

Date Last Updated 13-Oct-23 Changes highlighted in blue font.

The objectives of the Risk Register are to:

- ## Risk Assessment

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).

■ 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.

■ The Risk Register also includes the target score; showing the impact of the risk occurring once additional proposed 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

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

Low Risk	5
Medium Risk	40
High Risk	4
Total Risks	49

0 - 4

5 - 11

12 an

Low Risk
Medium Risk
High Risk

Risk Ranking	Main Risk Register No	Identification	
		Risk Area	High Level Risk
1	13	Governance & Strategy	Systems failure/Lack of disaster recovery plan/Cybercrimeattack
2	20	Funding & Investments	Fund assets insufficient to meet liabilities / Decline in funding level / Fluctuations in assets & liabilities
3	31	Funding & Investments	LGPS Central related underperformance of investment returns - failure to meet investment return targets against specified benchmarks
4	41	Pensions Administration	Insufficient cyber-Liability Insurance relating to the pensions administration system
5	45	Pensions Administration	Impact of McCloud judgement on administration
6	1	Governance & Strategy	Failure to implement an effective governance framework
7	2	Governance & Strategy	Failure to recruit and retain suitable Pension Fund staff/Over reliance on key staff
8	4	Governance & Strategy	Pensions & Investments Committee (PIC)/Pension Board (PB) members lack of understanding of their role & responsibilities leading to inappropriate decisions.
9	14	Governance & Strategy	Failure to comply with General Data Protection Regulations (GDPR)
10	15	Governance & Strategy	Failure to communicate with stakeholders
11	17	Governance & Strategy	Risk of challenge to Exit Credits Policy/Determinations
12	19	Governance & Strategy	Failure to meet accessibility requirements
13	30	Funding & Investments	LGPS Central Ltd fails to deliver the planned level of long term cost savings
14	40	Pension Administration	Insufficient controls relating to the governance of the pension administration system
15	43	Pensions Administration	Delayed Annual Benefit Statements and/or Pension Savings Statements (also know as Annual Allowance Statements)
16	49	Pensions Administration	Failure to meet the required Pensions Dashboards deadlines.
17	3	Governance & Strategy	Failure to comply with regulatory requirements for governance
18	5	Governance & Strategy	An effective investment performance management framework is not in place
19	10	Governance & Strategy	Pension Fund financial systems not accurately maintained
20	16	Governance & Strategy	Failure of internal/external suppliers to provide services to the Pension Fund due to business disruption
21	18	Governance & Strategy	Risks arising from a potential significant acceleration of the academisation of schools.
22	21	Funding & Investments	Mismatch between liability profile and asset allocation policy
23	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
24	23	Funding & Investments	Failure to correctly assess the potential impact of climate change on investment portfolio and on funding strategy
25	24	Funding & Investments	Failure to consider the potential impact of Environmental, Social and Governance (ESG) issues on investment portfolio
26	28	Funding & Investments	The LGPS Central investment offering is insufficient to allow the Fund to implement its agreed investment strategy
27	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
28	48	Pensions Administration	Administration issues with AVC provider

[illegible]

Target Score				
Risk Owner	Impact	Probability	Target Score	Actual Minus Target Score
HoP/IM/TL	4	2	8	4
HoP/IM	4	2	8	4
HoP/IM	4	2	8	4
HoP	4	2	8	4
HoP	2	4	8	4
DoF/HoP	5	1	5	5
HoP	3	2	6	3
HoP	3	2	6	3
HoP/IM/TL	3	2	6	3
HoP/IM/TL	3	2	6	3
HoP	3	2	6	3
HoP/TL	3	2	6	3
HoP/IM	3	2	6	3
HoP/TL	3	2	6	3
HoP/TL	3	2	6	3
HoP	4	1	4	4
HoP/IM	4	2	8	0
HoP	4	1	4	4
HoP/IM	4	2	8	0
HoP/TL	2	4	8	0
HoP/IM	4	2	8	0
HoP/IM	4	2	8	0
HoP/IM	4	2	8	0
HoP/IM	4	2	8	0
HoP/IM	4	1	4	4
HoP/IM	4	1	4	4
HOP/TLs	2	2	4	4

[illegible]