Risk Register

Identification of Risks:

These are the risks that threaten the achievement of the Pension Fund's objectives. Risks have been analysed between:
- Funding, including delivering the funding strategy;
- Investment;
- Governance
- Operational; and
- Regulatory.

Key to Scoring

	Impact	Financial	Reputation	Performance
5	Most severe	Over £100m	Ministerial intervention, Public inquiry, remembered for years	Achievement of Council priority
4	Major	Between £10m and £100m	Adverse national media interest or sustained local media interest	Council priority impaired or service priority not achieved
3	Moderate	Between £1m and £10m	One off local media interest	Impact contained within directorate or service priority impaired.
2	Minor	Between £100k and £500k	A number of complaints but no media interest	Little impact on service priorities but operations disrupted
1	Insignificant	Under £100k	Minor complaints	Operational objectives not met, no impact on service priorities.

Likelihood

4	Very likely	This risk is very likely to occur (over 75% probability)
3	Likely	There is a distinct likelihood that this will happen (40%-75%)
2	Possible	There a possibility that this could happen (10% - 40%)
1	Unlikely	This is not likely to happen but it could (less than 10% probability)

Ref	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
							Impact	Likelihood	Score			Impact	Likelihood	Score		
1	Investment Strategy not aligned with Pension Liability Profile	Financial	Pension Liabilities and asset attributes not understood and matched.	Long Term - Pension deficit not closed.	Service Manager	Triennial Asset allocation Review after Valuation.	4	2	8	Develop cash flow Model with Actuary. Gain greater understanding of employer changes. Review asset allocation.	March 2019	4	1	4	September 2018	Now working with new Actuary on aligning Investment and Funding Strategies
2	Investment Strategy not aligned with Pension Liability Profile	Financial	Pension Liabilities and asset attributes not understood and matched.	Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	4	2	8	Develop cash flow Model with Actuary. Gain greater understanding of employer changes. Review asset allocation.	March 2019	4	1	4	September 2018	Now working with new Actuary on aligning Investment and Funding Strategies
3	Investment Strategy not aligned with Pension Liability Profile	Financial	Poor understanding of Scheme Member choices.	Long Term - Pension deficit not closed. Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	3	2	6	Develop Improved Management Reports to benchmark, and monitor opt outs, 50:50 requests etc.	September 2018	3	1	3	September 2018	Working with new Actuary on Improved Reports
4	Under performance of asset managers or asset classes	Financial	Loss of key staff and change of investment approach.	Long Term - Pension deficit not closed.	Financial Manager	Quarterly review Meeting, and Diversification of asset allocations.	3	2	6			3	2	6		At Target
5	Actual results varies to key financial assumptions in Valuation	Financial	Market Forces	Long Term - Pension deficit not closed.	Service Manager	Moderation of assumptions at point of valuation. Asset allocation to mirror risk. Sensitivity analysis included in Valuation report.	3	2	6			3	2	6		At Target
6	Loss of Funds through fraud or misappropriation.	Financial	Poor Control Processes within Fund Managers and/or Custodian	Long Term - Pension deficit not closed	Financial Manage	Review of Annual Internal Controls Report from each Fund Manager. Clear separation of duties.	3	1	3			3	1	3		At Target
7	Employer Default - LGPS	Financial	Market Forces, increased contribution rates, budget reductions.	Deficit Falls to be Met By Other Employers	Pension Services Manager	All new employers set up with ceding employing under-writing deficit, or bond put in place.	3	2	6		March 2018	3	2	6	March 2018	No further action subject to planned review of Funding Strategy Statement Key risks accepted as education sector.
8	Inaccurate or out of date pension liability	Financial & Administrative	Late or Incomplete Returns from	Errors in Pension Liability	Pension Servi	Monitoring of Monthly returns	4	2	12	Delivery against data quality standards.	April 2018	3	1	3	June 2018	Improved monitoring in place.

No	Risk	Category	Cause	Impact	Owner	Controls	I	L	Score	Further Action	Target Date	I	L	Score	Target Date	Progress
	data – LGPS and FSPS		Employers	Profile impacting on Risks 1 and 2 above.	ces Mana ger											Escalation issues to ensure data issues are resolved at earliest point, including new charges, and improved training/gu idance
9	Inaccurate or out of date pension liability data – LGPS and FSPS	Administrative	Late or Incomplete Returns from Employers	Late Payment of Pension Benefits.	Pensi on Servi ces Mana ger	Monitoring of Monthly returns. Direct contact with employers on individual basis.	3	2	6	Completion of current review of backlog work.	June 2018	3	1	3	June 2018	Improved monitoring in place, new escalation process agreed as well as new charging structure.
10	Inaccurate or out of date pension liability data – LGPS and FSPS	Administrative	Late or Incomplete Returns from Employers	Improvement Notice and/or Fines issued by Pension Regulator.	Pensi on Servi ces Mana ger	Monitoring of Monthly returns. Direct contact with employers on individual basis.	4	3	12	Improve process for monthly returns (iConnect)	March 2019	4	1	4	Septem ber 2018	
11	Insufficient resources to deliver responsibilities- – LGPS and FSPS	Administrative	Budget Reductions	Breach of Regulation	Servi ce Mana ger	Annual Budget Review as part of Business Plan.	4	3	12	Need to address backlog of work which is impacting on ability of staff to meet statutory deadlines. External resources employed.	June 2018	4	1	4	June 2018	Work under contract by external resource currently underway.
12	Insufficient Skills and Knowledge on Committee – LGPS and FSPS	Governance	Poor Training Programme	Breach of Regulation	Servi ce Mana ger	Training Review	4	2	8	Develop Needs Based Training Programme.	June 2018	4	1	4	March 2018	Training Day to be agreed.
13	Insufficient Skills and Knowledge amongst – LGPS and FSPS Officers	Administrative	Poor Training Programme and/or high staff turnover	Breach of Regulation and Errors in Payments	Servi ce Mana ger	Training Plan. Control checklists.	3	1	3			3	1	3		At Target
14	Key System Failure – LGPS and FSPS	Administrative	Technical failure	Inability to process pension payments	Pensi on Servi ces Mana ger	Disaster Recovery Programme	4	1	4			4	1	4		At Target
15	Breach of Data Security – LGPS and FSPS	Administrative	Poor Controls	Breach of Regulation	Pensi on Servi ces Mana ger	Security Controls, passwords etc.	4	1	4			4	1	4		At Target
16	Failure to Meet Government	Governance	Inability to agree	Direct Intervention	Servi ce	Full engagement	5	1	5			5	1	5		At Target

	Requirements on Pooling		proposals with other administering authorities.	by Secretary of State	Mana ger	in Project Brunel										
17	Failure of Pooled Vehicle to meet local objectives	Financial	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Servi ce Mana ger	Full engagement in Project Brunel	4	1	4			4	1	4		At Target
18	Significant change in liability profile or cash flow as a consequence of Structural Changes	Financial	Significant Transfers Out from the Oxfordshire Fund, leading to loss of current contributions income.	In sufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Servi ce Mana ger	Engagement with One Oxfordshire project and with other key projects to ensure impacts fully understood	4	2	8	Work with Fund Actuary to Understand Potential Implications to feed into project and investigate potential changes to investment strategy that can be implemented within required timescales	June 2018	4	1	4	June 2018	Employer's engaged. Awaiting cash flow model from Actuary to fully understand implications.