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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Executive Summary | | | | | | | | | | |
| Risk number | Risk Description | Previous Assessment  (March 24) | | | Current Assessment (May 24) | | | Movement | Target Score | Comments |
| Impact | Likelihood | Residual  Risk | Impact | Likelihood | Residual Risk |
| 33. | **New -** Geopolitical risks may adversely affect global markets in which the Pension Fund invests | 4 | 4 | 16 | 4 | 3 | 12 |  | 8 | Sustained periods of geopolitical volatility has necessitated the need for a specific risk in this area. |
| 28. | The operations of the Pension Fund and that of its suppliers are interrupted as a result of a cyber-attack. | 4 | 3 | 12 | 4 | 3 | 12 | - | 8 | To reflect ongoing geopolitical volatility and current international cyber threats. |
| 2. | Failure to respond to changes in economic conditions. | 4 | 3 | 12 | 4 | 3 | 12 | - | Current |  |
| 29. | The ACCESS asset pool does not have the sub-fund choices available to enable the Fund to fulfil its strategic and tactical asset allocation requirements in a timely manner. | 3 | 4 | 12 | 3 | 4 | 12 | - | 9 | To reflect the long non-listed assets procurement timeline, the lengthy ACS sub-fund pipeline and the sub-fund changes that may be required to facilitate the general transition of ACCESS partner funds to more sustainable portfolios. |
| 6. | The Pension Fund and its members may become a target for fraudsters and criminals. | 4 | 3 | 12 | 4 | 3 | 12 | - | 8 | Reflects the current cost of living crisis and the increased risk to members becoming victims to fraud as highlighted by the FCA and TPR. |
| 16. | Pension Fund systems and data may not be secure and appropriately maintained, whether in situ or in transit. | 4 | 3 | 12 | 4 | 3 | 12 | - | 8 | This risk remains higher than desired due to ongoing geopolitical volatility, the cost of living crisis and current international cyber security threats. |
| 3. | As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund’s investments. | 3 | 3 | 9 | 3 | 3 | 9 | - | 6 | Amber risk tolerated due to balancing the need to transition to a sustainable portfolio with being able to meet Pension Fund obligations. Target 6 due to actions being implemented from the climate action plan. |
| Risk number | Risk Description | Previous Assessment  (March 24) | | | Current Assessment  (May 24) | | | Movement | Target Score | Comments |
| Impact | Likelihood | Residual  Risk | Impact | Likelihood | Residual  Risk |
| 14. | Incorrect/poor quality data held on the Pension Administration and Payroll platforms or delays with receiving information leading to incorrect information/delayed provision of information to members and stakeholders. | 3 | 3 | 9 | 3 | 3 | 9 | - | Current |  |
| 24. | Unable to deliver pension services due to inadequate recruitment/retention processes and inadequate skills and knowledge to undertake the role effectively. | 3 | 3 | 9 | 3 | 3 | 9 | - | 4 | Residual risk remains at 9 due to vacancy levels over the last year, inexperience of some areas of the Service and sickness management. |
| 32. | **New** - Unable to deliver pension services due to high levels of workplace sickness absence | 3 | 3 | 9 | 3 | 3 | 9 | - | 6 | Sustained periods of heightened sickness levels have necessitated a specific risk in this area. When sickness levels return to a manageable level the risk score will decrease to 6. |
| 1. | Employers unable to pay contribution rates. | 4 | 2 | 8 | 4 | 2 | 8 | - | Current |  |
| 4. | Contributions to the Fund are not received on the correct date and/or for the correct amount. | 4 | 2 | 8 | 4 | 2 | 8 | - | Current |  |
| 5. | Fund assets are not sufficient to meet obligations and liabilities. | 4 | 2 | 8 | 4 | 2 | 8 | - | Current |  |
| 30. | The Fund does not meet the proposed timeframe to pool assets, by March 2025, and/or is unable to adequately “comply or explain” why assets remain outside the pool. | 3 | 3 | 9 | 3 | 2 | 6 | - | Current |  |
| 31. | **New** - The Pension Fund fails to comply with legal duties in connection with Pension Dashboards. | 3 | 3 | 9 | 3 | 2 | 6 | - | Current | Following the staging date being confirmed as 31/10/25 this has necessitated a specific risk in case the statutory deadline of 31/10/26 is missed. |
| Risk number | Risk Description | Previous Assessment  (March 24) | | | Current Assessment  (May 24) | | | Movement | Target Score | Comments |
| Impact | Likelihood | Residual  Risk | Impact | Likelihood | Residual Risk |
| 7. | Information may not be provided to stakeholders as required. | 3 | 2 | 6 | 3 | 2 | 6 | - | Current |  |
| 8. | The Investment Strategy’s Risk Reward profile does not match the requirements of the Fund. | 3 | 2 | 6 | 3 | 2 | 6 | - | Current |  |
| 9. | Those charged with governance are unable to fulfil their responsibilities effectively. | 3 | 2 | 6 | 3 | 2 | 6 | - | Current |  |
| 10. | Risk of fraud and error. | 3 | 2 | 6 | 3 | 2 | 6 | - | Current |  |
| 11. | Failure to understand and monitor risk compliance. | 3 | 2 | 6 | 3 | 2 | 6 | - | Current |  |
| 12. | Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed. | 2 | 3 | 6 | 2 | 3 | 6 | - | Current |  |
| 13. | Failure to recognise and manage conflicts of interest. | 2 | 2 | 4 | 2 | 3 | 6 | - | 4 | Risk heightened due to all COI declarations not being received by the deadline. |
| 15. | Custody arrangements may not be sufficient to safeguard Pension Fund assets. | 4 | 1 | 4 | 4 | 1 | 4 | - | Current |  |
| 17. | Failure to administer the scheme in line with regulations and guidance. | 4 | 1 | 4 | 4 | 1 | 4 | - | Current |  |
| 18. | Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making. | 2 | 2 | 4 | 2 | 2 | 4 | - | Current |  |
| 19. | Pension Fund investments may not be accurately valued. | 2 | 2 | 4 | 2 | 2 | 4 | - | Current |  |
| 20. | Actual experience materially differs from actuarial assumptions used at each valuation. | 2 | 2 | 4 | 2 | 2 | 4 | - | Current |  |
| 21. | Failure to act appropriately upon expert advice and/or risk of poor advice. | 2 | 2 | 4 | 2 | 2 | 4 | - | Current |  |

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| Risk number | Risk Description | Previous Assessment  (March 24) | | | Current Assessment  (May 24) | | | Movement | Target Score | Comments |
| Impact | Likelihood | Residual  Risk | Impact | Likelihood | Residual Risk |
| 22. | Failure to assess and monitor the financial strength of an employer covenant to ensure employer liabilities are met in conjunction with the Fund Actuary/specialist advisors. | 2 | 2 | 4 | 2 | 2 | 4 | - | Current |  |
| 23. | Unable to deliver pension services due to an inadequate business continuity plan. | 2 | 2 | 4 | 2 | 2 | 4 | - | Current |  |
| 25. | Investment decisions and portfolio management may not achieve the return required or be performed in accordance with instructions provided. | 3 | 1 | 3 | 3 | 1 | 3 | - | Current |  |
| 26. | Incorrect production of accounts, notices, publications and management reports leading to possible financial and reputational damage. | 3 | 1 | 3 | 3 | 1 | 3 | - | Current |  |
| 27. | Pension Fund objectives are not defined and agreed. | 2 | 1 | 2 | 2 | 1 | 2 | - | Current |  |

Risk Matrix

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Potential impact if risk occurred** | 5  Catastrophic | 5 | 10 | 15 | 20 |
| 4  Major | 4 | 8 | 12 | 16 |
| 3  Moderate | 3 | 6 | 9 | 12 |
| 2  Minor | 2 | 4 | 6 | 8 |
| 1  Insignificant | 1 | 2 | 3 | 4 |
|  |  | 1 Rare  (5%) | 2 Unlikely (15%) | 3 Possible (40%) | 4 Likely  (65%) |
|  |  | **Likelihood of risk occurring** | | | |