| Ref | Risk | Cause | Effect | Gross Risk | | Risk Level | Existing Actions(in place or completed) | NET Risk | | Risk Level | Further Risk Actions |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Likelihood | Impact | | | Likelihood | Impact | | Description |
| 1 | Cashflow - Delayed Employer Contributions | Employers choose to delay contributions to protect their cash position.<br><br>Employers cannot pay their contributions because of business continuity failure, for example systems do not work remotely, or key staff off sick.<br><br>Government directives to pension funds to support employer cashflow | Negative impact on fund cashflow<br><br>Fund may need to sell assets in unfavourable circumstances in order to service cashflow needs<br><br>Asset weightings may move significantly out of balance, changing the risks the Fund is exposed to | 3 | 3 | 9 | Investments and cash reserves available to cover a period of delays in contributions<br><br>Ensure cashflow management is prioritised | 3 | 3 | 9 | Review employer base and mitigating approaches for different employer types, prioritising employers and employer groups with weak covenants or that are more heavily impacted by covid<br><br>Review securitiies and guarantees from employer, and guarantor arrangements<br><br>Consider longer term maximisation of contributions not short term maximisation<br><br>Review options to reduce or delay contributions in certain circumstances<br><br>Engage with employers on options and to understand their plans and position |
| 2 | Cashflow - Investments Impact | Significant losses in asset values<br><br>Companies choosing to stop issuing dividends to protect the company cash position<br><br>Government directing companies to stop paying dividends to protect company viabilty<br><br>Reducion in yields from income generating assets as safer assets are more in demand<br><br>Gating of funds at risk of mass withdrawals | Refer to Risk 1 | 3 | 4 | 12 | Cash reserves available to cover a period of time<br><br>Focus on cashflow initially<br><br>Holding higher cash balances<br><br>Other related actions as per Risk 3 | 3 | 3 | 9 | |
| 3 | Losses in Investment Values and Returns | Economic shock / slowdown<br><br>Volatility in financial markets<br><br>Losses in economic supply and demand and productivity / GDP globally | Funding level worsens materially<br><br>Investment weightings move outside of tolerance levels<br><br>Current Investment Strategy is no longer suitable<br><br>Fire sale of assets | 4 | 3 | 12 | Maintain close laison with Investment Consultant, Fund Managers, and Border to Coast<br><br>Maintain existing strategy and asset classes unless there are very good reasons for deviating.<br><br>Cashflow strategy recently reviewed<br><br>Prioritisation of cashflow management in the immediate term | 4 | 3 | 12 | |

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| 4 | Governance Disruption | Loss of existing means of governance meetings<br><br>Lack of appropriate remote working hardware or software<br><br>The potential need to make significant decisions very quickly | Inability to make significant decisions quickly enough - losing money or opportunities in the process<br><br>Decisions being made without adequate oversight and governance<br><br>Sub optimal decisions being made | 2 | 3 | 6 | Issue remotely of of joint briefing notes to the two pension committees and the local pension board to maintain communications and transparency/assurance around pension fund activity and the response to the Covid issue<br><br>Signing/authority of decisions and transactions remotely using Surface Pro tablets instead of physical wet signatures on paper where this is possible<br><br>Engage with committees and boards to understand priorities<br><br>Review of arrangements to be able to run boards and committtees remotely | 2 | 3 | 6 | Review of options to delegate decision making to facilitate quick decisions where necessary (e.g. to s151 or to an emergency response group, etc)<br><br>Review and rephase project work<br><br>Continue the implementation of governance review actions but review prioritisation where necessary |
| 5 | Health and Safety of Members | Inability to pay pensions to pensioners<br><br>Paper based systems<br><br>Lack of informaiton available to members about the impact on their pension | Pensioners not able to buy essentials if pensions are not paid<br><br>Paper based systems causing infection transmission risk<br><br>Mentail health risk if members are worrying about pensions | 3 | 4 | 12 | Post updates on website regarding pension payments<br><br>Administration actions in Risk 8 | 2 | 3 | 6 | Review and update any communications and documentation for members<br><br>Administration actions in Risk 8 |
| 6 | Health and Safety of Staff | Lack of adequate remote working facilities<br><br>Paper based systems<br><br>Pressure to deliver business as usual whilst dealing with the crisis<br><br>Lack of contact wilh colleagues | Paper based systems causing infection transmission risk<br><br>Mental health impact<br><br>Delivery of key priorities | 3 | 4 | 12 | Mandatory working from home unless exceptional reason to go to office<br><br>Microsoft 356, Surface Pros and ability to work from home<br><br>Council flexible working policy<br><br>Rapid capture and sharing of lessons learned about effective remote working | 3 | 3 | 9 | |
| 7 | Loss of continuity working with advisers, partners, fund managers, and Border to Coast | Inability to operate remotely<br><br>Loss of business continuity | Delays in investment operations<br><br>Delays in fund launches<br><br>Delays in closure of accounts | 3 | 3 | 9 | Liaison and meetings with external agencies have largely continued remotely, e.g. through Microsoft Teams and webex seminars<br><br>Maintaining close liaison with key organisations, in particular Border to Coast, Hymans Robertson, and Bank of New York Mellon | 2 | 2 | 4 | Continue to engage with BCPP, fund managers, and custodian about their continuity plans |

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| | | | | Likelihood | Impact | | | Likelihood | Impact | | Description |
| 8 | Administration Service Disruption | Lack of remote working facilities

Staff lost to sickness

Disruption to employer admin and payroll funcitons

Disruption to systems and system suppliers

Disruption to actuary service provision | Reduction in performance against KPIs that impact adversely on fund members and sustainablity

Incorrect or missing pensioner payments

Data quality deterioration

Delays to administration improvemetns e.g. iConnect | 3 | 4 | 12 | Remote working facilitites have been set up with amost all work done from home

Use of video conferencing

Prepared to move resources around the team to protect the payment of pensions now

Review priorities for KPIs and ensure protection of those that support the most vulnerable

Engage with key contacts to plan how we work

Expediting the use of IT to replace paper pased systems | 2 | 3 | 6 | Review activities, procedures, signatories, etc.

Cross train staff |
| 9 | Inability to Recover | Loss of continuity in staff

Loss of systems

Significant gaps in data or data quality develop during the crisis

Significant backlogs in data submissions develop | Poor data quality for a significant period of time

Significant costs to get data back to acceptable standards

Inability to review and update investments for the new circumstances, and so missing opportunities | 3 | 3 | 9 | Regular review of the situation, instigating a recovery group when circumstances permit

Keeping recovery in mind when taking actions during the crisis | 2 | 3 | 6 | |