

# Pension Fund - New Risks

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No.	Category	Risk	Risk Factor/Cause	Effect/Consequences	Proximity	Risk Owner	Impact	Likelihood	Score	Current Controls	Control Assessment	Impact	Likelihood	Score
1.12	Asset & Investment	Increasing effect of climate change on global economy	Changing consumer demand patterns	Changing consumer demand patterns results in obsolescence, impairment or stranding of assets. Resulting in reduced investment returns.	Ongoing	Pension Fun Committee/ Exec Dir Finance & Regulatory	3	4	12	Responsible Investment Policy in place and monitored. Only invest with Fund Managers who have strong ESG credentials.  <b>TREAT</b> Review Responsible Investment Policy to set clearer Climate Change Strategy	Partially Effective	3	3	9
2.6	Employer	Deteriorating patterns of early retirements	Increased ill health retirements leading to employers requirement to fund strain on fund	Inability for employers to be able to fund ill health retirements strain on fund	ongoing	Exec Dir Finance & Regulatory/ Service Dir HR & Comms	2	4	8	Ill health retirements monitored, requirement for employers to fund strain on fund include in revised Funding Strategy Statement	Partial Effective	1	2	2
2.7	Employer	Employer default	Employer ceasing to exist and bond/guarantee being insufficient to fund exit costs	Incurred deficit having to be covered by remaining employers	ongoing	Exec Dir Finance & Regulatory/ Service Dir HR & Comms	2	3	6	Bonds and guarantees monitored on regular basis Annual meetings held with Employers to asses their position. All employers required as part of annual return to outline any upcoming structural changes within organisation which may effect pension fund position	Partial Effective	1	2	
4.7	Liquidity	Changing demographics	Increased early retrials, ill health retiral, withdrawal, 50:50 uptake, commutation marriage/partnership	Pressure on cash flow and funding equation	Ongoing	Exec Dir Finance & Regulatory/ Service Dir HR & Comms	3	3	9	Monitoring of active numbers and cash flow All employers required as part of annual return to outline any upcoming structural changes within organisation which may have impact on pension fund.	Partially Effective	2	2	4

6.6	Regulatory & Compliance	Risk of cyber security breach	Security breach due to data hacking or malware incidents	Breach of GDPR, inability to process payments to pensioners, loss of data	Ongoing	Exec Dir Finance & Regulatory/ Service Dir HR & Comms	5	4	20	Hosted environment for pension admin system Monitored and regularly improved firewalls Security installed on all hardware IT contractual requirements for all IT providers  <b>TREAT</b> Continue engagement with IT providers, introduce annual assurance from providers of cyber security policy and adherence	Partially Effective	5	2	10
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