Derbyshire Pension Fund Risk Register

Date Last Updated	06-Oct-22	Changes highlighted in blue font.

Objectives

The objectives of the Risk Register are to:

I identify key risks to the achievement of the Fund's objectives;
I consider the risk identified; and
I access the significance of the risks.

Risk Assessment

I Identified risks are assessed separately and assigned a risk score. The risk score reflects a combination
of the risk occurring (probability) and the likely severity (financial impact).

I A low risk classification is based on a score of 4 or less; a medium risk score ranges between 5 and 11;
and a high risk score is anything with a score of 12 and above.

I The Risk Register also includes the target score; showing the impact of the risk occurring once the planned
risk mitigations and controls have been completed.

Risk Assessment	Impact	Probability
Level 1	Negligible	Rare
Level 2	Low	Unlikely
Level 3	Medium	Possible
Level 4	High	Probable
Level 5	Very High	Almost certain

Officer Risk Owners	
DoF	Director of Finance & ICT
HoP	Head of Pension Fund
TL	Team Leader
IM	Investments Manager

Summary of Risk Scores	
Low Risk	5
Medium Risk	39
High Risk	5
Total Risks	49

Risk Score
0 - 4   Low Risk
5 - 11   Medium Risk
12 and above High Risk

Summary of Risk Scores Greater Than Eight

Risk Ranking	Main Risk Register No	Risk Area	High Level Risk	Impact	Probability	Current Score	Risk Owner	Impact	Probability	Target Score	Actual Minus Target Score	Q1 20-21	Q2 20-21	Q3 20-21	Q4 20-21	Q1 21-22	Q2 21-22	Q3 21-22	Q4 21-22	Q1 22-23	Q22-23
1	13	Governance & Strategy	Systems failure/Lack of disaster recovery plan/Cybercrimeattack	4	3	12	HoP/IM/TL	4	2	8	4	8	8	8	8	8	8	8	8	12	12
2	20	Funding & Investments	Fund assets insufficient to meet liabilities / Decline in funding level / Fluctuations in assets & liabilities	4	3	12	HoP/IM	4	2	8	4	12	12	12	12	12	12	12	12	12	12
3	31	Funding & Investments	LGPS Central related underperformance of investment returns - failure to meet investment return targets against specified benchmarks	4	3	12	HoP/IM	4	2	8	4	12	12	12	12	12	12	12	12	12	12
4	42	Pensions Administration	Insufficient cyber-Liability Insurance relating to the pensions administration system	4	3	12	HoP	4	2	8	4	8	8	8	8	8	8	8	8	12	12
5	46	Pensions Administration	Impact of McCloud judgement on administration	3	4	12	HoP	2	4	8	4	12	12	12	12	12	12	12	12	12	12
6	1	Governance & Strategy	Failure to implement an effective governance framework	5	2	10	DoF/HoP	5	1	5	5	N/A	10	10	10	10	10	10	10	10	10
7	2	Governance & Strategy	Failure to recruit and retain suitable Pension Fund staff/Over reliance on key staff	3	3	9	HoP	3	2	6	3	N/A	9	9	9	9	9	9	9	9	9
8	4	Governance & Strategy	Pensions & Investments Committee (PIC)/Pension Board (PB) members lack of understanding of their role & responsibilities leading to inappropriate decisions.	3	3	9	HoP	3	2	6	3	9	9	9	9	9	9	9	9	9	9
9	14	Governance & Strategy	Failure to comply with General Data Protection Regulations (GDPR)	3	3	9	HoP/IM/TL	3	2	6	3	9	9	9	9	9	9	9	9	9	9
10	15	Governance & Strategy	Failure to communicate with stakeholders	3	3	9	HoP/IM/TL	3	2	6	3	9	9	9	9	9	9	9	9	9	9
11	17	Governance & Strategy	Risk of challenge to Exit Credits Policy/Determinations	3	3	9	HoP	3	2	6	3	N/A	9	9	9	9	9	9	9	9	9
12	19	Governance & Strategy	Failure to meet accessibility requirements	3	3	9	HoP/TL	3	2	6	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9	9
13	25	Funding & Investments	Covenant of new/existing employers. Risk of unpaid funding deficit	3	3	9	HoP/TL	3	2	6	3	9	9	9	9	9	9	9	9	9	9
14	30	Funding & Investments	LGPS Central Ltd fails to deliver the planned level of long term cost savings	3	3	9	HoP/IM	3	2	6	3	8	8	8	8	9	9	9	9	9	9
15	38	Funding & Investments	Impact of McCloud judgement on funding	3	3	9	HOP	3	3	9	0	12	12	12	12	12	12	12	12	12	12
16	41	Pension Administration	Insufficient controls relating to the governance of the pension administration system	3	3	9	HoP/TL	3	2	6	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9	9
17	44	Pensions Administration	Delayed Annual Benefit Statements and/or Pension Savings Statements (also know as Annual Allowance Statements)	3	3	9	HoP/TL	3	2	6	3	9	9	9	9	9	9	9	9	9	9
18	3	Governance & Strategy	Failure to comply with regulatory requirements for governance	4	2	8	HoP	4	1	4	4	4	4	4	4	8	8	8	8	8	8
19	5	Governance & Strategy	An effective investment performance management framework is not in place	4	2	8	HoP/IM	4	2	8	0	6	6	6	6	8	8	8	8	8	8
20	10	Governance & Strategy	Pension Fund financial systems not accurately maintained	4	2	8	HoP	4	1	4	4	6	6	6	6	8	8	8	8	8	8
21	16	Governance & Strategy	Failure of internal/external suppliers to provide services to the Pension Fund due to business disruption	4	2	8	HoP/IM	4	2	8	0	N/A	8	8	8	8	8	8	8	8	8
22	18	Governance & Strategy	Risks arising from a potential significant acceleration of the academisation of schools.	2	4	8	HoP/TL	2	4	8	0	N/A	N/A	N/A	N/A	N/A	8	8	8	8	8
23	21	Funding & Investments	Mismatch between liability profile and asset allocation policy	4	2	8	HoP/IM	4	2	8	0	8	8	8	8	8	8	8	8	8	8
24	22	Funding & Investments	An inappropriate investment strategy is adopted/Investment strategy not consistent with Funding Strategy Statement/ Failure to implement adopted strategy and PIC recommendations	4	2	8	HoP/IM	4	2	8	0	8	8	8	8	8	8	8	8	8	8
25	23	Funding & Investments	Failure to correctly assess the potential impact of climate change on investment portfolio and on funding strategy	4	2	8	HoP/IM	4	2	8	0	N/A	12	12	12	8	8	8	8	8	8
26	24	Funding & Investments	Failure to consider the potential impact of Environmental, Social and Governance (ESG) issues on investment portfolio	4	2	8	HoP/IM	4	2	8	0	N/A	N/A	N/A	N/A	8	8	8	8	8	8
27	28	Funding & Investments	The LGPS Central investment offering is insufficient to allow the Fund to implement its agreed investment strategy	4	2	8	HoP/IM	4	1	4	4	8	8	8	8	8	8	8	8	8	8
28	29	Funding & Investments	The transition of the Fund's assets into LGPS Central's investment vehicles results in a loss of assets/and or excessive transition costs	4	2	8	HoP/IM	4	1	4	4	8	8	8	8	8	8	8	8	8	8
29	49	Pensions Administration	Administration issues with AVC provider	2	4	8	HOP/TLs	2	2	4	4	N/A	N/A	N/A	N/A	8	8	8	8	8	8