Derbyshire Pension Fund Risk Register

Date Last Updated	**12-Jan-24**	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 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

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

Risk Score				
0 - 4	Low Risk	S/T	Short Term	< 1 Year
5 - 11	Medium Risk	M/T	Medium Term	1 - 3 Years
12 and above	High Risk	L/T	Long Term	Over 3 Years
		N/A	Target Score = Current Score	

Summary of Risk Scores Eight & Above

Risk Ranking	Main Risk Register No	Risk Area	High Level Risk	Impact	Probability	Current Score	Risk Owner	Impact	Probability	Target Score	Expected Timescale	Actual Minus Target Score	Q4 22-23	Q1 23-24	Q2 23-24	Q3 23-24
1	13	Governance & Strategy	Systems failure/Lack of disaster recovery plan/Cybercrimeattack	4	3	12	HoP/IM/TL	4	2	8	M/T	4	12	12	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	L/T	4	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	L/T	4	12	12	12	12
4	41	Pensions Administration	Insufficient cyber-Liability Insurance relating to the pensions administration system	4	3	12	HoP	4	2	8	M/T	4	12	12	12	12
5	45	Pensions Administration	Impact of McCloud judgement on administration	3	4	12	HoP	2	4	8	S/T	4	12	12	12	12
6	1	Governance & Strategy	Failure to implement an effective governance framework	5	2	10	DoF/HoP	5	1	5	M/T	5	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	M/T	3	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	M/T	3	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	M/T	3	9	9	9	9
10	15	Governance & Strategy	Failure to communicate with stakeholders	3	3	9	HoP/IM/TL	3	2	6	M/T	3	9	9	9	9
11	17	Governance & Strategy	Risk of challenge to Exit Credits Policy/Determinations	3	3	9	HoP	3	2	6	S/T	3	9	9	9	9
12	19	Governance & Strategy	Failure to meet accessibility requirements	3	3	9	HoP/TL	3	2	6	M/T	3	9	9	9	9
13	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	L/T	3	9	9	9	9
14	40	Pension Administration	Insufficient controls relating to the governance of the pension administration system	3	3	9	HoP/TL	3	2	6	S/T	3	9	9	9	9
15	43	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	M/T	3	9	9	9	9
16	49	Pensions Administration	Failure to meet the required Pensions Dashboards deadlines.	3	3	9	HOP/TL	3	2	6	M/T	3	N/A	9	9	9
17	3	Governance & Strategy	Failure to comply with regulatory requirements for governance	4	2	8	HoP	4	1	4	M/T	4	8	8	8	8
18	5	Governance & Strategy	An effective investment performance management framework is not in place	4	2	8	HoP/IM	4	2	8	N/A	0	8	8	8	8
19	10	Governance & Strategy	Pension Fund financial systems not accurately maintained	4	2	8	HoP	4	1	4	S/T	4	8	8	8	8
20	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	N/A	0	8	8	8	8
21	18	Governance & Strategy	Risks arising from a potential significant acceleration of the academisation of schools.	2	4	8	HoP/TL	2	4	8	N/A	0	8	8	8	8
22	21	Funding & Investments	Mismatch between liability profile and asset allocation policy	4	2	8	HoP/IM	4	2	8	N/A	0	8	8	8	8
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	4	2	8	HoP/IM	4	2	8	N/A	0	8	8	8	8
24	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	N/A	0	8	8	8	8
25	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	N/A	0	8	8	8	8
26	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	M/T	4	8	8	8	8
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	4	2	8	HoP/IM	4	1	4	S/T	4	8	8	8	8
28	48	Pensions Administration	Administration issues with AVC provider	2	4	8	HOP/TLs	2	2	4	S/T	4	8	8	8	8

CONTROLLED