



















# Appendix 1 – Pension Fund Risk Register










Refreshed summary @ 28 November 2023



Risk Code	Risk Owner	Risk Category	Description	Inherent Risk	Current Risk
PF101	Director Finance & Procurement	Funding	If the Investment Strategy is inconsistent with the Funding Strategy it may lead to assets of the fund being insufficient to meet future liabilities. <i>(previous Risk 1.9)</i> NB Description Change	3x3=9 	2x2=4 
PF102	Director Finance & Procurement	Funding	Failure of Funds investment returns to keep pace with growth in liabilities due to pay and CPI Inflation increase, which may lead to Funding Levels falling and potentially requiring increases in employer contribution rates. <i>(previous Risk 1.10)</i> NB merge with PF201 Investments		
PF103	Director Finance & Procurement	Funding	If a Scheme Employer fails to pay sufficient contributions then it may lead to a shortfall in the required assets to meet benefit payments. <i>(previous Risk 2.3 plus amalgamation of Risks 2.1, 2.2, 2.5, 2.6 &amp; 2.7)</i> NB Description Change	4x3=12 	3x2=6 
PF104	Director Finance & Procurement	Funding	Significant differences between Actuarial Assumptions in the Triennial Valuation Reports and reality may lead to setting Funding and Investment Strategies which may result in insufficient cash flow to fund current obligations or insufficient funding to cover future liabilities. <i>(previous Risk 4.3 plus amalgamation of Risks 4.1 and 4.4)</i>	5x4=20 	3x2=6 

Risk Code	Risk Owner	Risk Category	Description	Inherent Risk	Current Risk
PF201	Director Finance & Procurement	Investment	Failure to achieve the target investment returns set out in the Investment Strategy may lead to an inability to sufficiently meet future liabilities and could lead to incurring costs associated with implementing changes to the Investment Strategy. <i>(previous Risk 1.1 plus amalgamation of Risks 1.7, 1.8 and 1.10)</i>	4x3=12 	4x3=12 
PF202	Director Finance & Procurement	Investment	Failure to react to major changes in market/economic conditions may lead to an inability to manage the fund properly resulting in significant adverse impact on valuation of investment assets and assessment of Fund's future liabilities. <i>(previous Risk 1.6)</i>	4x5=20 	3x3=9 
PF203	Director Finance & Procurement	Investment	Failure to manage the liquidity required for the Fund's cash flows may lead to assets being sold at unattractive times or investment opportunities missed due to unavailability of cash, resulting in an adverse impact on the valuation of the Fund's assets. <i>(previous Risk 4.6 plus amalgamation of Risks 4.5, 4.7 and 5.8)</i>	4x3=12 	2x2=4 
PF301	Director Finance & Procurement / Director People, Performance & Change	Administration	If there is an over reliance on key Officers or if Officers fail to maintain a sufficient level of competence to discharge their duties (incl. providing decision making support & advice) it may lead to an inability to manage the Fund effectively. <i>(previous Risk 3.1 plus amalgamation of Risk 3.5)</i> <b>NB Description Change</b>	3x4=12 	3x3=9 
PF302	HR Shared Services Manager	Administration	Failure to process pension payments and lump sums on time may lead to financial distress for retiring staff and potential referral to the Pensions Regulator and/or external auditor resulting in the possibility of penalty costs and reputational damage. <i>(previous Risk 5.1)</i>	3x3=9 	3x2=6 

Risk Code	Risk Owner	Risk Category	Description	Inherent Risk	Current Risk
PF303	HR Shared Services Manager	Administration	Failure to collect and account for contributions from employers and employees on time may lead to adverse cash flow implications for the Fund potentially resulting in adverse external audit opinion, referral to the Pensions Regulator, reputational damage and requirement to divest investments to fund the cash flow deficit. <i>(previous Risk 5.2)</i>	3x4=12 	2x2=4 
PF304	HR Shared Services Manager	Administration	Failure to manage data and information appropriately (security, completeness and accuracy) could result in personal data loss, incorrect pensions information being issued or incorrect benefits being calculated or paid, reputational damage and potential financial penalty. <i>(previous Risk 5.5 plus amalgamation of Risk 5.6)</i> NB Description Change	3x4=12 	3x3=9 
PF305	HR Shared Services Manager	Administration	If there is a cyber security breach then we may lose data relating to deferred and active pension fund members. This could result in a potential inability to process and pay pensions on time and could mean that we are in breach of GDPR legislation and face litigation and reputational damage. <i>(previous Risk 6.6)</i> NB Description Change	5x4=20 	5x2=10 
PF401	Director Finance & Procurement / Director People, Performance & Change	Governance	If we do not engage with and maintain good relationships with Scheme employers and if Scheme employers are not appropriately represented then inefficiencies in the operation of the Pension Fund may arise as scheme employers may not understand their roles and responsibilities relating to the Pension Fund. <i>(previous Risk 2.4)</i> NB Description Change	3x4=12 	3x3=9 

Risk Code	Risk Owner	Risk Category	Description	Inherent Risk	Current Risk
PF402	Director Finance & Procurement / Director People, Performance & Change	Governance	If Pension Fund Committee and Board members do not understand their roles and responsibilities or lack sufficient knowledge and expertise to discharge their duties it could lead to poor decision making and result in negative implications to achieve Objectives. <i>(previous Risk 3.2 plus amalgamation of Risks 1.4, 3.3, 3.4 and 7.1)</i> NB Description Change	4x4=16 	3x3=9 
PF403	Director Finance & Procurement	Governance	Failure of the Fund's Governance arrangements may lead to ineffective management of the Fund resulting in reputational damage <i>(previous Risk 7.2 plus amalgamation of Risks 7.3, 7.4 and 7.5)</i>	Yet to review 	Yet to review 
PF501	Director Finance & Procurement / HR Shared Services Manager	National Policy / Regulations	Failure to administer and manage Fund in line with requirements of legislation and other regulations e.g. LGPS regulations, HMRC may lead to benefits calculated incorrectly and/or breach legislation <i>(previous Risk 6.1)</i>	4x3=12 	4x2=8 
PF502	Director Finance & Procurement	National Policy / Regulations	If we are unable to keep up with changes in legislation and other regulatory frameworks there may be negative impacts on the Fund in terms of funding levels and governance structures may not be compliant with regulatory requirements. <i>(previous Risk 6.2 plus amalgamation of Risk 6.5)</i> NB Description Change	5x5=25 	4x3=12 
PF503	Director Finance & Procurement	National Policy / Regulations	If the Pension Fund does not fulfil its fiduciary duties with appropriate regard to its Environmental, Social & Governance (ESG) responsibilities then there may be breach in statutory or regulatory requirements. <i>(previous Risk 7.6 plus amalgamation of Risk 1.12)</i>	4x4=16 	2x2=4 