

Appendix 5

Risk	Risk Number	Impact	RAG	Trend	Mitigating Action (For Committee / Board report)
Recruitment of staff	R28	Fund's ability to develop & implement service plan and administer the Fund	Red	◀	Delay in recruitment of vacant Administration posts (10.2 FTE's) due to Coronavirus outbreak. Trainer has been appointed to train the new recruits. First phase of three phases of recruitment for Administration posts starting September 20. Investment posts currently being advertised.
McCloud/Sargeant Judgements resulting in the extension of protections	R63	Increase in workload on administration side and for scheme employers	Red	◀	Consultation released on 16 July by MHCLG and runs for 12 weeks. Changes to primary legislation not expected until April 2022. Work is underway to develop a comprehensive project programme with multiple workstreams contained within it. Initial analysis has been carried out to identify the number of members that are impacted by the consultation proposals, the action required to implement the remedy and which employer they fall under. The current priority is to collect missing data from employers in respect of working hours and details of service breaks, since 1 April 2014, for all members in scope of protection.
Deterioration in financial stability of employers (employer Covenants)	R23	employers not able to meet their liabilities impact on rest of Fund	Red	◀	Policy in place re admission and exiting employers. Covenant assessment monitoring in place. Employer covenant being monitored in Coronavirus outbreak; Discussing possible policy options with actuary. No indicators of deterioration in financial stability of employers/their covenant at present
Failure to earn investment returns	R26	scheme cannot meet liabilities, employer conts could rise	Red	◀	Review of Investment Strategy, risk management strategies, specialist advisors used. Due to Coronavirus outbreak a revised ISS has been approved under emergency powers by Chief Exec in consultation with officers. ST risk of not achieving expected returns has increased; however, markets have stabilised and volatility abated
Increase in employers	R56	increased resources needed to support more employers	Red	◀	Additional resources have been put into Employer Services to support & train employers. Recruitment delayed due to COVID outbreak. Phase one of three phases of recruitment starting September 20. Trainer has been appointed to train the new recruits.
Political Pressure to reform the scheme & direct investment decisions eg ESG	R42	National decisions are not in best interests of the scheme	Red	◀	Participate in Brunel pool, ISS aligned with Fund's Climate Change policy. Recent supreme court judgement against SoS re ESG guidance clarifies that government only has power over how funds invests, not what they invest in. Have good local governance but national decisions could impact/
The introduction of the exit payment cap	R53	This will place an additional burden on the administration resource	Red	▲	Response to the consultation and regulations now published, MHCLG is currently looking at options to introduce choice to allow members in this position to opt for a deferred pension instead and we await further guidance on the changes required to the LGPS. The Regulations will need to be approved by both houses of parliament and will come into force 21 days after that process is complete, there is no date set yet, however, we understand it is the intention that the cap will be in force for the end of the 2020 calendar year.
Climate Change Emergency	R60	Significant financial risk to the investments assets	Red	◀	SAA revised to a higher allocation to climate positive investments. Unable to control global markets in general only through strategy.
Iconnect data from employers	R59	Incorrect member data on records and valuation of employer liabilities	Yellow	◀	Iconnect Team has been set up and extracts are now loaded inhouse, controls are being reviewed
Sustainability of working arrangements during Covid 19 outbreak	R64	Unable to deliver service to members and employers	Yellow	◀	Fund has put in place many steps to mitigate the risk of Coronavirus impacting on the service as set out in our business continuity update report circulated to Committee members June 2020. Risk assessments being carried out for all staff regarding home working conditions and mental health as per Banes guidance. TPR/SAB guidance continues to be reviewed. Further procedures to be reviewed to ensure fit for purpose for remote working.
Failure to secure and manage personal data held by the Fund in line with Data Protection Regulations	R05/R58	Personal data is corrupted, compromised or illegally shared resulting in fines & reputational damage.	Yellow	◀	Working through Data Protection project plan with assistance of Banes DPO. New processes put in place for remote working due to Coronavirus (DPIA assessment carried out) Cyber Security E-Learning for all staff
Implementation of changes arising from scheme cost cap mechanism	R47	Additional burden on administration. Awareness of members & employers	Yellow	◀	In July 2020, the Government announced that the cost control mechanism pause will be lifted and that the cost of addressing the discrimination identified in the McCloud judgment will be included in this process. The SAB are currently considering its position on the SAB employer cost cap process which is also paused.
Inadequate knowledge of those charged with governance. Committee Members knowledge is impacted by re-election process. Failure to comply with statutory regulations	R25	delays in decision making for the Committee & Fund. Failure to meet MIFID & TPR regs	Yellow	◀	Training plan in place and independent members appointed. Taking part in Hymans National Knowledge Assessment for Committee & Board members.
Delays in transition of assets to Brunel or Brunel fails to deliver its objectives	R54	delays could impact pool's ability to deliver savings in line with business case or pool could fail if objectives are not met	Yellow	◀	Brunel Transition Plan monitored by Client Group & BOB. Investment Panel & Committee monitor. Slight delay in 2020 transitions due to COVID. Transition plan restarted in July 2020. Loss of CIO means less senior management resources for 3- 9 months
Late / incorrect contributions from employers	R10	cashflow, employer funding position, TPR breach	Yellow	◀	Monthly reconciliation, follow up in line with TPR code and late payers reported to Committee & Board. Top 34 employers contributing into the fund continue to pay on time. No significant increase in terms of other employers paying late, but this should still be monitored very closely as the situation continues to evolve.
Service delivery efficiency & customer service	R29	poor member outcomes	Yellow	◀	Monitoring & reporting of Fund performance against statutory & TPR requirements. Admin & Comms strategy. Procedures have been updated for remote working and priority work has been identified, but currently risk of backlogs & complaints. A review of forms that are sent to members with a requirement of a signature to see if electronic signature acceptable rather than wet signature. Looking at ways to develop how we communicate with our members, as still a high dependence on the postal system. This issue is being addressed in the scope of an organisational-wide project, which will include the digitisation of our communications with scheme members.