

Appendix A - Risk Register Comparison 2020 to 2021

Risk Number	Risk	Impact	Mar-20			Mar-21			Trend
			Impact Level	Likelihood Level	Risk Score	Impact Level	Likelihood Level	Risk Score	
R64 NEW 5/20	Sustainability of working arrangements during Covid 19 outbreak	Unable to deliver service to members and employers				High	Possible	12	▲
R63	McCloud/Sargeant Judgements resulting in the extension of protections	Increase in workload on administration side and for scheme employers	High	Likely	16	High	Almost Certain	20	▲
R26	Failure to earn investment returns	scheme cannot meet liabilities, employer conts could rise	High	Possible	12	High	Likely	16	▲
R23	Deterioration in financial stability of employers (employer Covenants)	employers not able to meet their liabilities impact on rest of Fund	Medium	Possible	9	High	Likely	16	▲
R54	Delays in transition of assets to Brunel or Brunel fails to deliver its objectives	delays could impact pool's ability to deliver savings in line with business case or pool could fail if objectives are not met	High	Unlikely	8	Medium	Likely	12	▲
R47	Implementation of changes arising from scheme cost cap mechanism	Additional burden on administration. Awareness of members & employers	Negligible	Possible	3	High	Possible	12	▲
R53	Political pressure to reform the LGPS eg The introduction of the exit payment cap	This will place an additional burden on the administration resource	Negligible	Likely	4	Low	Likely	8	▲
R29	Service delivery efficiency & customer service	poor member outcomes	Low	Rare	2	Medium	Possible	9	▲
R10	Late / incorrect ontributions from employers	cashflow, employer funding position, TPR breach	Medium	Unlikely	6	Medium	Possible	9	▲
R39	Loss of capital or income on treasury investments	Delayed return of principle or investment income	Negligible	Unlikely	2	Low	Possible	6	▲
R60	Climate Change Emergency	Significant financial risk to the value of the investments assets	Critical	Likely	20	Critical	Possible	15	▼
R59	Iconnect data from employers	Incorrect member data on records and valuation of employer liabilities	High	Likely	16	High	Possible	12	▼
R19	failure of employers to meet statutory responsibilities	Potential fines, greater scrutiny and more reporting	Low	Likely	8	Low	Possible	6	▼
R62	Exit credits - disputes between exiting employer & outsourcing employer	Court cases to decide who should receive exit credit	Low	Unlikely	4	Low	Rare	2	▼
R28	Recruitment of staff	Fund's ability to develop & implement service plan and administer the Fund	Critical	Almost Certain	25	Critical	Almost Certain	25	◀▶
R56	Increase in employers	increased resources needed to support more employers	High	Likely	16	High	Likely	16	◀▶
R42	Political Pressure to reform the scheme & direct investment decisions eg ESG	National decisions are not in best interests of the scheme	High	Likely	16	High	Likely	16	◀▶
R25	Inadequate knowledge of those charged with governance. Committee Members knowledge is impacted by re-election process. Failure to comply with statutory regulations	delays in decision making for the Committee & Fund. Failure to meet MIFID & TPR regs	Medium	Likely	12	Medium	Likely	12	◀▶
R05/R58	Failure to secure and manage personal data held by the Fund in line with Data Protection Regulations	Personal data is corrupted, compromised or illegally shared resulting in fines & reputational damage.	High	Possible	12	High	Possible	12	◀▶
R57	Introduction of Cost Transparency Disclosures	full disclosure requirements may not be met (presentation of data in AR on a best endeacours basis)	Low	Possible	6	Low	Possible	6	◀▶
R01	Disaster Recovery & Business Continuity	Fund is unable to operate and members do not receive pension payments in time	Medium	Unlikely	6	Medium	Unlikely	6	◀▶
R55	Brexit	negative impact on investmentstrategy & returns	Low	Unlikely	4	Low	Unlikely	4	◀▶
R20	Governance risk of Investment Managers, custodian & other investment suppliers	loss of assets or inability to trade due to assets being inaccessible	High	Rare	4	High	Rare	4	◀▶
R40	Cashflow profile is maturing	not enough cash in bank account to meet pension payments	Medium	Rare	3	Medium	Rare	3	◀▶
R14	System Failure of BACs or Cseries	pensions cannot be administered & paid	Medium	Rare	3	Medium	Rare	3	◀▶

R08/R09	Internal Controls are not adequate & independently checked	committee & employers do not receive independent assurances	Medium	Rare	3	Medium	Rare	3	◀▶
R07	Ineffective stakeholder communication	poor public relations with members & employers. TPR breach	Medium	Rare	3	Medium	Rare	3	◀▶
R52	Investment Strategy impact by MIFID II	restrictions on investments as retail investor	Low	Rare	2	Low	Rare	2	◀▶
R51	GMP Reconciliation	Incorrect pension liability retained	High	Possible	12	Negligible	Unlikely	2	◀▶
R41	Failure to comply with Council's policies & codes of practice	fines for non-compliance, disciplinary issues & reputational risk	Low	Rare	2	Low	Rare	2	◀▶
R45	Cashflow as a result of transfers outs due to Pension Freedom & Choice	removed Feb 2021 - no increase in transfers recorded							
R58	Cyber Security - systems are compromised by hacking or weak controls	removed May 2020 - combined R05							
R09	Commitment of fraud due to poor internal control framework	removed March 2020 - combined with R08							
R61	McCloud - judgement on age discrimination extending beyond current protections	removed May 2020 - accounted for in Valuation							
R38	Pension fund monies not accurately allocated via income receipting system	removed March 2020 - risk removed due to APF own bank account							