

Cybercrime – Checklist for Local Government Pension Funds

Cybercrime is a growing area of concern for pension funds, and one which both committees and administering authorities need to pay attention to.

Using Aon’s experience of advising on pension scheme risks, combined with our expertise on cyber risk consulting and forensic testing through Stroz Friedberg, we have compiled a checklist of the areas committees and their administering authorities should consider when evaluating their fund against the threat of cyber-attacks.

Stroz Friedberg, an Aon company, is a specialised risk management firm and global leader in cyber security.

For more information visit strozfriedberg.com

As data controllers administering authorities are ultimately responsible for what happens to fund data and so should be asking questions to understand their fund's exposure to cyber risks.





Assess

Assessing vulnerabilities

Has the fund undertaken an evaluation of the threats posed by cyber-risk, including consideration of both the likelihood and impact of loss of data, financial transactions, reputation, systems downtime etc?

Are the vulnerabilities identified recorded on the fund's risk register?



Quantify

Quantify the financial impact from cyber risks

Has the potential impact of those vulnerabilities been quantified, so that they can be understood and managed, whether that be through risk reduction or insurance strategies?

Have these potential impacts been shared with the contributing employers, so that they are also aware of the potential impact of such risks?

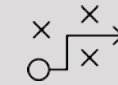


Test

Testing applications, networks and endpoint risk

For each party involved with the pension fund, have the questions in the Appendix been considered, with satisfactory responses?

The parties should include third parties as well as any internal departments which the scheme is reliant upon, and the committee themselves. Some thought will need to be given to how to apply these questions to individual committee members.



Improve

Improve procedures, governance and preparedness

Has the fund identified and documented (perhaps in the risk register) any measures that need to be taken to improve cyber security and put in place actions to achieve these?

Are these measures monitored and reported on to ensure that they are not overlooked?



Transfer

Transfer risk to insurance market

Has the committee considered the extent to which cyber risks are covered by any insurance contract they have for relevant parties?



Respond

Respond to a cyber attack

Has the fund considered the need for its own incident response plan, independently of the plans that third parties might have?

Has the fund considered the possibility of retaining a third party to provide rapid response support in the event of a cyber-attack?

Actions

If any of the answers to the above questions are unsatisfactory or if you need help with understanding the implications of the answers you are not alone. Aon can support both committees and administering authorities with identifying potential mitigation and risk transfer actions that meet your needs and risk appetite. Please contact your Aon consultant or Bill Sulman or Chris Darby for further information.

Although considerable thought has gone into creating this checklist, it should not be considered comprehensive, and if committees or administering authorities have further concerns about cyber risk then they should seek specialist advice.

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