

# Trustee toolkit downloadable



## Running a scheme

Extra resource: Sample risk register

The trustee toolkit includes a number of 'extra resources' providing you with practical tools to help you transfer the learning to your own scheme or to illustrate key learning points.



This extra resource is linked to the **Risk management and internal controls** tutorial.

The Pensions  
Regulator

# The pension scheme: Risk register

Risk area 1 – Operations	Likelihood	Impact	Score	Control	Owner	Test	Next review	Comment
Operational disaster (fire/flood etc)	1	6	6	Business continuity procedures in place for administrator	Trustee board	Annual	Q1 Y2	Up to date business resiliency programme provided by administrator as at 01.01.Y2, reviewed by trustees at meeting in Q1 Y2
				Business continuity plans in place for employer	Trustee board	Annual	Q2 Y2	Meeting held between chair of trustees and company's business continuity manager on DD/MM/YY. Documented programme in place to ensure continuity, will be provided to trustees in time for trustee meeting in Q2 Y2.
				Fireproof safe used for all original insurance policies	Secretary to Trustees	Annual	Q1 Y3	Safe is located in company secretary's office, all original policies stored in safe. Electronic copies are on trustees' website. Checked by secretary to trustees January Y2
				Contracts with all advisers and suppliers are recorded on central database	Secretary to Trustees	Annual	Q1 Y3	Contracts held in hard copy in safe, and electronically on trustees website. Checked by secretary to trustees January Y2
Member data incomplete or inaccurate	5	7	35	Annual report from administrator, used as basis for rectification plan	Trustee board	Annual	Q3 Y2	Initial rectification plan completed Q3 Y1. New report received from administrator at Q1 Y2 meeting, revised rectification plan agreed with administrator. To review progress at Q3 trustee meeting
				'Not known at this address' returns from annual statements checked by tracing agency	Secretary to Trustees	Annual	Q2 Y2	Details provided by administrator mid January Y2, passed to tracing agency at end of January. X% traced by trustee meeting in Q1, update will be provided to trustees in at Q2 meeting
Administration process failure/ maladministration	4	8	32	Formal agreement in place with administrator, including SLAs	Secretary to Trustees	Annual	Q1 Y3	Last reviewed Q2 Y1, three year agreement
				Authority levels clearly agreed and kept up-to-date	Trustee board	Annual	Q2 Y2	Last reviewed Q2 Y1
				Review independent audit reports of administrator's processes	Trustee board	Annual	Q2 Y2	AAF01/06 held by administrator as at DD/MM/YYYY
				Ongoing dialogue with administrator	Secretary to Trustees	Ongoing	Q2 Y2	Weekly phone calls between secretary to trustees and administrator, plus ad hoc calls when necessary
				Written reports and quarterly presentations by administrator to trustees	Trustee board	Quarterly	Q2 Y2	Next report from administrator due two weeks before trustee meeting

<b>Risk area 2 – Financial</b>	Likelihood	Impact	Score	Control	Owner	Test	Next review	Comment
Excessive charges by suppliers	3	2	6	Annual review of trustees budget, quarterly review of costs incurred against budget	Trustee board	Quarterly	Q2 Y2	Annual budget agreed Q1 Y2. Q4 Y1 charges reviewed and agreed Q1 Y2
				Periodic review of suppliers	Trustee board	Annual	Q1 Y1	Planning underway for review of administrator in Q3 Y2, to include cost and performance benchmarking
Employer-related investment exceeds 5%	1	5	5	Obtain quarterly reports from all investment managers of holdings exceeding 5% of portfolio	Investment committee	Quarterly	Q2 Y2	All quarterly investment reports analysed, report from investment consultant confirms no investments exceed 5%

<b>Risk area 3 – Funding</b>	Likelihood	Impact	Score	Control	Owner	Test	Next review	Comment
Employer failure to pay contributions into scheme	1	10	10	Monthly monitoring of contribution payments by secretary to trustees and administrators	Trustee board	Monthly	Q2 Y2	All Q4 Y2 contributions paid in accordance with Schedule of Contributions
				Ongoing dialogue with employer over willingness and ability to pay	Trustee board	Half yearly	Q3 Y2	Presentation to trustees by CFO scheduled for Q2 Y2
				Annual audit	Trustee board	Annual	Q3 Y2	Accounts for year ended 31 October Y1 signed off by auditors without qualification. Planning for next audit will start during Q3 Y2
Employer failure	2	10	20	Trustee monitoring of employer covenant and business	Trustee board	Half yearly	Q1 Y1	Good company results in previous half year. Presentation to trustees by CFO scheduled for Q2 Y2. Confidentiality agreement signed by all trustees
Etc	1	4	4	1				
				2				
				3				
				4				
				5				

<b>Risk area 4 – Regulatory and compliance</b>	Likelihood	Impact	Score	Control	Owner	Test	Next review	Comment
Failure to interpret rules or legislation correctly	2	7	14	Up-to-date and documented trustee training log, completion of Trustee toolkit	Trustee board	Annual	Q1 Y3	All trustees have completed Trustee toolkit, except for Trustee A, appointed Q4 Y1, who has started the toolkit. In Q4 Y1 Trustees B and C attended seminar by our investment manager on de-risking strategies
				Legal advice and updates	Trustee board	Annual	Q4 Y2	Updates received from legal advisors and consultants each month. Presentation from legal advisors on legislative changes scheduled for meeting Q3 Y2
Conflicts arising in decision-making	2	5	10	Trustee awareness of legal responsibilities to act in best interests of members. Evidenced by completing Trustee toolkit	Chairman	As required	Q2 Y2	All trustees have completed Trustee toolkit, except for Trustee A, appointed Q4 Y1, who has started the toolkit.
				All trustees to declare any conflicts and potential conflicts	All	Ongoing	Q2 Y2	Conflicts document signed by all trustee directors, recorded in conflicts register. Reminder, and any changes or additional conflicts, will be minuted at each trustee meeting.