Cybercrime - Checklist for Local Government Pension Funds

checklist we have

used the Aon Cyber

Resilience Framework:



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

Identify critical assets, vulnerabilities and risks to assess organizational preparedness to improve risk exposure



Toct

Uncover, test, and remediate application, network, and endpoint vulnerabilities



Improve

Prepare, optimise, and enhance security governance and incident detection and protocols



Quantify

Quantify the financial impact from cyber risks to inform risk reduction and transfer strategies



Transfe

Explore risk transfer solutions to minimise financial risk



Respond

Limit business disruption, minimise economic loss, and expedite the claims management process





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 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?



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 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 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 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.

Appendix

Questions for suppliers, committees and administering authorities



Test

The following should be considered for all parties involved with the pension fund.

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Has the committee assessed the activities undertaken by each party and the cyber risks that they are therefore exposed to?										
Does the party have a cyber security or equivalent policy which provides an overall framework for how they manage the risks?										
Is the IT infrastructure and security in place sufficient for the role that they undertake?										
Have staff been trained so that they know how to use the relevant systems in a way that doesn't generate risks?										
Have the arrangements in place (policy, infrastructure and people) been subject to regular testing with satisfactory results?										
Does the organisation have an incident response plan which would be put into effect if a cyber-attack were to take place?										
Does the contract with the party include suitable obligations around cyber risks?										

Contact information

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About Aon Hewitt

Aon Hewitt empowers organisations and individuals to secure a better future through innovative retirement, health, and talent solutions. We advise and design a wide range of solutions that enable our clients' success. Our teams of experts help clients navigate the risks and opportunities to optimise financial security; redefine health solutions for greater choice, affordability,

and wellbeing; and achieve sustainable growth by driving business performance through people performance. We serve more than 20,000 clients through our 15,000 professionals located in 50 countries around the world.

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