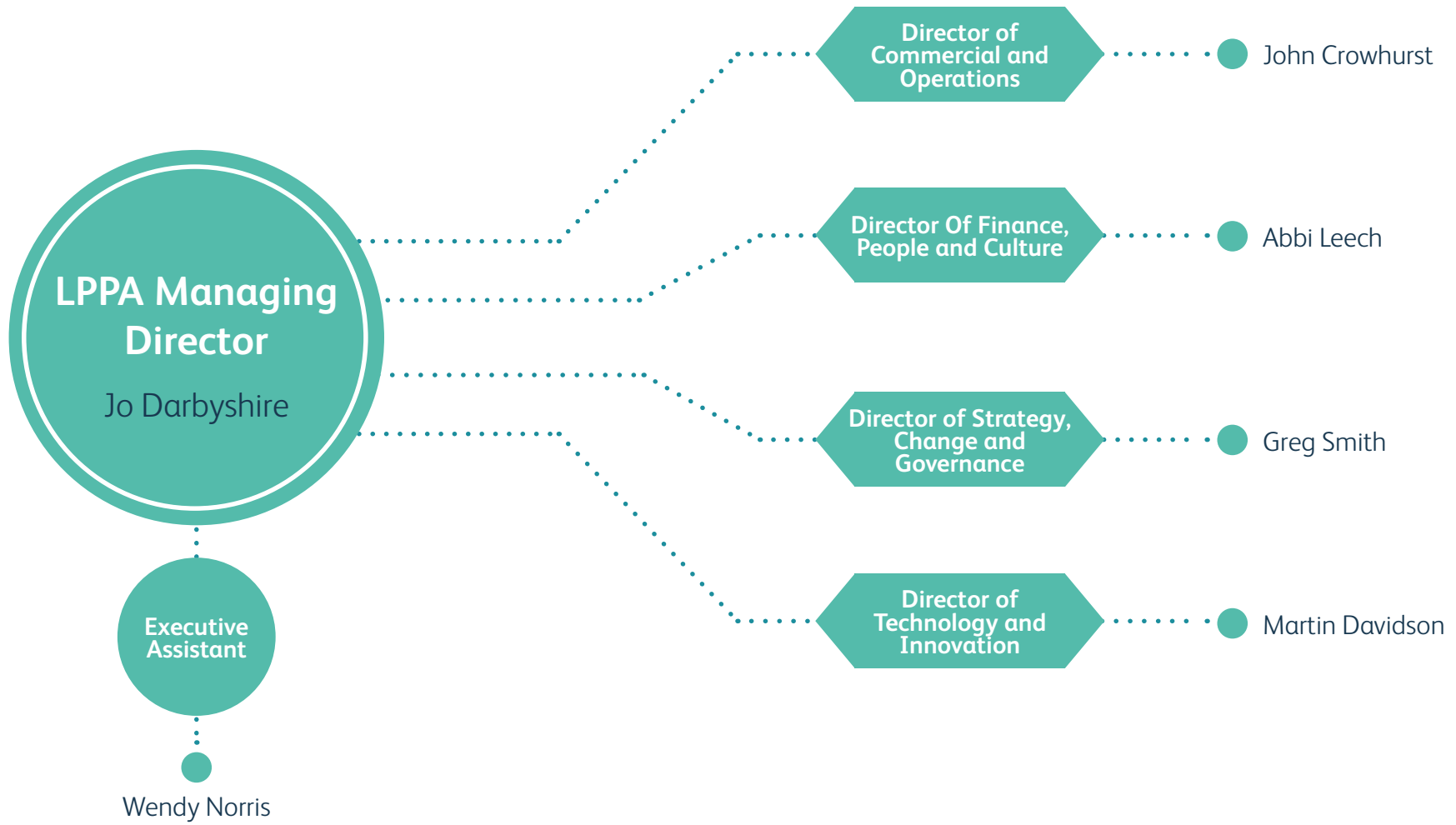
The LPPA Executive Leadership Team is led by Jo Darbyshire, LPPA Managing Director, and includes Senior Executives with the appropriate skills, knowledge and expertise to achieve the strategic objectives of LPPA.

Jo Darbyshire
LPPA Managing Director



LPPA EXECUTIVE LEADERSHIP

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CONTROL ENVIRONMENT

The executive leadership team of LPPA are committed to deploying a strong control environment for pension administration services through the following measures.

Risk Management Framework

LPPA operates within a risk management framework. This framework uses a “three lines of defence” model with the administration business supported by a dedicated risk function who provide oversight and co-ordinated reporting to the Executive Leadership Team, the Audit, Risk & Compliance Committee and the LPPA Board. The Risk Management Framework is responsible for ensuring that business level risks are managed effectively and that mandated policies and controls are in place and operating effectively. This covers the following areas relating to administration:

- ✓ Risk management and reporting
- ✓ Internal and external audits
- ✓ Internal control framework
- ✓ Fraud prevention
- ✓ Business continuity
- ✓ Complaints and errors
- ✓ Data Protection, Information Security and Cyber Security

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LPPA maintains a comprehensive Risk Register which covers:

- ✓ Strategic risks
- ✓ Financial risks
- ✓ Business Delivery risks
- ✓ Legal/Regulatory risks
- ✓ Technology risks

These risks are reviewed on a regular basis by Risk & Compliance with the relevant business areas. We work with clients to identify and understand the key risks which apply to their schemes and how they interact with our own Risk Register so that we can identify and implement measures to effectively mitigate these risks.

Quality Assurance & Compliance Monitoring

We recognise our responsibilities to ensure that the activities of LPPA and our people are carried out properly and with the utmost propriety, and that our managers conduct their activity properly and in accordance with statutory and regulatory requirements.

To ensure administration activities are carried out competently, LPPA has a dedicated Risk & Compliance function. Integral to this function is maintaining an awareness of the external environment to ensure regulatory and legislative changes which impact us are adequately dealt with in our operations. In support of this objective, we issue a number of corporate procedural and policy documents to our staff, including: Code of Conduct; Confidentiality; Gifts and Hospitality Policy; Financial Crime Policy; Data Protection Policy; Vulnerable Member Policy.

Page 46 The Quality Assurance & Compliance Monitoring team has implemented a programme of regular quality assurance and compliance monitoring reviews to ensure that our policies, processes and procedures are operating effectively, and they report the results of these to the Executive Leadership Team and the Audit, Risk & Compliance Committee.



Internal Audit

The purpose of LPPA Internal Audit is to provide independent, objective assurance to the LPPA Audit, Risk & Compliance Committee, the LPPA Board and the LPPA Executive Leadership Team that the pension administration services being provided to its clients is compliant and the oversight of those services has robust systems and controls in place.

LPPA Internal Audit's mission is to add value to LPPA by seeking to continuously improve governance, risk management and operational processes and drive LPPA values and behaviours throughout the business to enhance client and their member experience.

LPPA Internal Audit will also offer assurance to clients on the integrity of LPPA administrative services in order to reduce the requirement for external client audit activity.

Compliance & Technical

Our compliance and technical teams work together to assess the impact of legislative and/or regulatory change which may impact our clients and administration processes. Changes are communicated to staff via technical updates and face-to-face discussions and/or training sessions. LPPA's intranet site is accessible to all administrators and provides a central reference point for technical materials, policies, procedural guidance, standard letter templates and checklists.

Where Government and/or industry bodies publish consultations on proposed legislative change, the compliance and technical teams will carry out an impact assessment and draft responses to the consultation. Where appropriate, the draft responses are shared with our clients and a round-table session is facilitated to discuss the subject matter and share thoughts so that the final response submitted by LPPA is representative of all the relevant stakeholders.

Information Security

LPPA understands the importance of keeping member data secure. To ensure that the data under our control is kept secure, LPPA has implemented a number of controls and technologies. Whilst technology is important in cyber security, the investment in training of staff is also a key factor in our defence against malicious acts.

LPPA is ISO 27001 accredited and has Cyber Essential Plus accreditation. This accreditation shows that it has processes and procedures in place that keep information and systems secure, which is independently verified.

All of LPPA's systems are protected at the network perimeter by firewalls, using Palo Alto firewalls. The firewalls are automatically updated to protect against emerging threats. Firewalls have a "default deny" policy, with changes to rules completed after a change control process is followed, with a business need and security review carried out. External penetration tests are carried out annually by CREST accredited organisations to verify the perimeter protection and identify any new issues.

Servers and end-user devices are patched monthly, with critical patches installed within 14 days of release. All devices are covered by antivirus, which is centrally managed and updates are automatically downloaded to devices.

To protect against the loss of data, system corruption or ransomware, LPPA backs up data daily to an immutable online backup repository and to tape, which are removed from site and stored securely.

Disaster recovery tests are carried out annually to test the restoration process and to confirm the validity of backups.

LPPA's systems are monitored 24 x 7 x 365 by a Security Operations Centre service, which checks for suspicious activity and Indications of Compromise, reporting any suspicious activity to LPPA IT and taking preventative action if deemed a critical incident.

Access rights for users must be authorised by line managers and specialised technical privileges must be authorised by IT. Access to client databases is further segregated via security groups. Quarterly access reviews of user and privileged access are carried out with the relevant manager / system owner required to review and confirm they are correct.



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CONTROL OBJECTIVES

PENSION ADMINISTRATION

1. Accepting clients

- Accounts are set up and administered in accordance with client agreements and applicable regulations.
- Complete and authorised client agreements are operative prior to initiating administration activity.
- Pension schemes taken on are properly established in the system in accordance with the scheme rules and individual elections.

2. Authorising and processing transactions

- Benefits payable and transfer values are calculated in accordance with scheme rules and relevant legislation and are paid on a timely basis.

3. Maintaining financial and other records

- Member records consist of up-to-date and accurate information and are updated and reconciled regularly.
- Contributions and benefit payments are completely and accurately recorded in the proper period.
- Scheme documents (deeds, policies, contracts, booklets) are complete, up to date and securely held.

4. Safeguarding Assets

- Member and scheme data is appropriately stored to ensure security and protection from unauthorised use.
- Funds are safeguarded and payments are suitably authorised and controlled.

5. Monitoring compliance

- Services provided to pension schemes are in line with service level agreements.
- Transaction errors are rectified promptly and Members treated fairly.

6. Reporting to clients

- Periodic reports to participants and scheme sponsors are accurate and complete and provided within required timescales.
- Annual reports and accounts are prepared in accordance with applicable law and regulations.
- Regulatory reports are made if necessary.

7. Restricting access to systems and data

- Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.
- Logical access to computer systems, programs, master data, transaction data and parameters, including access by administrators to applications, databases, systems and networks, is restricted to authorised individuals via information security tools and techniques.
- Segregation of duties is defined, implemented and enforced by logical security controls in accordance with job roles.

INFORMATION TECHNOLOGY

8. Providing integrity and resilience to the information processing environment, commensurate with the value of the information held, information processing performed and external threats

- IT processing is authorised and scheduled appropriately and exceptions are identified and resolved in a timely manner.
- Data transmissions between the service organisation and its counterparties are complete, accurate, timely and secure.
- Appropriate measures are implemented to counter the threat from malicious electronic attack (for example firewalls and anti-virus software).
- The physical IT equipment is maintained in a controlled environment.

9. Maintaining and developing systems hardware and software

- Development and implementation of new systems, applications and software, and changes to existing systems, applications and software, are authorised, tested, approved and implemented.
- Data migration or modification is authorised, tested and, once performed, reconciled back to the source data.

10. Recovering from processing interruptions

- Data and systems are backed up regularly, retained offsite and regularly tested for recoverability.
- IT hardware and software issues are monitored and resolved in a timely manner.
- Business and information systems recovery plans are documented, approved, tested and maintained.

11. Monitoring compliance

- Outsourced activities are properly managed and monitored.

DATA PROTECTION / GDPR

12. Data Security

- Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.



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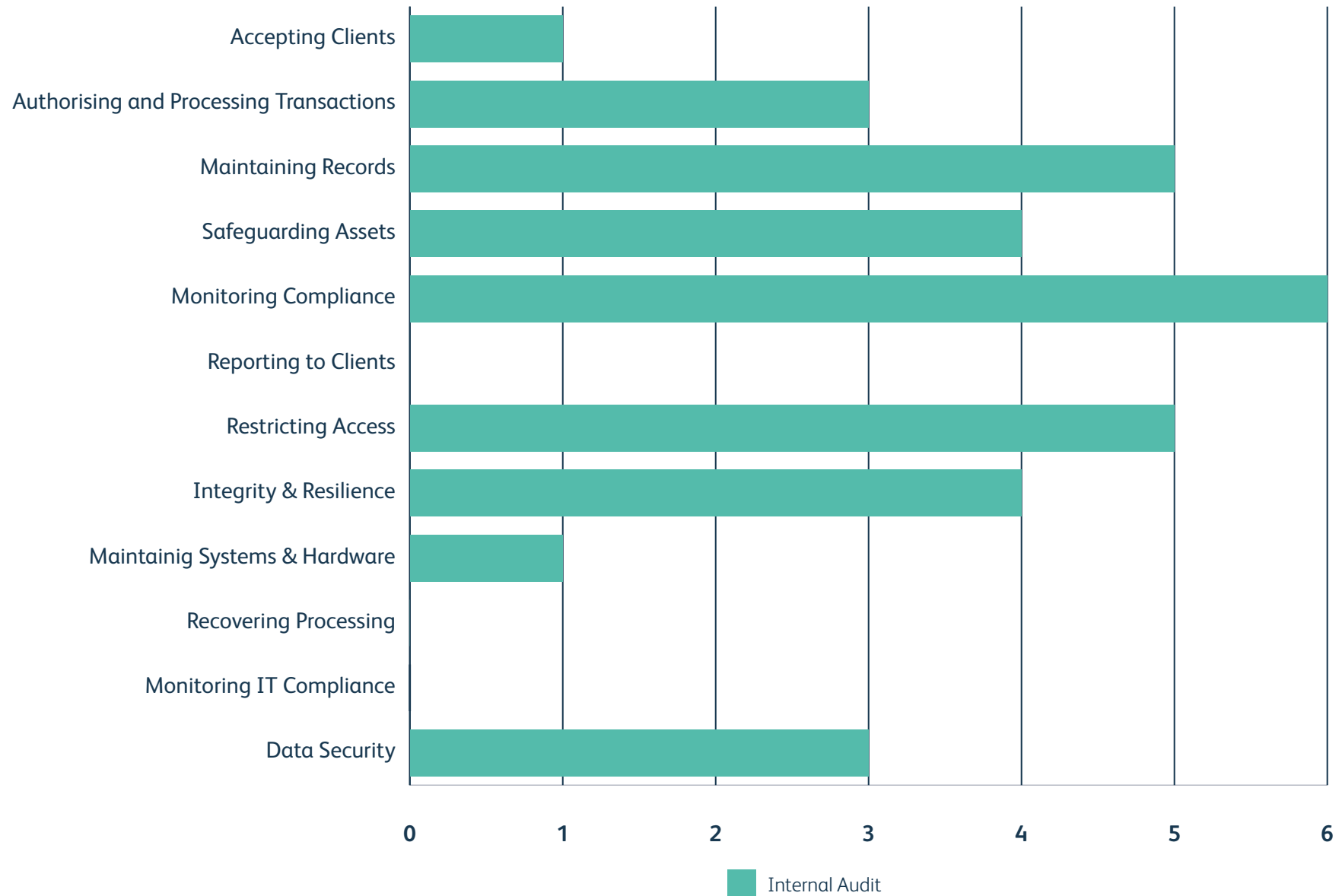
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CONTROL TESTING

The number of control objectives that have been tested during 2022/23 via the following methods are:

CONTROL TESTING

Page 52
No. of controls tested



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OVERVIEW OF INTERNAL AUDIT ACTIVITY 2022/23

The internal audit activity to assess the control objectives for the financial year ended 31 March 2023 was set out in the Internal Audit Plan 2022/23

OVERVIEW OF INTERNAL AUDIT ACTIVITY 2022/23

For the FY2022/23, 4 Internal Audits have been carried out in line with LPPA's Internal Audit Plan.

The audit remits were to ensure the appropriate controls are in place to mitigate risks to both LPPA and to the Client, as well as ensuring the LPPA values are being met which together drive a good customer experience.

The definition of Internal Audit is:

Internal Audit
Purpose: To confirm compliance Objective: Provide independent Assurance
Internal Audit tests the effectiveness of controls to ensure the business operates compliantly

Page 54

1

Control Objective 1
Accepting Clients

2

Control Objective 2
Authorising and
Processing Transactions

3

Control Objective 3
Maintaining Financial
and Other Records

4

Control Objective 4
Safeguarding Assets

5

Control Objective 5
Monitoring Compliance

6

Control Objective 6
Reporting to Clients

7

Control Objective 7
Restricting Access to
Systems and Data

8

Control Objective 8
Providing integrity and resilience to the
information processing environment,
commensurate with the value of the
information held, information processing
performed and external threats

9

Control Objective 9
Maintaining and
developing systems
hardware and software

12

Control Objective 12
Data Security

CONTROL OBJECTIVES

3

4

5

7

Review

Operational Quality

Controls

Scheme documents (deeds, policies, contracts, booklets) are complete, up to date and securely held.

Member and scheme data is appropriately stored to ensure security and protection from unauthorised use.

Services provided to pension schemes are in line with service level agreements.

Transaction errors are rectified promptly and Members treated fairly.

Segregation of duties is defined, implemented and enforced by logical security controls in accordance with job roles.

Controls

A consultative piece of work commissioned by LPPA’s Executive Leadership Team. The intention being to flush out areas of concern and to identify the need for change or improvements. Immediate action has already been taken, including a new management structure, enhanced staff training and a strategic business plan 2023-26 seeking to address findings.

CONTROL OBJECTIVES

5

6

9

Review

Contractual SLA’s

Controls

Services provided to pension schemes are in line with service level agreements.

Periodic reports to participants and scheme sponsors are accurate and complete and provided within required timescales.

Development and implementation of new systems, applications and software, and changes to existing systems, applications and software, are authorised, tested, approved and implemented.

Controls

A consultative piece of work to provide assurance to LPPA’s ELT that UPM had been correctly configured to measure SLA’s and the reporting was accurate.

Internal audit identified areas where the internal management information could be enhanced.

[n.b. following this initial piece of work, further work is ongoing around the SLAs]

CONTROL OBJECTIVES

1 3 7 8

Review

Procurement & Vendor Management

Controls

Accounts are set up and administered in accordance with client agreements and applicable regulations.

Scheme documents (deeds, policies, contracts, booklets) are complete, up to date and securely held.

Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.

IT processing is authorised and scheduled appropriately and exceptions are identified and resolved in a timely manner.

Controls

Procurement previously sat at LPP Group level and the Group undertook the process for the UPM administration system. There was no focus at the subsidiary level and no one point of ownership which was a known weakness for LPPA ELT. This audit provided focus and a dedicated LPPA point of ownership has been provided.

CONTROL OBJECTIVES

5

Review

Operational Capacity Planning

Controls

Services provided to pension schemes are in line with service level agreements.

Transaction errors are rectified promptly and Members treated fairly.

Controls

To consider the resourcing of LPPA and the effectiveness of resource planning to meet operational requirements.

Operational capacity is expected to improve as spikes in work, a consequence of Project PACE, are envisaged to be eliminated by the end of Q2 2023/24. This should then create the capacity to undertake further developmental activity.

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OVERVIEW OF LPPA RISK & COMPLIANCE ACTIVITY 2022/23

This section contains details of the quality assurance and compliance monitoring activity for the financial year ended 31 March 2023 in regard to the pension administration business

Reviews Conducted by LPPA’s Quality Assurance & Compliance Monitoring Team:

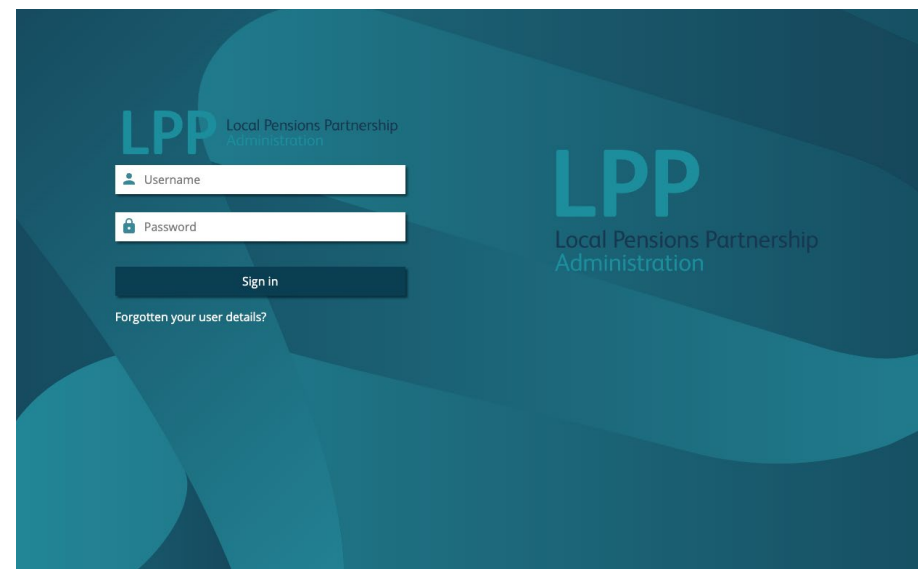
The Quality Assurance & Compliance Monitoring Plan was suspended in October 2022 for the remainder of this reporting period, in order to support the delivery of Project PACE

The remit of the Quality Assurance & Compliance Monitoring team is to ensure that LPPA administers pensions on behalf of its Clients to the highest standards and in compliance with all rules and regulations that apply to a pension administration business, which includes the pensions legislation, the Pensions Regulator’s Code of Practice 14 and Data Security to name but a few. The assessment of this tests the processes and procedures to ensure the appropriate controls are in place to mitigate risks to both LPPA and to the Client, as well as ensuring the LPPA values are being met which together drive a good customer experience.

For the FY22022/23 LPPA’s Quality Assurance & Compliance Monitoring Team have performed 3 reviews to compare processes in Altair to the same processes in UPM, to provide assurances that the controls in place within UPM are at least as robust as those previously in Altair.

The definition of Quality Assurance and Compliance Monitoring is:

Quality Assurance	Compliance Monitoring
<p>Purpose: To drive business/process improvements Objective: An internal Management Tool</p>	
<p>Quality Assurance provides an early warning of any procedural/skills/training gaps</p>	<p>Compliance Monitoring focuses on a process or business area to identify any inefficiencies or drive continuous improvement</p>



Compliance Monitoring

CONTROL OBJECTIVES 2 3 4 5 7 8 12

Review

Bereavements Process

Controls

Benefits payable are calculated in accordance with scheme rules and relevant legislation and are paid on a timely basis.

Member records consist of up-to-date and accurate information and are updated and reconciled regularly.

Benefit payments are completely and accurately recorded in the proper period.

Member and scheme data is appropriately stored to ensure security and protection from unauthorised use.

Funds are safeguarded and payments are suitably authorised and controlled.

Services provided to pension schemes are in line with service level agreements.

Transaction errors are rectified promptly and clients treated fairly.

Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.

Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.

Data transmissions between the service organisation and its counterparties are complete, accurate, timely and secure.

Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.

Controls

Process improvements were identified.

Compliance Monitoring

CONTROL OBJECTIVES 2 3 4 5 7 8 12

Review

Retirements Process

Controls

- Benefits payable are calculated in accordance with scheme rules and relevant legislation and are paid on a timely basis.
- Member records consist of up-to-date and accurate information and are updated and reconciled regularly.
- Benefit payments are completely and accurately recorded in the proper period.
- Member and scheme data is appropriately stored to ensure security and protection from unauthorised use.
- Funds are safeguarded and payments are suitably authorised and controlled.
- Services provided to pension schemes are in line with service level agreements.
- Transaction errors are rectified promptly and clients treated fairly.
- Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.
- Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.
- Data transmissions between the service organisation and its counterparties are complete, accurate, timely and secure.
- Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.

Controls

- Process improvements were identified.

Compliance Monitoring

CONTROL OBJECTIVES 2 3 4 5 7 8 12

Review

Transfer & Aggregation Process

Controls

Benefits payable are calculated in accordance with scheme rules and relevant legislation and are paid on a timely basis.

Member records consist of up-to-date and accurate information and are updated and reconciled regularly.

Benefit payments are completely and accurately recorded in the proper period.

Member and scheme data is appropriately stored to ensure security and protection from unauthorised use.

Funds are safeguarded and payments are suitably authorised and controlled.

Services provided to pension schemes are in line with service level agreements.

Transaction errors are rectified promptly and clients treated fairly.

Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.

Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.

Data transmissions between the service organisation and its counterparties are complete, accurate, timely and secure.

Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.

Controls

Process improvements were identified.

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ACCREDITATIONS

LPPA will continue to maintain the following accreditations in support of its control assurance framework.

Title	Expiry
ISO 27001	LPPA accreditation achieved in December 2022
Cyber Essentials	LPPA accreditation achieved in July 2022
PASA Membership	LPPA renewed membership in September 2022
Cyber Essentials Plus	LPPA accreditation achieved in September 2022
Pension Scams Industry Forum Membership	Ongoing since 2020
The Pensions Regulator's Pledge to Combat Pension Scams	Ongoing since 2020

In addition to the above accreditations, LPPA is proud to have participated in several industry body working groups in collaboration with DWP, LGA, NPCC.

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This Internal Control Assurance Report will
be issued annually covering the previous
financial year.

A - Reporting Duties

Note the requirements in this section are not included in the TPR Code but they are a fundamental to the relationship with TPR.

Legal Requirements

All public service pension schemes have to be registered with TPR. On request from TPR, schemes must submit a scheme return, containing prescribed information.

The Scheme Manager must also keep TPR informed of any changes to registrable scheme details.

Note the requirements in section A are not included in the TPR Code but are a requirement for all schemes.

No.	TPR Requirement	TPR Code Ref	London Borough of Havering Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	n/a	Yes - the Pensions Projects and Contracts Manager is the contact on the registration.	n/a already registered		Fully completed	Fully compliant		
A2	Is the information held on the Pensions Regulator's website about	n/a	The scheme return was submitted to TPR with details of all scheme employers.	Annual check	14/11/2022	Fully completed	Fully compliant		
A3	Have you completed this latest Scheme	n/a	The scheme return was submitted on 14/11/2022 prior to the deadline of 18/11/2022	Annual check	14/11/2022	Fully completed	Fully compliant		

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B - Knowledge and Understanding

Legal Requirements

A member of the pension board of a public service pension scheme must be conversant with:

TPR Code Ref 34

- the rules of the scheme, and
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

TPR Code Ref 35

- the law relating to pensions, and
- any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

TPR Code Ref 36

No.	TPR Requirement	TPR Code Ref	London Borough of Havering Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B1	Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?	38	A joint training strategy has been developed and was agreed by the Pensions Committee on the 24 November 2015 and presented to the Local Pension Board (LPB) at its meeting on the 6 January 2016. The Training Strategy covers both committee and board members. To assist in achieving the training strategy objectives the fund will aim for full compliance with the CIPFA Knowledge and Skills Framework. Training register is maintained throughout the year detailed in the annual report.	Annual check	31/03/2023	Fully completed	Fully compliant		Once the Good Governance Guide has been finalised and formally adopted, the training strategy will be revised to cover all areas within the recommendations. The timetable will depend on the capacity within MHCLG and other LGPS stakeholders to progress to implementation of the proposals and consult on formal guidance given their other current priorities.
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	38	On a day to day basis the Pension Fund Manager (Onesource Pensions and Treasury) maintains compliance with the policy and annual reporting. Training is also arranged by Pensions Administration as applicable.	As and when required		Fully completed	Fully compliant		
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	48	The CIPFA Knowledge and Skills self assessment was undertaken when the LPB was first set up. The LPB also undertook induction training held by Hymans (generic to the LGPS) and followed up by officers (Havering Pension Fund focus). Ongoing training is provided and attendance published in the Pension fund Annual report.	Ongoing		Fully completed	Fully compliant	Induction training has been carried out for all existing board members.	All Board members, along with Committee and Officers, now have access to Hymans LGPS Online Learning Academy (LOLA) training modules. LOLA modules to be reviewed against tPR training to establish whether both are necessary. Cifa self assessment matrix to be circulated to members in October 2023
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	47	The roles and responsibilities are set out in the Board Members Terms of Reference and are provided to new members on appointment.	Annual check	31/03/2023	Fully completed	Fully compliant	Documentation is included in the induction pack and is also available on the pensions webpage: https://www.havering.gov.uk/info/20044/council_data_and_spending/222/pension_fund	
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	50	This is detailed in Terms of Reference which is provided to each member on appointment to the Board. The Training Strategy also outlines the legal requirements relating to knowledge and skills.	Ongoing		Fully completed	Fully compliant		
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	40	Scheme Regulations are available on the lgpsregs.org website. All key fund documentation is also available to view on the havering.gov pensions web pages	Ongoing		Fully completed	Fully compliant	Key documents, policies and guidance are on the Havering Pensions Website: https://www.havering.gov.uk/info/20044/council_data_and_spending/222/pension_fund	
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	46	LBH has created and will maintain a list of documents that the Board members will need to be conversant with.	As and when required but at least annually	31/01/2022	Fully completed	Fully compliant	Now included as part of the induction pack. The reading list will be re-circulated as and when it is revised	The items on the reading list remain relevant however a check would be beneficial to ensure it is up to date.
B8	Are all pension board members investing sufficient time in their learning and development?	55	A number of training sessions have been arranged although attendance could be improved. A log is maintained of who has attended training and this is published in the annual report. The CIPFA Knowledge and Skills Framework self-assessment form will also become a personalised training plan for each member and will be used to document areas of learning and continued development. Training is a standing item on the board agenda	Ongoing		Fully completed	Fully compliant		

B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	56	Pre-appointment training and mentoring has not been offered, but potential members are invited to discuss the roles and referred to the website where the roles and responsibilities are set out. Induction courses are designed to meet the needs of new members	As and when required		Fully completed	Fully compliant	An Induction Pack has been introduced to accompany the induction training provided by officers	
B10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?	57	See comments in B3 - the knowledge and skills analysis will be carried out annually.	Annual check	30/09/2022	Fully completed	Fully compliant		All Board members, along with Committee and Officers, now have access to Hymans LGPS Online Learning Academy (LOLA) training modules. LOLA modules to be reviewed against tPR training to establish whether both are necessary. Cifa self assessment matrix to be circulated to members in October 2023
B11	Are records of learning activities being maintained?	60	A log is maintained of who has attended training and this is published in the annual report.	Annual check	31/03/2023	Fully completed	Fully compliant		
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	59	The modules within the Pensions Regulator online toolkit are available to Board Members and completed courses have been recorded in the training log. In addition, to the COP14 training, general online training is also available via the Pensions Regulator	Annual check	31/03/2023	In progress	Partially compliant		There is generic training available for trustees plus additional training specific to public service schemes and the COP14. New members to complete training. See comments in B3 and B10



Havering Pension Fund Risk Register

September 2023

Generic Pension Fund Risk Register

The pension fund uses a 4 x 6 matrix to plot risk likelihood and impact and has set its risk appetite. The Risk Likelihood/Impact score shows in the column “Risk Likelihood/Impact Prior to controls” and the column “Risk Likelihood/Impact Post Controls”. The green shaded area on the matrix shows the risks where there is good control and the Council is comfortable with the risk. Risks in the amber and red zones are those over which closer control is needed.

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Likelihood	A	Green	Amber	Red	Red
	B	Green	Amber	Amber	Red
	C	Green	Green	Amber	Amber
	D	Green	Green	Green	Amber
	E	Green	Green	Green	Green
	F	Green	Green	Green	Green
		4	3	2	1
	Impact				

Risk Likelihood
 F = Very Unlikely
 E = Unlikely
 D = Possible
 C = Likely
 B = Very likely
 A = Certainty

Risk Impact
 4 = Negligible
 3 = Moderate
 2 = Serious
 1 = Major

Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
RISK TITLE								
No 1. Risk of Inaccurate three yearly actuarial valuation								
Upper Level: S151 Officer/Director of Exchequer and Transactional Services								
1.1	Lower Levels: PFM	Inappropriate assumptions used by actuary in calculations for valuation.	Inappropriate investment risk may be adopted and deficit not reduced.	AMBER B/2	Assumptions for valuation are in compliance with regulation.	GREEN E/3		Officer meeting in October 2022.
					Actuarial assumptions are open to challenge by officers, members during training and as part of the Funding Strategy Statement consultation with stakeholders			Valuation training for pensions Committee members delivered by Hymans in December 22.
					Valuation results are checked for consistency across LGPS funds via GAD S13 report.		GAD S13 report measures valuations using 4 criteria: <ul style="list-style-type: none"> • compliance • constituency • solvency • long-term cost efficiency. GAD S13 report on 2019 valuations resulted in the Fund receiving “white” flag under the solvency	Valuation 2022 process completed by March 2023 deadline. Risk and Controls Reviewed by LPB July 23.
								GAD S13 report for 2022 not expected until 2024 – Officers to assess results and report to Committee on the outcomes

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
Page 72							measure – meaning no overall concerns	
					Local Government benchmarking/comparisons of assumptions. Asset/Liability review following Valuation and consideration by members			
				Potential for Council Tax increases to plug funding gap.	Valuation completed by a qualified professional actuary.			
					Robust, open procurement process in place for appointment of actuary.			
					Annual review of actuary performance undertaken by Pensions Committee.		21/22 Service Review submitted to Pensions Committee 08 November 2022. Current contract extended to 2025, in line with framework agreement.	
1.2	PFM/CMO	Poor quality data provided /personal data not	Poor quality or Incomplete data could result in an	AMBER B/2	Data cleansing/Controls in place to ensure accuracy and completeness of data.	GREEN E/3	Risk and Controls Reviewed by LPB July 23.	

22/23 Service Review due to be presented to Pensions Committee in November 2023.

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
Page 73		maintained (gaps/incorrect)	Increase to employer contributions/ inappropriate contribution percentages calculated.		Data accuracy measured against the Pensions Regulator scoring criteria with a requirement to achieve 100% accuracy on common data. An annual data improvement plan is in place with agreement from LPPA to ensure identified areas for improvement are recorded and dealt with			
					Annual Data Improvement plan implemented with agreement from LPPA and regular checking of the Pensions Regulator data scores to identify areas to be fed into the plan			
					Pensions Administration Strategy implemented with effect from 01/10/21 to clarify employer responsibilities regarding data accuracy and timeliness			
<p>RISK TITLE No 2. Risk of Incorrect / Inappropriate Investment Strategy</p>								
<p>Upper Level:S151 Officer</p>								
2.1	Lower Levels: PFM	Lack of or poor professional investment advice given or not taken	Potential for financial loss.	AMBER C/2	Investment Advisor appointed to advise the Fund and is instrumental in setting Investment Strategy.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls.
			Loss of investment opportunities and					

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
			adverse performance.		Investmnt Advisor is FCA regulated so is required to evidence they meet the required standards			
			Growth opportunities are not maximised.					
2.2	PFM	Poor governance of Investment Advisor	Potential for financial loss.	AMBER C/2	Robust, open procurement process in place for appointment of Investment Advisor.	GREEN E/3	Contract ends 31 March 2024 with the option to extend to 31 March 2024. 21/22 Service review presented to Pensions Committee 13 December 2022	Risk and controls reviewed September 23. No changes required to current controls. 22/23 Service review due to Pensions Committee November 2023. Officers to recommend extension of contract to 31 March 2026
					Investment Advisor performance is annually reviewed by the Pensions Committee and conforms to Competitive Markets Order.			
					Option to appoint an Independent advisor to undertake a health check and add robustness to the investment strategy as required.			

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2.3	PFM	Lack of understanding and awareness (Pension Committee)	More investment risk may be taken to bridge a gap that does not actually exist and could generate inefficiencies and unintended risks if not fully understood.	AMBER C/2	Investment strategy /risks continually assessed as part of the quarterly monitoring process by the Pensions Committee.	GREEN D/2		Risk and controls reviewed September 23. Hymans LOLA Version 2 to go live 1 October 2023. Completion of modules to continue to be monitored
					Investment Advisor attends each quarterly Pension Committee meeting.			
					Knowledge and skills training of LPB and Committee Members/Inductions carried out for new LPB and Pension Fund Committee member.		Pensions Committee & LPB - Training / Awareness ongoing - working towards full compliance with CIPFA. Knowledge and Skills framework. Signed up to Hymans onlone learning platform (LOLA) from August 2022	
2.4	PFM	Concentration risk by asset, region and sector/Lack of clear risk appetite.	Potential for a more risk averse Investment Strategy when	AMBER C/2	Investment Strategy Statement (ISS) /risks continually assessed as part of the quarterly monitoring process by the Pensions Committee.	GREEN E/3		Risk and controls reviewed September 23.

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			more risk is required or more investment risk may be taken to bridge a gap that does not actually exist.		Diverse portfolio to reduce concentration. Members are informed of risk vs return consequences on any proposal to change the ISS			No changes required to current controls.
2.5	PFM	Based upon inaccurate actuarial valuation.	Pension deficit not reduced and potential for Council Tax increases.	AMBER C/2	Liabilities analysed during inter-valuation period in addition to every three years.	GREEN E/3		Risk and controls reviewed September 23.
					Close working relationship is encouraged between actuaries and investment advisor in the development of the investment strategy. Made easier as both services undertaken by the same firm.		No changes required to current controls. Intervalluation report as at 30 September 2023 due in December 2023. Officers to report outcomes to Pensions Committee	
RISK TITLE No 3. Risk of Failure of Investments to Perform In-Line with Growth Expectations								
Upper Level: S151 Officer								
3.1	Lower Levels: PFM	Poor Fund Manager selection.	Potential for losses to be incurred.	AMBER C/2	Fund Manager selection now undertaken by LCIV. LCIV is FCA regulated	GREEN E/3		Risk and controls reviewed September 23.

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
			Reputational risk from poor investments.		Product reviews and due diligence undertaken by Investment Advisor before the Fund invests. Robust Fund Manager selection process in place (Non LCIV where required)			No changes required to current controls.
3.2	PFM	Underperformance by Fund Manager	Deficit reduction targets not met/Increased employer contributions.	AMBER C/2	Fund Managers and LCIV attend Pension Committee to present quarterly performance reports and challenge by the Committee and Fund Investment Advisor.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls.
3.3	PFM	Poor investment advice provided to the Fund or not taken.	Deficit reduction targets not met.	AMBER C/2	Investment Advisor performance is annually reviewed by the Pensions Committee and close working relationship maintained with officers.	GREEN D/3	21/22 Service Review submitted to Pensions Committee 13 December 2022	Risk and controls reviewed September 23. No changes required to current controls. 22/23 Service review due to Pensions Committee November 2023
3.4	PFM	Negative financial market impacts/external factors/increased market volatility (i.e. Recession, COVID 19	Economy downturn could result in general fall in investment values.	RED B/1	Diverse portfolio to reduce effects from market volatility. Close monitoring of Markets by the Fund's investment Advisor. Investment Advisor produces monthly market updates.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls.

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
		Pandemic, inflation)						
3.5	PFM	Delays in the implementation of the strategy will reduce the effectiveness of the strategy and may impact growth.	The Fund’s assets are not sufficient to meet its long term liabilities.	AMBER C/2	Investment advisor/Pensions Committee and officers review fund performance and asset class targets quarterly.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls.
3.6	PFM	Delays in compliance with capital calls/FX Hedges on new illiquid mandates could result in penalty payments.	Penalty payments are charged to the Fund.	GREEN D/3	Robust processes in place to ensure capital calls/FX cash settlements are funded in a timely manner.	GREEN D/4	No penalty charges or missed capital calls to date	Risk and controls reviewed September 23. No changes required to current controls
3.7	PFM	Underperformance of LCIV Fund manager. Failure to achieve Asset Under Management (AUM)Target.	The Fund’s assets are not sufficient to meet its long term liabilities.	AMBER C/1	Officers attend LCIV monthly business meetings to ensure the Fund is up to date with LCIV events. Summaries are reported back to the Pensions Committee quarterly.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls.
					LCIV arrange regular “meet the manager” sessions that is open to Officers and Committee members.			
					LCIV attend Pension Committee, as part of the reporting cycle, to report on sub fund manager performance			

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified	
Page 79					and LCIV updates. Open to challenge by the Committee and Fund Advisor.			This Fund is in the process of being fully divested, proceeds to fund LCIV Global Bond Fund	
					LCIV sub fund manager performance is monitored by LCIV – monitoring status awarded “normal”, “enhanced” or “on-watch”. Deep dives undertaken annually or more frequently if on “enhanced” monitoring or “on watch		LCIV Diversified Growth Fund currently classified as “enhanced” monitoring Next review: December 2023		
					Failure to meet AUM target may impact LCIV service delivery		Development charges and ad valorem fees are reported at the LCIV General Shareholder meetings - attended and challenged by shareholder reps i.e. Councillors from each borough, SLT..		
					Annual charges may not decrease in line with MTFS expectations.				
3.8	PFM	Fund Managers – noncompliance to the Code of Transparency.	Failure to disclose full management fees in the Pension Fund Annual Report and accounts and being overcharged.	GREEN C/3	Fund Managers complete the Code of Transparency compliance template annually. Officers have access to the Byhiras client portal to check submission of templates.	GREEN D/3	All fund managers now submit data so further analysis can be undertaken	Risk and controls reviewed September 23. No changes required to current controls.	

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
3.9	PFM	Climate Risk /ESG Considerations.	Failure to consider the extent of climate change could impact negatively on financial outcomes e.g. stranded assets, carbon taxes etc. Could also result in the Fund missing out on investment opportunities associated with Climate change.	AMBER C/2	The Committee have developed a set of Investment beliefs that recognises that climate change and the expected transition to a low carbon economy represents a long –term financial risk to Fund outcomes.	GREEN D/2	Climate Risk Policy agreed by Pensions Committee on 25 July 2023.	Risk and controls reviewed September 23. No changes required to current controls. Workshops to be arranged to assess progress against action plan
					Investment beliefs incorporated as part of the ongoing implementation of investment strategy and some funds have switched to less carbon intensity products.			
					The Pensions Regulator has set up a working party to consider guidance for pension schemes. The SAB is also expected to incorporate climate change considerations into its guidance for LGPS funds during 2020. climate scenario stress testing is now included in the contribution modelling exercise for the local authority as at the 2022 valuation.			

Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
3.10	PFM	Risk that MATS Consolidate existing Pension Fund memberships funded within various Local Authorities into a Pension Fund outside Havering.	If a request to transfer out from the Fund is granted by DLUHC, this could set a precedent for the sector and the potential wider impact on other employers who may also seek to transfer out. There will be an impact on cash flow and Investment Strategy as it is estimated that c10% of the Fund’s assets and liabilities would transfer out if all existing MATS followed precedent	AMBER C/2	The Fund has responded to the consultation issued by DLUHC opposing the transfer on the grounds of the wider risks faced by the Fund.	AMBER C/2	To monitor DLUHC actions re Transfer request from Oasis Community Learning.	DLUHC continuing to consider the Oasis application, no update as at September 2023-officers awaiting decision
				If the Transfer request is granted the Fund will ensure data is correct and work with the actuary to ensure that the settlement of the transfer is valued correctly for exit.		To ensure contact with the Actuary regarding transfers and exit valuations.		
<p>RISK TITLE No 4. Risk of Failure to comply with Legislative requirements</p>								

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
Upper Level for All Risks S151 Officer/Director of Exchequer and Transactional Services								
4.1	Lower Levels: PFM/CMO	Lack of appropriate skills/knowledge of tPR, DLUHC and CIPFA Guidance, Financial Regulations and accounting standards. Unaware of legislative changes/Poor/inaccurate interpretation of the regulations.	Potential for breach of legislation resulting in incurring financial penalties from the tPR/legal challenges/ Reputational Damage.	AMBER C/1	Local Pension Board in place to oversee adherence to the Regulations and guidance.	GREEN E/3		Risk and controls reviewed September 23. No changes required to current controls
					Statutory policy documents reviewed annually to ensure compliance with legislation.			
					Officers are members of the CIPFA Pensions Network and participate in the CIPFA Pensions Network/Peer forums to share knowledge & awareness.			
					Active participation in Legislative Consultations where appropriate. Legislative changes are reported to the Pensions Committee where required.			
					Induction carried out for new Pension Fund Committee and Local Pension Board members.			
					External and in house training provided where required. Continual personal development for all Committee/LPB members and Officers.		Personal development for all Committee/LPB members and officers is on-going	
							CIPFA K&S questionnaires to be completed by	

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
Page 83							Local Pension Board and Pensions Committee members. Signed up to Hymans onlone learning platform (LOLA) from August 2022.	Completion of modules to contiue to be monitored
					Access to specialist pension media sources.			Risk and controls reviewed September 23.
					Financial requirements are subject to external and internal audit with no qualifications.			No changes required to current controls
4.2	PFM/CMO	Key person dependency	Loss of corporate knowledge expertise in both administration and finance management.	RED B/1	Experienced personnel in place at present.	GREEN D/2	One Source is undergoing a restructure. Pension Fund finance will be returning to sovereign borough. Succession planning scheduled	Risk and controls reviewed September 23. No changes required to current controls OneSource restructure ongoing
4.3	PFM/CMO	Failure/inability to administer the pension scheme in	Non-compliance could result in an	AMBER C/2	Local Pension Board in place to oversee adherence to the Regulations and guidance.	GREEN E/3		Risk and controls reviewed September 23.

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
Page 84		accordance with regulations.	adverse external audit report.					No changes required to current controls
					tPR undertook a review of the Fund’s day-to-day practices and operations in 2019 with no overall concerns and officers have since implemented recommendations arising from their review.			Continued monitoring against tPR recommendations
					Experienced personnel in place at present.			Risk and controls reviewed September 23. No changes required to current controls
					Attendance at seminars/training to ensure up to date regulatory requirements.			
					Financial statements are subject to external and internal audit with no qualifications.		Outstanding audit sign off for the 20/21 accounts (audit completed). Outstanding Pension Fund audit for 21/22 accounts (audit commenced September 2023). Outstanding Pension Fund audit 22/23 - not commenced.	Officers currently complying with 21/22 audit requests
RISK TITLE								

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
No 5. Risk of inability to Manage/Govern the Pension Fund and Associated Services.								
Upper Level for all Risks: S151 Officer/Director of Exchequer and Transactional Services.								
5.1	Lower levels: PFM /CMO	Staffing issues: Loss of corporate knowledge/expertise. Long-term sickness absence. Increase in staff turnover. Lack of resource (Staffing/financial). No knowledge base to store experiences/information.	Negative impacts upon service provision. Potential for Time delays and . Increased costs due to “buying in” external expertise.	AMBER B/1	The London Borough of Havering delegated the pension administration service to Lancashire County Council who have engaged the Local Pensions Partnership Administration (LPPA) to undertake their pension portfolio.	GREEN D/2		Risk and controls reviewed September 22. No changes required to current controls
					LPPA have case type dedicated teams to ensure expertise is maintained			
					Continuous pension training for LPB, Pensions Committee members and staff.		Signed up to Hymans onlone learning platform (LOLA) from August 2022.	
					Participates in the CIPFA Pensions Network/ Peer forums to share knowledge & awareness.			Risk and controls reviewed September 23.
					Onesource has introduced a knowledge sharing platform (the Finance Academy)		Pension Fund officers to maintain and ensure procedure notes in place for key activities	No changes required to current controls

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
					Guidance from external agencies (some will be at a cost).			
					Members of Local Authority Pensions Web.			
5.2	PFM	LCIV resourcing – LCIV staff turnover.	Undermines investor confidence in the LCIV.	AMBER C/2	Continued monitoring of LCIV in place.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls.
5.3	PFM/CMO	ICT failure/Disaster Recovery.	Loss of infrastructure. Failure of all ICT services.	RED B/1	ICT/ Disaster Recovery in place. Constant security upgrades to computer systems at both Havering, Pensions & Treasury and LPPA.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls
					Implementation of COVID-19 working restrictions has maintained service continuity.			
					Use protected portals to send personal information.			
					Internal Firewalls recommended.			
					GDPR good practice is undertaken.			
5.4	PFM/CMO	Cyber Security Risk.	Ransomware risk.	RED B/1	Internal Audit for oneSource Cyber Security carried out in Oct 2018.	GREEN D/3		Risk and controls reviewed September 23. No changes required to current controls
					LPPA hold a current Cyber Essentials Certificate, issued 13/07/2021. They also undertake regular penetration testing with a CREST accredited			

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
					company with any vulnerabilities being remediated			
5.5	PFM/CMO	Functionality of Oracle Cloud causes pension fund system issues.	Pension Fund Accounts system malfunction.	AMBER C/2	Oracle team aware of Pension fund system requirements.	GREEN D/2	Monitoring ongoing with regard to system reconciliations and balance sheet requirements.	Risk and controls reviewed September 23. No changes required to current controls
					Systems tested at each stage of implementation. Pension Finance Staff undertook testing of General Ledger Revenue codes.			
5.6	CMO	Poor Pension fund administration by the outsourced service LPPA.	Service Delivery failure leading to client/customer complaints and Reputational damage.	RED B/1	Formal agreement in place with administrator, including SLA's.	GREEN E/3		Risk and controls reviewed September 23. No changes required to current controls
					CMO in post to monitor the administration work of LPPA.			
					Service is subject to external auditor report of pension's admin processes. LPPA supply an annual internal assurance report where the control objectives link in to the Pensions Regulator Code of Practice 14.			
5.7	CMO	Poor administration by the employers/payroll providers in the fund.	Service delivery failure leading to client/customer complaints and Reputational damage.	AMBER C/2	Local Pension Board is in place to assist the administering authority in effective and efficient governance of the Havering Pension Fund.	GREEN E/3		Risk and controls reviewed September 23. No changes required to current controls
					Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide timescales for the submission of data.			

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Page 88					LPPA have a programme of employer training and a dedicated employer engagement team to provide support.				
					CMO maintains regular contact with scheme employers to provide support				
			Inaccurate data provided give rise to inaccurate data and financial reputational consequences such as actuary to set contribution rates with a high margin of error.		CMO in post to monitor the administration work of LPPA.				
					Actuary undertake data checks/cleaning as part of triennial review process.				
					Data cleanse checks undertaken as part of the year end pensions administration process				
					Annual data improvement plan implemented with agreement from LPPA and regular checking of the Pensions Regulator data scores to identify areas to be fed into the plan				
			Pension costs and payments delayed or incorrect.		Monthly reconciliations to monitor cash flow carried out.				
					CMO monitors benefit payments from the Fund				
			Admission agreements not completed by the transfer date.		Employer onboarding process in place Service handover completed when process of admitting bodies to the fund transferred from LPPA to in-house on 1 April 2021.		Strengthen the process for onboarding new employers and Bond reviews.		

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Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
					Bond or guarantee reviews in place and reviewed every three years as part of valuation process.		Staff member appointed September 2022	
5.8	PFM	Failure/inability to undertake the accounting of the pension scheme appropriately.	Qualified opinion on the accounts by external auditor.	AMBER C/2	Pension Fund accounts subject to external audit.	GREEN E/3	Outstanding audit sign off for the 20/21 accounts (audit completed). Outstanding Pension Fund audit for 21/22 accounts (audit commenced September 2023). Outstanding Pension Fund audit 22/23 - not commenced.	Risk and controls reviewed September 23. No changes required to current controls. Officers currently complying with 21/22 audit requests
					Experienced personnel in place.			
					Pension Fund uses the service of an external custodian to verify asset values and performance.			
					Fund Managers performance is monitored quarterly. Fund Managers present at Pension Fund Committee meetings.			
					Monitoring of internal control reports of fund managers to ensure operations administered correctly.			

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					Attendance at accounting seminars/training to ensure adherence to guidance and regulations.			
5.9	PFM/CMO	Poor communications with stakeholders.	Disaffection and actions against the Council.	GREEN C/3	The Council has in place a complaints system to address complaints via the website that goes all the way up to the pension’s ombudsman.	GREEN E/3		Risk and controls reviewed September 23. No changes required to current controls.
					The Pension Fund has a communications strategy that is updated annually and reviewed every 3 years. The strategy is reviewed by the local pensions board and approved by the pensions committee			
					LPPA has an LGPS dedicated website that contains all relevant information for scheme members and employers.			
					The Fund has a pensions dedicated page within the Havering Council website where fund specific information is published and the Fund publishes an Annual Report			
5.10	PFM/CMO	Excessive charges by suppliers.	Fund incurring unnecessary costs	AMBER C/2	Third Party Fee Invoices checked prior to payment.	GREEN E/4		Risk and controls reviewed September 23. No changes required to current controls.

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5.11	CMO	The Data migration from Altair to UPM (Universal Pensions Management) in November 2022 is not complete and accurate.	Member's records may not be accurate which would leave LPPA unable to calculate the correct level of pension benefits	RED B/1	LPPA have a dedicated project team and robust project plan in place that includes rigorous testing of data migration and calculations. The project risk register has been presented to the local pensions board	GREEN D/2	Havering data migrated to UPM in November 2022	Continued monitoring in place to ensure accurate transfer
RISK TITLE No 6. Risk of failure to on board or exit employers/members effectively.								
Upper Level for all Risks:S151 Officer/Director of Exchequer and Transactional Services								
6.1	Lower Levels: PFM/CMO	Delays in internal processing of documentation/ admission agreements.	Contribution delays from the employers & members until onboarding has been completed impacts cash flow	AMBER C/2	Monthly contribution schedules maintained by the Havering Pensions Team. Reconciliations between General Ledger and contribution schedules undertaken monthly. Reconciliations between General Ledger and Altair undertaken quarterly with any queries referred to LPPA/CMO for investigation. Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide	GREEN E/3		Risk and controls reviewed September 23. No changes required to correct controls

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Page 92					timescales for the submission of contribution payments.			
			Late payments of pension benefits		CMO works closely with LPPA. Carries out spot checks to review LPPA work on a regular basis.			
					Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide timescales for the submission of data			
			Adverse External Audit Opinion on internal controls.		Service handover completed when process of admitting bodies to the fund transferred from LPPA to in-house on 1 April 2021.			
					LPPA performance report presented to the Local Pension Board at every meeting.			
					Escalation to Heads of Service where required.			
6.2	PFM/CMO	Poor communications with stakeholders/ lack of understanding by employers with regard to their responsibilities.	Potential breach of regulations and member entitlement. Potential for litigation.	AMBER C/2	Script in place to deliver to new Academy employers, with feedback process in place.	GREEN E/3		Risk and controls reviewed September 23. No changes required to correct controls
					Admission policy and manual completed in November 2017			
					TUPE manual completed in November 2017.			
					Pensions Administration Strategy in place to clarify the responsibilities of scheme employers			

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6.3	CMO	Member data incomplete or incorrect.	Incorrect member data causes processing delays.	AMBER B/2	CMO maintains contact with employers to provide dedicated point of contact.	GREEN E/3		Risk and controls reviewed September 23. No changes required to correct controls
					Database maintained on all contact details for LGPS communications.	GREEN E/3		
					Employer’s liabilities may fall back onto other employers and ultimately local taxpayers.	GREEN E/3		
					Bonds and suitable guarantees put into place to protect the Fund in case of default.	GREEN E/3		
					LPPA raise queries with scheme employers.	GREEN E/3		
6.3	CMO	Member data incomplete or incorrect.	Incorrect member data causes processing delays.		Member self-service – online tool for members to check and update personal data.	GREEN E/3		Risk and controls reviewed September 23. No changes required to correct controls
					Annual data cleansing and checks are undertaken as part of the year end administration process	GREEN E/3		
					Data is reviewed as part of the triennial valuation exercise.	GREEN E/3		
					Reconciliations between General Ledger and UPM undertaken quarterly identifies member mismatches.	GREEN E/3		
6.4	PFM/CMO	Government white paper on academies, which sets out that it	There are 42 schools currently with the LEA that may need to	AMBER D/3	To monitor development of Government plans	AMBER B/3	Havering to liaise with LPPA to have appropriate plans in place to review	Risk and controls reviewed February 23. Update – The Government has

Havering Pension Fund Risk Register

Appendix A

Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
Page 94		wants all LEA's to convert to academy status within the next 8 years.	<p>convert, which could impact existing resources to onboard and administer.</p> <p>Cost implications for the Administration contract due to increased levels of employers and employees to manage.</p>				resources for implementation and ongoing monitoring.	scrapped the schools bill and the aim to convert all LEA schools to Academies by 2030 will not go head. A regulatory review will continue.
	<p>RISK TITLE No 7. Risk of Pension Fund Payment Fraud</p>							
<p>Upper Level for all Risks: S151 Officer/Director of Exchequer and Transactional Services.</p>								
7.1	Lower Levels: CMO	Pension overpayments arising because of non-notification in change of circumstances.	Financial loss. Reputational damage of Pension Administration and Council.	GREEN C/3	<p>Participate in the National Fraud Initiative (bi-annually).</p> <p>Signed up for DWP database Tell us Once – DWP inform Havering of deaths relating to members of the Havering LGPS fund. Monitored on a daily basis</p>	GREEN E/4		<p>Risk and controls reviewed September 23.</p> <p>No changes required to correct controls</p>

Havering Pension Fund Risk Register

Appendix A

Risk No.	Risk Owner	Details of Risk	Consequences (Effect) of not addressing the risk	Risk Likelihood/ Impact prior to Controls	Controls/Mitigations	Risk Likelihood/ Impact post Controls	Actions/ Recommendations	Review of Actions taken to date and further actions identified
					September 20 – Mortality Screening outsourced to an external supplier. Checks carried out monthly			
					Address checked for deferred pensions prior to payment.			
					Process is in place to investigate return of payment by banks.			
					Internal audit checks carried out.			
7.2	PFM/CMO	Internal staff fraud/ Staff acting outside of their levels of authorisation.	Potential for financial loss.	AMBER C/2	Segregation of duties.	GREEN E/3		Risk and controls reviewed September 23.
					Pension Fund bank account reconciled to General Ledger monthly.			No changes required to correct controls
					Internal audit checks carried out.			
					Internal disciplinary process in place.			
7.3	PFM/CMO	Conflict of interest.	Inappropriate decision making.	AMBER C/2	Register of interests declarations covered at each Local Pensions Board/Committee meetings.	GREEN E/3		Risk and controls reviewed September 23.
								No changes required to correct controls

Havering Pension Fund Risk Register

Appendix A

CMO	Contract Monitoring Officer - Caroline Guyon
CIPFA	Chartered Institute of Public Finance and Accountancy
DLUHC	Department for Levelling UP,Housing & Communities
DWP	Department for Work and Pensions
ESG	Environmental,Social and Governance
FCA	Financial Conduct Authority
GAD	Government Actuary's Department
ICT	Information and Communications Technology
LCIV	London Collective Investment Vehicle
LGPS	Local Government Pension Scheme
LPB	Local Pension Board
LPPA	Local Pensions Partnership Administration
PFM	Pension Fund Manager – Finance – Debbie Ford
SAB	Scheme Advisory Board
SLA	Service Level Agreement
SLT	Society of London Treasurers
TCFD	Task Force on Climate-related Financial Disclosures
tPR	The Pensions Regulator

LOLA Modules summary – September 23

Pensions Committee

Name	Module 1 Introduction to the LGPS	Module 2 LGPS Governance & Oversight	Module 3 Admin & Fund Management	Module 4 Funding & Actuarial Matters	Module 5 Investments	Module 6 ⁽²⁾ Current issues
Cllr Anderson	Complete	Complete	Complete	Complete	Complete	Complete
Cllr Benham	In progress					
Cllr Chapman ⁽¹⁾	In progress	enrolled	enrolled	enrolled	enrolled	enrolled
Cllr Glass	Complete	Complete	Complete	Complete	Complete	Complete
Cllr Patel	Complete	Complete	Complete	Complete	Complete	enrolled
Cllr Persaud	Complete	Complete	Complete	Complete	Complete	In progress
Cllr Ruck	Complete	Complete	Complete	Complete	Complete	Complete
Cllr Stanton	Complete	Complete	Complete	Complete	Complete	Complete
Cllr Wilkes	Complete	Complete	Complete	Complete	Complete	Complete
Derek Scott	Complete	Complete	Complete	Complete	Complete	Complete

⁽¹⁾ joined July 2023 – induction 12 July

Local Pensions Board

Name	Module 1 Introduction to the LGPS	Module 2 LGPS Governance & Oversight	Module 3 Admin & Fund Management	Module 4 Funding & Actuarial Matters	Module 5 Investments	Module 6 Current issues
Andrew Frater	Complete	Complete	Complete	Complete	Complete	Complete
Dionne Weeks	Complete	In progress	enrolled	enrolled	enrolled	enrolled
Denise Broom	In progress	enrolled	enrolled	enrolled	enrolled	enrolled
Joanne Sladden	Complete	Complete	Complete	In progress	enrolled	enrolled
Mark Holder	Complete	Complete	Complete	Complete	Complete	Complete
Yasmin Ramjohn	Complete	Complete	Complete	Complete	Complete	In progress

⁽²⁾ Given the nature of Module 6, we expect it to be refreshed regularly with hot topics relating to the LGPS. This section is not part of the mandatory learning required under the CIPFA Knowledge and Skills Framework. As such, we have removed the Module 6 Knowledge Check and reconfigured the learning plan so that certification is awarded after completion of Modules 1 - 5. This means that Module 6 will always show as 'In Progress'.

Some of your colleagues may show as 'Completed' on Module 6, this is just dependant on when they were onboarded to the platform as we changed the knowledge check after some users had been onboarded.

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