

CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board
20th October 2017

REPORT BY: Board Secretary

SUBJECT: Amendment of Risk Register – Management of Cyber Security

REPORT FOR: Information

1. **Introduction**

1.1 As required by the Board (14th July 2017) entry PEN004 of the Risk Register has been amended to include the specific risk of a systems failure occurring as a consequence of the failure of cyber security. In addition, assurances have been sought and received from systems providers in relation to the management of cyber security.

2. **Assurances Received**

2.1 MHR (providers of the iTrent system which the Fund uses for the payment of pensioners), provided the attached document 'MHR Security Due Diligence Guide for Customers' which gives a detailed explanation of their security processes, procedures and policies.

2.2 Aquila Heywood (providers of the Fund's pension administration system – Altair) provided a confidential Penetration Test Report, based on cyber security testing that was undertaken by an independent third party in January and February 2017. The testing demonstrated the overall resilience of the security of the system. Whilst 9 potential issues were identified (of which most were minor or of low impact), only three remain unresolved and Aquila Heywood have set out a clear programme to resolve these issues over the coming months.

2.3 Powys County Council ICT Services (in partnership with the Powys Local Teaching Health Board) provides the Fund with the broader IT networks and applications. The Service maintains a full range of procedures and processes in relation to all aspects of ICT security and usage.

3. **Amendment to Risk Register – PEN004**

3.1 In the light of the above, PEN004 is amended (amendments in bold italics) as follows:

Risk Identified – Inability to deliver service as a result of the loss of the pension administration system, ***or any other system used in the provision of service (eg pensioner payroll).***

Failure of any systems used by the service as a result of a breach of cyber security.

Current controls – Business Continuity Plan for pension administration service.

Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security.

Proposed Further Actions / Controls – Keep Business Continuity Plan under review. ***Periodic review by Pension Board of system provider assurances in respect of cyber security.***

4. Recommendation

The Board is asked to note the contents of this report.