



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 11

11th September 2024

## Risk Register

### Purpose of Report:

To present a summary of the current Strathclyde Pension Fund Risk Register.

### Recommendations:

The Committee is asked **to NOTE** the contents of this report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

### **PLEASE NOTE THE FOLLOWING:**

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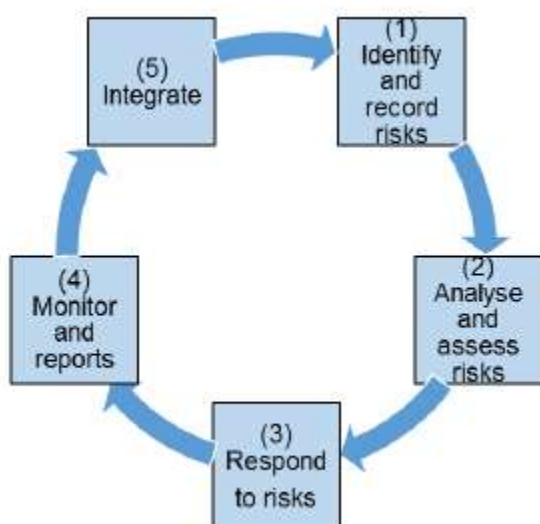
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## 1 Background

In March 2019, the Committee approved a revised Risk Policy and Strategy Statement. Unlike the Fund's other policy documents, this is not a requirement of the regulations but is considered a matter of best practice. The Statement sets out a common basis for risk management across the Fund's other policies and strategies. The Fund's policy documents are available on its website at: [www.spfo.org.uk](http://www.spfo.org.uk). Review of the Risk Policy is included as a priority in SPF's 2024/25 Business Plan.

## 2 Risk Management Process

The risk management process is illustrated as follows.



## 3 Risk Register

As a key part of the Fund's risk strategy, a detailed risk register has been established and is maintained for the Strathclyde Pension Fund (SPF) and the Strathclyde Pension Fund Office (SPFO). The format is consistent with the corporate and departmental registers. The register provides a simple, systematic and consistent basis for recording, analysis, understanding, communication, management, monitoring and reporting of risks.

## 4 Current Register

### 4.1 Summary

The risk register as at 31st August 2024 is summarised as follows.

<b>Total Risks</b> 36	<b>Very High Risks</b> 0	<b>High Risks</b> 4
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#### Changes since last review (31 March 2024)

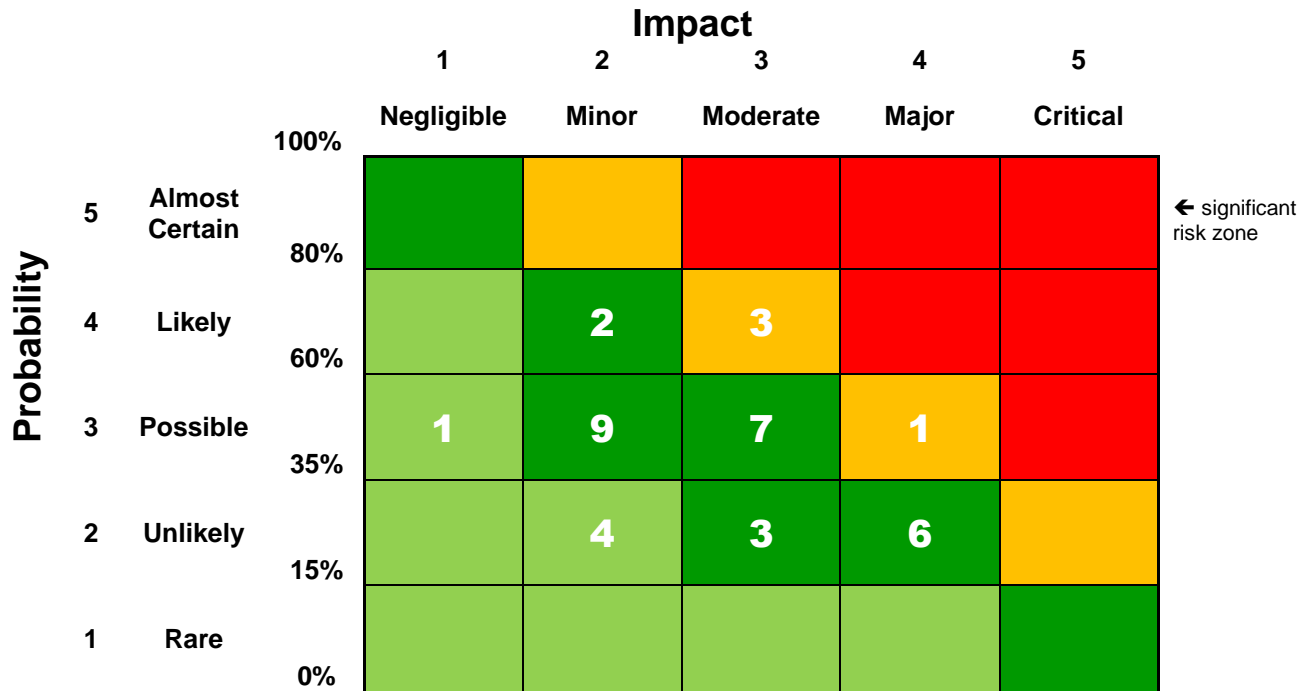
New	Closed	Increased	Decreased	Static
0	0	0	0	36

### 4.2 Changes

There have been no changes since the last review.

### 4.3 Distribution

Current distribution of risks is summarised as follows.



### 4.4 Risks and Mitigations

The most significant risks are summarised at Appendix A.

## 5 Policy and Resource Implications

#### Resource Implications:

*Financial:* None

*Legal:* None

*Personnel:* None

*Procurement:* None

**Council Strategic Plan:** SPF supports all Missions within the Grand Challenge of: ***Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.*** The LGPS is one of the key benefits which enables the Council to recruit and retain staff.

#### Equality and Socio-Economic Impacts:

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.* N/a.  
Monitoring report.

*What are the potential equality impacts as a result of this report?* No significant impact.

*Please highlight if the policy/proposal will help address socio-economic disadvantage.* N/a.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:* N/a.  
Monitoring report.

*What are the potential climate impacts as a result of this proposal?* N/a.

*Will the proposal contribute to Glasgow's net zero carbon target?* N/a.

### **Privacy and Data Protection Impacts:**

Are there any potential data protection impacts as a result of this report  
Y/N No.




If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out N/a.

## **6 Recommendations**

The Committee is asked **to NOTE** the contents of this report.

## Appendix A

### Risks as at 31st October 2023

Ref		Title	Description	Mitigation / Control	Residual Impact	Residual Probability	Residual Score	Movement since last Assessment
FIN	0391	<b>System Failure</b>	<p><b>RISK:</b> Issues with pensions administration system and other related systems.</p> <p><b>CAUSE:</b> Outages, hardware and software failure, cyber attack.</p> <p><b>EFFECT:</b> Staff downtime, loss of service delivery, data loss, and potential failure to pay pensions.</p>	Access controls, firewalls and other system security measures. Robust system maintenance routines. Internal and external systems support. Back-up procedures. Disaster Recovery Plan. Business continuity plan.	4	3	12	
FIN	0393	<b>Scheme regulation change</b>	<p><b>RISK:</b> Failure to comply with changes to scheme regulations and other pensions legislation.</p> <p><b>CAUSE:</b> Political or legislative</p> <p><b>EFFECT:</b> Increasing administrative complexity, communications challenges, potential issues with the Pensions Regulator, potential incorrect information or payments to members, impact on liabilities.</p>	The Administering Authority is alert to scheme developments. Officers participate in various scheme and industry groups (SPLG, IGG, SAB, CIPFA, PLSA, etc. ) SPFO is a test site for software upgrades to reflect regulation changes.	3	4	12	
FIN	0403	<b>Data Breach</b>	<p><b>RISK:</b> Theft or loss/misuse of personal data.</p> <p><b>CAUSE:</b> Cyber attack, human error, process failure.</p> <p><b>EFFECT:</b> Breach of data protection legislation including GDPR, financial loss and/or penalties, audit criticism, legal challenge, reputational damage.</p>	SPF compliance with GCC GDPR procedures; system security; secure data transfer; data sharing agreements (these are in place with larger employers and many but not all of the smaller ones, leaving some residual risk which is tolerated); staff awareness.	3	4	12	
FIN	0415	<b>Breach of statutory reporting guidelines</b>	<p><b>RISK:</b> Breach of statutory reporting guidelines.</p> <p><b>CAUSE:</b> Failure to produce compliant accounts by deadline. Failure of audit process.</p> <p><b>EFFECT:</b> Regulatory criticism, business disruption and reputational damage.</p>	Rigorous planning and project management within SPFO; support from Corporate Finance.	3	4	12	