

Ref	Risk	Cause	Effect	Risk Owner	Gross Risk		Risk Level	Existing Actions(In place or completed)	Net Risk		Risk Level	Further Risk Actions		
					Likelihood	Impact			Likelihood	Impact		Description	Action Owner	Review Date
1	Long term returns fail to be in line with assumptions	Inappropriate investment strategy Inflation levels exceed asset returns Climate change (e.g. causing stranded assets, causing conflicts impacting on trade, etc)	Lower funding levels than planned at future valuations Higher employer contribution rates required at future fund valuations Higher risk investment strategies required in future	Pension Investments Manager	3	4	12	Use of relatively prudent investment strategy assumptions including inflation and market performance Triennial valuations and investment strategy reviews, with more frequent investment strategy reviews when circumstances require. Use of retained actuaries and fund advisers providing an independent view on the strategy. Quarterly investment performance reports to Pension Fund Investment Sub-Committee Use of independent financial advisers and other specialist advisers as required. Investment in real assets to offer protection against inflation risk in the medium to long term Introduction of a climate change policy. Implementation of a new ISS (March 2020)	2	3	6	Participation in Border to Coast operational officer group discussions on the shape of future funds	Pension Investments Manager	Ongoing
2	Short term falls in asset values	Natural volatility in some asset classes, e.g. equities. Impact of international trade wars, Brexit, US elections, market liquidity, etc	Exposure to risk of selling assets under distress at unfavourable values Pressure to introduce volatility into employer contributions to match market fluctuations	Pension Investments Manager	3	3	9	Diversification of growth assets to provide exposure to growth whilst reducing exposure to a single market risk (e.g. listed stock market investments) Diversification between growth and income assets to mitigate the risk/need to have to sell growth assets under distress Quarterly review of Fund assets to ensure appropriate exposure to risk Performance monitoring over rolling medium term time horizons to reduce exposure to short term decision making on asset sales Long term approach to employer contribution rates including stabilisation mechanisms and long term valuation periods Ensure actual asset allocations remain within tolerances to ensure exposure to risk is as planned Cashflow planning	3	2	6	Review strategic asset allocation to ensure long term returns and short term cashflow requirements can be met.	Pension Investments Manager	Ongoing
3	Cashflow requirements cannot be met	Changing profile of membership over time moving the fund towards a cashflow negative position The probability of large early payments of pension fund contributions has reduced, and this simplifies cash management. Pooling reducing the liquidity of some assets in comparison to non-pooled assets	Sale of volatile assets under distress at low prices Sale of illiquid assets under distress at low prices and high cost Being unable to meet payment deadlines and incurring further costs or reputational damage	Pension Investments Manager	3	3	9	Design of a new ISS driven by the 2019 valuation Strategic cashflow review by fund officers and financial advisers. Provision of information to precepting authorities who may make early pension payments, ensuring appropriate notice is provided to the fund.	2	3	6			
4	Poor performance of actively managed funds	Active managers making inappropriate decisions, or taking inappropriate risks Failure to hold managers to account Higher fees of active management hinder the potential to make a positive net return Over-reliance of the Fund on fund managers simply meeting or beating a benchmark instead of delivering the target return	Long and / or short term losses in asset values Returns exceed benchmarks but miss targets	Pension Investments Manager	3	3	9	Monthly officer monitoring meetings looking at Fund performance. Routine rolling programme of meetings with fund managers to review fund activity and performance. Monthly engagement with Border to Coast Pension Partnership's fund managers and client relationship managers.	3	2	6		Pension Investments Manager	09/01/2020
5	Failure to realise pooling benefits	Inappropriate investment vehicles designed and offered by the pool Inappropriate investments made in the pool Inadequate governance arrangements for the pool Making late decisions to join new funds increasing the costs	Missed opportunities to save costs or improve risk adjusted returns Higher costs than necessary High transition costs Lack of long term cost savings	Pension Investments Manager	2	3	6	Sign up of fund managers to cost transparency guidelines. Reporting of benefits to the Pension Fund Investment Sub Committee.	2	2	4	Review of mechanisms for monitoring cost savings to ensure maximum transparency	Pension Investments Manager	12/01/2020
6	Fraud	Fraud by investment managers, custodian, or brokers Fraud within the administering authority	Loss of assets and inability to recover them	Strategy and Commissioning Manager	3	3	9	Review of signatories post-restructure.	2	3	6	Implement any recommendations arising from the 2019/20 routine internal audit of Pension Administration Approval of new signatory list.	Pensions Administration Delivery Lead Pension Investments Manager	31/3/2021 31/12/2020
7	Liabilities increase further than assumptions	Fall in discount rate leads to a higher present value of liabilities Life expectancy of membership increases Changes to regulations and benefits set by Government e.g. cost cap adjustment or McCloud remedy	Reduction in long-term valuation position Increase in long-term contributions required by employers Increase in risks required to be taken with investments Mismatch of assets and liabilities	Strategy and Commissioning Manager	3	3	9	Liaison with Border to Coast to ensure appropriate investment vehicles are available Reporting of net funding position to the Pension Investment Sub Committee	2	2	4	Review of assumptions for long-term liability assumptions Expand the extent of quarterly liabilities reporting to the Pension Fund Investment Sub Committee	Pension Investments Manager	31/03/2022

8	Inadequate data quality	Employers not aware of data provision responsibilities Employers not having the capacity or expertise to manage and provide their data Fund not supporting employers Fund not escalating data issues Fund systems or processes allowing or creating errors	Inaccurate assessment of liabilities Inaccurate setting of contribution rates requiring later correction Inaccurate setting of employer asset shares Reputational damage	Pensions Administration Delivery Lead	3	4	12	Monthly monitoring of actual and potential breaches activity Embed new protocols for co-ordination with Warwickshire County Council payroll Implementation of iConnect Implementation of Member Self Service Review/debrief of lessons learned form 2019 Valuation	2	3	6			
9	Employer contributions not being paid	Financial challenges to employer organisations Poor processes and procedures in employer organisations Lack of clarity from the Fund about expectations Lack of escalation by the Fund Lack of mechanisms available to the Fund to enforce payment Significant changes in employer funding levels or employer covenant Failure to carry out a termination valuation and failing to complete a cessation in a timely manner	Shortfalls in employer contributions Reputational risk to the Fund Risk of pension fund liabilities causing a risk to the viability of employers	Pensions Administration Delivery Lead	4	3	12	Introduction of a climate change policy. Updated and revised Administration Strategy including the facility to charge costs for late payment New staffing structure with more dedicated capacity for policy development and employer liaison	3	3	9	Covenant review of high risk employers where appropriate	Pensions Administration Delivery Lead	31/03/2021
10	Fund reputation is harmed	Poor service provided to members or employers Adverse audit reports Persistently poor investment returns compared to benchmarks Breaches of the law Data breaches Lack of regard for climate change, carbon footprint, or ESG issues	Lack of confidence in the Fund Additional costs incurred to review and fix perceived or actual issues	Strategy and Commissioning Manager	3	3	9	Restructure of the service increasing capacity to meet delivery and governance requirements Maintenance of a Fund website for member and employer communications Action plans in respect of audit recommendations Transparent reporting to pension committees and the Local Pension Board Training for committee members on ESG and RI	2	3	6	Completion of internal audit recommendations New data improvement plan stemming from review of 2019 valuation Presentations to Employers and Pension Committees on investment approach to climate change	Pension Investments Manager Pensions Administration Delivery Lead Pension Investments Manager	11/01/2021 12/01/2020 11/01/2021
11	Loss of service provision due to disruption	Fire Flood National event/ emergency Cyber Crime Systems Failure Covid infection of key staff and advisors	Inability to pay pensioners Inability to make payments into investment funds that are called by fund managers Inability to collect employer contributions Inability to keep data up to date leading to data inaccuracy and data backlogs	Pension Investments Manager	2	4	8	Data back ups stored off-site Use of scheme administrator disaster planning processes Digital imaging of records Investment data is held online by the Fund's custodian Creation of a cyber security policy Access to the scheme administrator's systems security facilities Risk register in respect of Covid risks	2	3	6	Review and update disaster recovery plan Review the position in respect of the second lockdown/wave of Covid	Pension Investments Manager	11/01/2020
12	Lack of skills and knowledge	Insufficient availability of external contract service providers Inability to recruit to permanent posts Conflicting and competing priorities and workloads in respect of the scheme administrator functions Increasing demand and complexity within the scheme Pressure to maximise efficiency and minimise costs	Deterioration in data quality Inability to make decisions in a timely way Workload backlogs Inability to meet service objectives and deadlines Adverse impact on morale Reputational damage	Strategy and Commissioning Manager	3	3	9	Use of procurement processes to maximise contracting choices Training for new staff Pro-active talent mapping and succession planning for internal staff Implementation of the new staffing structure and recruitment to new posts The implementation of a new training and development regime for staff Documentation of procedures and practices	2	2	4	The introduction of longer term workforce planning Training plan being updated drafted for officers and Members, informed by skills gap analysis Budget setting informed by cost drivers not cash limits	Strategy and Commissioning Manager Transformation Manager	31/03/2021
13	Failure to meet governance standards	Inadequate reporting to Pension Fund committees or the Local Pension Board Lack of training Out-of-date policies Not following and responding to external developments Lack of capacity to focus on planning and governance	Poor decisions taken based on inadequate information or insufficiently skilled boards, officers, or advisers Breaches of the law Decisions taken without appropriate authority	Strategy and Commissioning Manager	3	3	9	Active quarterly monitoring of fund risks by the Local Pension Board and investment sub committee Quarterly Committee and Board meetings Training plans for Pension Fund Investment Sub-Committee and Local Pension Board members Review of Terms of Reference of the Local Pension Board Comprehensive governance arrangements for the Border to Coast Pension Partnership including a Joint Committee Structural separation of governance and policy from deliver Governance review by an independent expert Pensions administration action plan Rolling forward plan of Fund policy reviews	2	3	6	Review of terms of reference of pension fund committees Updated training plan for Board, Committees and officers	Strategy and Commissioning Manager Pension Investments Manager	31/03/2021