WPI	Risk Register		I									Appendix 4
Risk No.	Risk Description	Risk appetite	Risk Identification Risk Causes	Risk Consequences (Effect)	Likelihood	Impact	Risk Score	Existing Risk Controls	Likelihood	Impact	Risk Score	Further Risk Controls
Risk No.	Risk Description		Risk Causes	Risk Consequences (Uffect)	Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
9	Climate Change	Cautious	*Net global carbon production in excess of Paris Agreement's 2 degree larger **Enter the Paris of Paris Agreement's 2 degree degree **Enter the Paris of	Expected transition to a low-carbon economy Impact on the value of assets ladd, for example stransition flowers are seen, or impact on the productivity and stransition flowers are seen, or impact on their perfect on th	5.00	5.00		- Fund considers this when allocating assets and appointing fund Managers - Global, resilient and substant regulations - Global, resilient and substant regulations - Global resilient resilient resilient and 2013 - Responsible investment follow - Respons	5.00	5.00	30.00	Review 2010 UK Stewardship Code requirements and take steps to become a signatury — Develop Find actions and response to Task Force on Climate Related Financial Disclosures (TCP) requirements — Engage further with organizations around the Fund's Reposition investment, including Climate Risk, objectives
1	Long term market risk	Minimalist	- Inappropriate strategic asset allocation - Installing to implement strategic asset allocation - Installing to implement strategic asset allocation - Root fund manager performance - Installing to the strategic asset allocation - Inappropriate - Inappropriate products developed by the Border to Casat Renation - Inappropriate products developed by the Border to Casat Renation - Inappropriate products developed by the Border to Casat Renation - Inappropriate Does highly expectations - Inappropriate Does highly expectations - Inspire products and Insp	*Asset values do not meet expectations *Employer contributions found to increase above expectations or by a large amount at when notices or by a large amount at when notices or by a large amount at when notices to be a large amount at when the contribution of the large amount at which the contribution of the large above. **Asset values are already as the large amount at large amount and are already as a large amount at large and an account at large and potentially excrease asset values. **Asset values do not meet a large amount at large amount and are as a large amount at	4.00	5.00	25.00	This gives and generated integration to building the strong of the comparison reviewers through and foreign contents, challed ground risk, the use of professional staff, consultant, and advance, quarterly the membrane appropriate most efficient, and advance, quarterly contents of the contents of th	4.00	4.00	20.00	
8	Cyber Security	Aversa	* Systemic observation by events (a.g. staing down financial trading *Local object waters; weeks (a.g. staining down financial trading *Local object works (works (b.g. philosophic glob object) *Local object works (b.g. philosophic glob object) *Local object works (b.g. philosophic glob object) *Local object works (b.g. objec	Loss of data and/or data duruption * Repulsational damage * Broad-to fish Liw * Control of this guess * Business interruption	4.00	5.00	25.00	value of submes administrator systems; and system security valued business. **Business control profit **Business control profit **Business controllarly and distaster recovery planning session with **Business controllarly and distaster recovery planning session with **Businessistantice of Security planning **Amerage for a such described profit and the Business Controllarly Plann **Amerage for such such described for Services to service **Amerage for such such described for Services to service **Amerage for such such described for Services to service **Amerage for such such controller for Services to service **Amerage for such such controller for Services to service **Amerage for such such controller for Services **Amerage for such such controller for Services **Amerage for such such such such such such such such	3.00	4.00	16.00	
2	Short term market risk	Open	- Significant reflections in nater values - Action management (miles of the second continued continued of the second continued con	- Asset values do not neet expectation. - Caliform requirements connot be let fill cently or effectively. - Caliform requirements connot be let fill cently or effectively. - Being forced to sell assets under distress. - Being forced to sell assets under distress. - Being quested to septiment to members on set bejustily. - Introducing validity to employer centributions or those employers does to set.	5.00	3.00	18.00	*Diserrollination of seasts *Regular committee and offer monitholing of investment asset *Regular committee and offer monitoring of investment asset *Assets and the committee and offer monitoring of the committee of the committ	5.00	2.00	12.00	
6	stability to meet demand for activity	Averse	Grawth in memberskip numbers Grawth is employer numbers Grawth is employer numbers Grawth is completely and difficulty of employer bases Forestating used of foresteroids Forestating used used used used used used used used	Quality of services reduces Coverance failures Coverance failures Coverance of the coveranc	4.00	3.00	15.00	*Medium him forestating of demand and planning for the capacity and recovers regarded *Membrane quality and productivity of suff through to sinning and *Membrane quality and productivity of suff through to sinning and *Membrane quality or splanne development *Membrane quality or splanne development *Membrane quality or splanne quality of the development *Membrane quality or splanne quality of the development *Membrane quality or splanne quality of the development on the *Membrane quality or splanne quality or *Membrane quality or splanne quality or *Membrane quality or splanne quality or *Membrane	3.00	3.00	12.00	Foresting in systems development and systems fluiding
7	Business interruption	Averse	Plandemics Industrial action Industrial action Industrial action Industrial action Industrial action Industrial action and action and consultant personnel Industrial action and action and consultant personnel Industrial action	Delays in decisions or their implementation *Failure to meet performance targets *Reportational damage *Data quality deterioration *Vortexable absoling *Significant retoration costs	3.00	4.00	16.00	Building resilience requirements into service contracts Orgital record leaguing Charge data building resilience and record leaguing Source glob building of the Charge glob building of the Source Source glob building of the Source Source glob building of the Source Controlling and disaster recovery planning session with controlling.	2.00	3.00	9.00	Completion of documentation of investment practices
21	Fraud	Aversa	*Increased financial pressure on individuals *The passing of time since any provinces targeted review of Fraud risk *The passing of time since any provinces targeted review of Fraud risk managers, conditions, and employees, **Commission Conditions, and **Commission Conditions	*Members loss handles to floudistics *expectational risk *transport registrate risk *transport registrate risk *traduction remembers gain bearefles to the part of the resident to the remembers gain bearefles to the risk registrate remembers and the remembers are remembers and the remembers are remembers and remembers and remembers are remembers and remembers are remembers and remembers and remembers and remembers are remembers and remembers are remembers and remembers and remembers are remembers and remembers and remembers are remembers and remember	3.00	3.00	12.00	Application of Administrating Authority code of conduct to fixed officers. Fixed as taking, and whichfollowing policy Applications of facilities of this was significant processes for financial Applications of facilities of this was significant processes for financial Applications of facilities of this was significant processes for financial Administration of the control of	2.00	3.00	9.00	
12	Governance Failure	Aversa	Leck of capacity to service governance requirements. Lack of carbonal process of the control o	Advance impact on Fund's reputation Reposers to suplaned fills or poor administration and investment performance. Pleasable of the law Pleasable of the law Continues that are not appropriately authorized Customer disustriations.	3.00	4.00	u a	* Training glanes for committions, floated, and sold of shall during the * Country for committee and Based meeting option. * Country for committee and Based meeting option. * Training quadratic markets are available to all committees and Based meetings. * Management of La Country Angelow * Country for Angelow * Angel	2.00	3.00	9.00	Signing up to LIK Stresschiship Code 2000 Review of committee arrangements and Terms of Reference are Review account reporting timescales
3	Financial mismatch	Aversa	- Next assets fail to grow in line with the developing cost of marting including a cost of marting a cost of martin	- Principle (and determinates in the principle of the pr	2.00	5.00		Annie valundino process delineg en spiloted investiment Storlage and 1-1 licental valundino for all employers. The control spiloted process of the complex pro	1.00	4.00	8.00	Incorporate a regular review of individual employers with bonds in place
4	Employer risk	Averse	- Opposed analyses - Opposed analyses - Opposed pressure on employers - Optorion (analyse fraudal pressure on employers - Optorion (analyse fraudal pressure on employers - Optorion (analyse fraudal) optorion - Optorion (analyse fraudal) - Indiangual on onlinking of employers by the final - Indiangual on onlinking of employers by the final - Indiangual on onlinking of employers by the final - Indiangual on onlinking of employers by the final - Indiangual onlinking of employers by the final - Indiangual onlinking of employers by the final - Indiangual onlinking of employers be as it is page staff on the - Indiangual onlinking of employers bear in the final database - Indiangual of employers - Indiangual of emplo	- Engineers covered pay the required distributions because contributions requirements in crease the picking in the far Engineers covered by the requirement of the contributions because engineer formation based on the formation of the contributions because engineers formation based on the formation of the contributions because a Repulse of the formation of the contribution of the con	3.00	3.00	12.00	- Cossession deller or security (pursanter - Tipurat pur seria ammergi del moliginore - Cossession seria ammergi del moliginore - Cossession seria ammergi del moliginore - Cossession seria ammergia del moliginore - Cossession seria ammergia del moliginore - Cossession seria ammergia - Cossession seria ammergia - Cossession seria - Cos	3.00	2.00	8.00	
10	Data Quality	Aversa	McCloud Impact *Print Intelligence of Continuer Confect expectations *Could impact on member health and wellberg-increasing the aftersa *Landard Expectation Selection of Continuer Confect of Continuer C	*Ourly cardious investment stategy requiring higher employer contributions: *Incorrect benefit payments to scheme members *Complaints and disputes from scheme members *Incorrect benefit payments to scheme members *Incorrect benefit payments from scheme members *Incorrect benefit payments from scheme members	3.00	3.00	12.00	Administration governance review actions and maintenance of those constants. Administration governance review action and maintenance of those constants. Administration of prival service. **Administration of prival service. **Administration of privals. **Administration of	2.00	2.00	6.00	LM Stewardship Code 2020
Risk Identification					Inherent Risk Scoring			Existing Misk Controls	Residual Risk Scoring			Further Risk Controls

Share email with outline of changes
Reintroduce summary sheet
Column setting out whether progress has been made, or if risk level needs upgrading
Present more narrative around the red risks
Flag changes or new items quarterly - reporting by exception
Annual review

Comment further on RI engagement (in General Activity update)



Risk Category	Description	Risk Appetite	Risk Appetite Description
Liability profile	Risk that actual benefit costs are higher than expected leading to increased contributions or investment risk to make up the shortfall. This includes higher inflation, increased longevity and changes to the composition of membership i.e. maturing fund	Minimalist	Uncertainty is to be avoided unless essential; only prepared to accept the possibility of very limited financial loss
Governance	Actuarial, legal or investment advice is not sought, or is not heeded, or proves to be insufficient in some way. This includes Committee and officer skills, the decision-making structure and operational abilities.	Minimalist	Uncertainty is to be avoided unless essential; only prepared to accept the possibility of very limited financial loss
Climate risk	Climate change affects liabilities (increased mortality), operational processes (physical disruption), and investment returns (pricing into company returns and covenant).	Cautious	Tolerance for risk taking is limited to events where there is little chance of significant downside impact
Data	Administering Authority holds incorrect data so the Fund collects incorrect contributions and/or sets an inappropriate funding plan. This could impact the funding level.	Averse	Avoidance of risk and uncertainty is a key organisational objective
Financial - Matching Assets (strategic)	Requirement to manage operating cashflows and ensure assets meet liabilities over the lifetime of the Scheme.	Cautious	Tolerance for risk taking is limited to events where there is little chance of significant downside impact
Financial - Non-matching Assets (implementation)	Requirement to generate enough returns to meet future liabilities whilst minimising employer contributions.	Open	Tolerance for decisions with potential for significant risk, but with appropriate steps to minimise exposure
Regulatory	Changes by Government to LGPS rules e.g. employer participation, altered requirements. Also includes direct intervention. Could impact on funding and/or investment strategies	Averse	Avoidance of risk and uncertainty is a key organisational objective
Administration	Pensions Act/GDPR or other breaches as a result of process risks around holding data, in particular member data, but also asset administration and the Pension Fund's payroll.	Averse	Avoidance of risk and uncertainty is a key organisational objective

n.b.if more risk categories are required, please insert a row between row 6 and 7 to ensure the drop down options in tab 2 updates correctly

Risk Appetite Descriptions Risk Appetite Risk Appetite Risk Appetite Description Averse Avoidance of risk and uncertainty is a key organisational objective Uncertainty is to be avoided unless essential; only prepared to accept the possibility of very limited financial loss Cautious Tolerance for risk taking is limited to events where there is little chance of significant downside impact Tolerance for decisions with potential for significant risk, but with appropriate steps to minimise exposure Hungry Eager to pursue options offering potentially higher rewards despite greater inherent risk

WCC - Corporate

Ris	k Identification	Inhe	rent Risk Sco	oring	Resi	dual Risk Sco	oring
Risk No.	Risk Description	Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score
1	Long term asset values do not meet expectations	Likelihood	Impact	#VALUE!	Likelihood	Impact	#VALUE!
12	Governance Failure	Inherent Risk Scoring	0.00	#VALUE!	Residual Risk Scoring	0.00	#VALUE!
2	Short term asset values do not meet expectations	5.00	5.00	30.00	5.00	5.00	30.00
3	Liabilities cannot be met	4.00	5.00	25.00	4.00	4.00	20.00
4	Employer contributions not paid	4.00	5.00	25.00	3.00	4.00	16.00
6	Inability to meet demand for activity	4.00	3.00	15.00	3.00	3.00	12.00
5	Pooling objectives not met	5.00	3.00	18.00	5.00	2.00	12.00
7	Business interruption	3.00	4.00	16.00	2.00	3.00	9.00
9	Climate Change	3.00	3.00	12.00	3.00	2.00	8.00
8	Cyber Security	2.00	5.00	15.00	1.00	4.00	8.00
10	Customer satisfaction	3.00	3.00	12.00	2.00	2.00	6.00
11	Fraud	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

WCC - Penylon Trees	П	qa					Wes	0	ī	Q2					-	CC - Corporate		Change				
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	0	0	0	0.00	0.00 0.00 0.00	680 680 680			0	0		000 000 000	0.00 0.00 0.00	000 000 000			0	0	0		0.00 0.00 0.00	8.80 8.80 8.80
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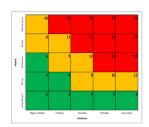
5 3. Liabilities 8. Cyber Security 9. Climate Change 1. Long term cannot be met asset values do not meet expectations 3 7. Business 5. Pooling interruption objectives not 11. Fraud met 12. Governance 6. Inability to Failure meet demand for activity 2 10. Customer 4. Employer 2. Short term satisfaction contributions not asset values do not meet expectations 1 2 1 3 4 5

Likelihood

Impact

			1. Risk Assessment Criteria	
Score	Description	Probability of Occurrence	Likelihood of Occurrence	
1	Highly Unlikely	The event may occur in only rare circumstances (remote chance)	1 in 8 + years	8 12 16 20 24
2	Unlikely	The event may occur in certain circumstances (unlikely chance)	1 in 4-7 years	3 6 9 12 15 18
3	Possible	The event may occur (realistic chance)	1 in 2-3 years	4 6 8 10 12
4	Probable	The event will probably occur (significant chance)	1 in 1-2 years	2 3 4 5 6
5	Very Likely	The event is expected to occur or occurs regularly	Up to 1 in every year	Highly Unlikely Unlikely Possible Probable Very Likely Likelihood
Score	Description	Members and Employers	Investments and Funding	Administration
1	Insignificant	Negligible impact - not noticeable by members or employers, no complaints or issues likely to be raised by members or employers.	Negligible impact - of a level that would not register for investment action.	Negligible impact - low level administrative ussues resolved internally with no impact on key performance indicators
,		Example - Member or employer communication newsletter issued a few days later than planned.	Example - Normal volatility levels being experienced in the investment portfolio.	Example - A manageable backlog of data to be uploaded to the administration system that has no impact on actual member payments.
2	Minor	Minor impact on members and/or employers which may cause correspondence about issues that can be resolved at source.	Minor impact on investment operations requiring monitoring and attention but not requiring anything other than business as usual actions.	Minor impact on administration performance requiring action within business as usual parameters.
-	William	Example - A member not being given the correct information first time when corresponding with the Fund and this having to be corrected, but having no impact on benefits paid	Example - minor adverse fund investment event, such as a credit default within a private credit portfolio which is of a business as usual nature.	Example - an employer experiencing persist difficulty in providing correct data resulting in the need for extra training/support/correspondence to resolve
		Material adverse impact on members or employers that is of cause for concern to them and the Fund and requires escalation for non-business as usual resolutions	Material impact requiring bespoke corrective action, but manageable within the existing Investment Strategy	Material impact on administration performance, but manageable within approved policies and procedures.
3	Moderate	More likely to be isolated issues but could have some scale. Example - Inability to finalise and sign off an admission agreement with a new employer resulting in escalation.	Examples - Significant drift or step change in actual in asset allocation taking the Fund risk profile out of tolerances, or significant slippage in the implementation of a significant Fund transfer	Examples - Inability to agree a transfer of membership and liabilities from another fund, requiring arbitration by a third party, or disappointing data quality scores resulting in a need for an improvement plan.
		Significant adverse impact on members or employers that result in a direct impact on benefits paid or contributions due or member or employer satisfaction with Fund performance. Likely to result in complaints.	Major impact requiring significant corrective action and a change in Investmet Strategy or Funding Strategy, or the significant sale of assets under distress. May result in noticeable changes to employer contributions.	Major failure of administration function, likely to be systematic in nature, of a high profile nature to members and employers.
4	Major	More likely to be systemic issues. Examples - A significant delay in the issue of member annual benefit statements, or persistently charging an employer an incorrect contribution rate.	Examples - Major change in the world economic outlook, or in the present value of future liabilities requiring a change in strategy, or inability to implement a significant Fund lauch.	Example - Widespread and persistent failure to meet key performance indicators such as dealing with certain types of administration query or action within deadlines, and reciept of significant numbers of complaints from members.
		Serious and systematic errors in benefits payments or administration KPIs, or significant volatility or increase in employer contributions.	Resulting in significant volatility or increase in employer contributions, inabilty to pay member benefits, or a need to significantly increase investment risk exposure.	Catastrophic failure of administration function leading to inability to pay benefits accurately or at all on a large scale.
		Significant breaches of the law	Significant failure to meet legal or regulatory requirements.	Significant breaches of the law
5	Catastrophic	Serious complaints and reputational harm caused	Serious reputaitonal harm caused	Serious complaints and reputational harm caused
		Example - Systematic failure to monitor employer contributions resulting in subsequent identification of a large number of contribution deficits that employers	Example - Catastrophic deterioration in the ability or employers to pay contributions resulting in a need for emergency investment and cashflow measures in order to keep	Example - Wholesale failure of the pension payroll funciton resulting in no member payments being made.

		1. Risk Ass	sessment Criteria	
lisk Likeli	hood			
Score	Description		Likelihood of Occurrence	
	Highly Unlikely	The event may occur in only rare circumstances (remote chance)	1 in 8 + years	
2	Unlikely	The event may occur in certain circumstances (unlikely chance)	1 in 4-7 years	
3	Possible	The event may occur (realistic chance)	1 in 2-3 years	
4	Probable	The event will probably occur (significant chance)	1 in 1-2 years	
5	Very Likely	The event is expected to occur or occurs regularly	Up to 1 in every year	



Score	Description	Members and Employers	Investments and Funding	Administration
	Indicate .	Negligible impact - not noticeable by members or employers, no complaints or issues likely to be raised by members or employers.	Negligible impact - of a level that would not register for investment action.	Negligible impact - low level administrative ussues resolved internally with no impact on key performance indicators
1	Insignificant	Example - Member or employer communication newsletter issued a few days later than planned.	Example - Normal volatility levels being experienced in the investment portfolio.	Example - A manageable backlog of data to be uploaded to the administration system that has no impact on actual member payments.
		Minor impact on members and/or employers which may cause correspondence about issues that can be resolved at source. Minor impact on investment operations requiring monitoring and attention but not requiring anything other than business as usual actions.		Minor impact on administration performance requiring action within business as usual parameters.
2	Minor	Example - A member not being given the correct information first time when corresponding with the Fund and this having to be corrected, but having no impact on benefits paid	Example - minor adverse fund investment event, such as a credit default within a private credit portfolio which is of a business as usual nature.	Example - an employer experiencing persist difficulty in providing correct data resulting in the need for extra training/support/correspondence to resolve
		Material adverse impact on members or employers that is of cause for concern to them and the Fund and requires escalation for non-business as usual resolutions	Material impact requiring bespoke corrective action, but manageable within the existing Investment Strategy	Material impact on administration performance, but manageable within approved policies and procedures.
3	Moderate	More likely to be isolated issues but could have some scale. Example - Inability to finalise and sign off an admission agreement with a new employer resulting in escalation.	Examples - Significant drift or step change in actual in asset allocation taking the Fund risk profile out of tolerances, or significant slippage in the implementation of a significant Fund transfer	Examples - Inability to agree a transfer of membership and liabilities from another fund, requiring arbitration by a third party, or disappointing data quality scores resulting in a need for an improvement plan.
		Significant adverse impact on members or employers that result in a direct impact on benefits paid or contributions due or member or emnployer satisfaction with Fund performance. Likely to result in complaints.	Major impact requiring significant corrective action and a change in Investmet Strategy or Funding Strategy, or the significant sale of assets under distress. May result in noticeable changes to employer contributions.	Major failure of administration function, likely to be systematic in nature, of a high profile nature to members and employers.
4	Major	More likely to be systemic issues.		Example - Widespread and persistent failure to meet key performance
		Examples - A significant delay in the issue of member annual benefit statements, or persistently charging an employer an incorrect contribution rate.	Examples - Major change in the world economic outlook, or in the present value of future liabilities requiring a change in strategy, or inability to implement a significant Fund lauch.	indicators such as dealing with certain types of administration query or action within deadlines, and reciept of significant numbers of complaints from members.
		Serious and systematic errors in benefits payments or administration KPIs, or significant volatility or increase in employer contributions.	Resulting in significant volatility or increase in employer contributions, inabilty to pay member benefits, or a need to significantly increase investment risk exposure.	Catastrophic failure of administration function leading to inability to pay benefits accurately or at all on a large scale.
		Significant breaches of the law	Significant failure to meet legal or regulatory requirements.	Significant breaches of the law
5	Catastrophic	Serious complaints and reputational harm caused	Serious reputaitonal harm caused	Serious complaints and reputational harm caused
		Example - Systematic failure to monitor employer contributions resulting in subsequent identification of a large number of contribution deficits that employers cannot then catch up with.	Example - Catastrophic deterioration in the ability or employers to pay contributions resulting in a need for emergency investment and cashflow measures in order to keep paying benefits.	Example - Wholesale failure of the pension payroll function resulting in no member payments being made.

Corporate Risk Register Guidance * Example used is loss of key staff



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RISK Identification												
Heading	Description	Additional Guidance	Example									
Risk No.	A reference number for identifying the risk in the register and on the risk map	Numbers should be sequential	1, 2, 3 etc.									
Risk Description	A brief outline of the risk scenario	This should be a specific and realistic scenario	Loss of key talent / skillsets within the organisation									
Risk Causes	Events or situations that can cause the risk to crystallise or cause the controls to fail	Causes should be written as a list of processes, actions or events	Inability to replace vacancies in a timely manner Lack of adequate succession planning									
Risk Consequences	Events or situations that may arise following the occurrence of the risk identified	Give a list of credible outcomes that may impact the organisation or business unit if the risk occurred	Loss of key skillsets and / or knowledge Inability to meet strategic objectives									
Risk Category	Defines the specific category the risk relates to	See risk category options in tab 5	Strategic									
Risk Owner	The individual who is accountable for the risk and has enough authority to implement action	The risk owner should be the 'go to' person if you needed further information on the risk	John Smith / Head of HR									
Aligned Strategic Objective	Defines which strategic objective relates to the specified risk	-	Grow quickly, globally									

Inherent Risk Scoring

Heading Description		Guidance	Example		
Likelihood	Likelihood of the risk occurring with no controls in place	Mean score must lie between 1 and 5 - see Risk Assessment Criteria in tab 1	3.2		
Impact	Impact of the risk occurring with no controls in place	Mean score must lie between 1 and 5 - see Risk Assessment Criteria in tab 1	2.8		
Risk Score	Risk score based on likelihood and impact with no controls in place	Risk score is automatically generated by multiplying risk likelihood by impact and adding the impact score	8.96		

Risk Controls

Heading	Description	Guidance	Example
Current Controls	Details the controls currently in place used to mitigate the risk	Controls should be listed sequentially	1. Strong internal career progression opportunities
Control Effectiveness Score	State whether the current controls are effective, fair or poor	-	Fair
Control Improvement Option	Details controls that could be implemented to improve risk mitigation		Implement flexible working and better employee benefits structure

Residual Risk Scoring

Heading	Description	Guidance	Example
Likelihood	Likelihood of the risk occurring with current controls in place	Mean score must lie between 1 and 5 - see Risk Assessment Criteria in tab 1	3.2
Impact	Impact of the risk occurring with current controls in place	Mean score must lie between 1 and 5 - see Risk Assessment Criteria in tab 1	2.8
Risk Score	Risk score based on likelihood and impact with current controls in place	Risk score is automatically generated by multiplying risk likelihood by impact and adding the impact score	8.96

Target Risk Scoring

Heading	Description	Guidance	Example
Likelihood	Likelihood of the risk occurring with controls in place that the organisation would like to attain in the future	Mean score must lie between 1 and 5 - see Risk Assessment Criteria in tab 1	3.2
	Impact of the risk occurring with controls in place that the organisation would like to attain in the future	Mean score must lie between 1 and 5 - see Risk Assessment Criteria in tab 1	2.8
Target Risk Score	The risk score the organisation would like to attain in the future	Risk score is automatically generated by multiplying risk likelihood by impact and adding the impact score	6.5

Head	ding	Description	Guidance	Example
Risk Review Period	d	Intended date when any action measures will be in place	-	30/06/19
Additional Notes		Any additional notes regarding the risk	-	Continue to monitor risk and reassess as necessary

Note: Corporate Risk Register has been created and developed by Marsh Advisory (part of Marsh Limited). Please refer to Marsh Advisory with any queries relating to functionality of the document.

Source: Funding Strategy Statement

Risk Category	Description	Risk Appetite
Administration - Member Services	Risk of failure to pay benefits or failure to maintain complete and correct data	Averse
Administration - Employer Services	Risk of failure to collect appropriate data or contributions from employers, or failure to have appropriate governance in place, for example having admission agreements in place and appropriate contribution rates calculated	Averse
Cashflow	Risk of inability to pay benefits due to members and other amounts due to third parties (e.g. capital calls), and risk of becoming a forced seller of assets	Minimalist
Investment - Income and Protection Assets	Risk of failure to manage operating cashflows, failure to provide suitable diversification and risk reduction, counterparty exposure risk.	Cautious
Investment - Growth Assets	Risk of failure to generate enough returns to meet future liabilities whilst minimising employer contributions	Open
Long term funding strategy	Risk of failure to adequately forecast and manage funding risk resulting in insufficient funds available to pay benefits, inappropriately high/low or volatile employer contribution requirements, etc	Cautious
Governance	Risk of governance failure or not meeting regulatory requirements	Averse
Climate Change	The risk of climate change impacting adversely on the ability of the Fund to meet its objectives	Cautious

	Financial risks	
		Fund assets fail to deliver returns in
		line with the
		anticipated returns underpinning the
		valuation of
		liabilities and contribution rates over
Matching	Long-term asset returns	the longterm.
		Pay and price inflation significantly
		more than
Matching	Inflation	anticipated.
		Inappropriate long-term investment
Non-matching	Investment strategy	strategy.
		Active investment manager under-
		performance
Non-matching	Active management	relative to benchmark.
		Effect of possible asset
		underperformance as a
Non-matching	Climate Change	result of climate change
		Effect of possible increase in
		employer's
		contribution rate on service delivery
		and
Contribution	Contribution rates	admission/scheduled bodies
		Orphaned employers give rise to
		added costs
Contribution	Orphaned employers	for the Fund

	Demographic risks	
		Pensioners living longer, thus
		increasing cost to
Liability profile	Longevity	Fund.
		Maturing Fund – i.e. proportion of
		actively
		contributing employees declines
		relative to
Liability profile	Maturing Fund	retired employees.
		Deteriorating patterns of early
Liability profile	Early retirements	retirements
		Reductions in payroll causing
		insufficient deficit
Liability profile	Active members	recovery payments

	Regulatory risks	
Regulatory	Altered requirements	Changes to national pension
		requirements
		and/or HMRC rules e.g. changes
		arising from
		public sector pensions reform.
Regulatory	Intervention	Time, cost and/or reputational risks
		associated
		with any MHCLG intervention
		triggered by the
		Section 13 analysis
Regulatory	employer Employer participation Employer participation to impacts	Changes by Government to particular
		employer
		participation in LGPS Funds, leading
		to impacts
		on funding and/or investment
		strategies

	Governance	
	GOVERNMEN	Administering Authority unaware of
		structural
		changes in an employer's
		membership (e.g.
		large fall in employee members,
		large number of
		retirements) or not advised of an
		employer
Data	Membership structure	closing to new entrants.
		Actuarial or investment advice is not
		sought, or
		is not heeded, or proves to be
		insufficient in
Process	Advice	some way
		Administering Authority failing to
		commission
		the Fund Actuary to carry out a
		termination
		valuation for a departing Admission
Contribution	Terminations	Body.
		An employer ceasing to exist with
		insufficient
Contribution	Cessation	funding or adequacy of a bond.
		An employer ceasing to exist
		resulting in an exit
Contribution	Exit	credit being payable