

APPENDIX 1

Risk Register

Identification of Risks:

These are the risks that threaten the achievement of the Pension Services 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)

RAG Status/Direction of Travel

	Risk requires urgent attention
	Risks needs to be kept under regular review
	Risk does not require any attention in short term
	Overall Risk Rating Score is Increasing (Higher risk)
	Risk Rating Score is Stable
	Overall Risk Rating Score is Reducing (Improving Position)

Ref	Risk APPENDIX 1	Scheme	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	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	LGPS	Investment	Pension Liabilities and asset attributes not understood and matched.	Long Term - Pension deficit not closed.	Head of Fund	Triennial Asset Allocation Review after Valuation.	4	1	4	↔			4	1	4	Dec 2025	At Target
2	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Pension Liabilities and asset attributes not understood and matched.	Short Term – Insufficient Funds to Pay Pensions.	Head of Fund	Monthly cash flow monitoring and retention of cash reserves.	4	1	4	↔			4	1	4	Dec 2025	At Target
3	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Poor understanding of Scheme Member choices.	Long Term - Pension deficit not closed. Short Term – Insufficient Funds to Pay Pensions.	Head of Fund	Monthly cash flow monitoring and retention of cash reserves.	3	1	3	↔			3	1	3	Dec 2025	At Target
4	Under performance of asset managers or asset classes	LGPS	Investment	Loss of key staff and change of investment approach at Brunel or underlying Fund Managers. Lack of effective monitoring of fund manager performance during the process to transition pools.	Long Term - Pension deficit not closed.	Financial Manager	Quarterly assurance review with Brunel. Diversification of asset allocations. As an open defined benefit scheme – investments are long-term.	4	2	8	↑	Monitoring of staff turnover at Brunel still taking place. The prospective CIO did not join Brunel but Brunel have now appointed an interim CIO. Retention arrangements have been put in place at Brunel to reduce the risk of key staff leaving. The Chair of the Board of Brunel has departed. The Fund is working closely with its current pool and new pool to ensure effective arrangements are in place for fund manager oversight until the transition has been completed and is fully operational.	On-going	3	2	6	Dec 2025	Above Target

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5	Actual results vary to key financial assumptions in Valuation	LGPS	Funding	Market Forces	Long Term - Pension deficit not closed.	Head of Fund	Actuarial model is based on 5,000 economic scenarios, rather than specific financial assumptions. As an open defined benefit scheme – investments are long-term.	3	2	6	↔			3	2	6	Dec 2025	At Target
6	Under performance of pension investments due to ESG factors, including climate change.	LGPS	Investment	Failure to consider long term financial impact of ESG issues	Long Term - Pension deficit not closed.	Financial Manager	The Fund has an RI Policy requiring ESG factors to be considered in all investment decisions. The Fund have a Climate Change Policy and implementation plan.	4	1	4	↔			4	1	4	Dec 2025	At Target
7	Loss of Funds through fraud or misappropriation	LGPS	Investment	Poor Control Processes within Fund Managers and/or Custodian	Long Term - Pension deficit not closed	Financial Manager	Review of Annual Internal Controls Report from each Fund Manager. Clear separation of duties.	3	1	3	↔			3	1	3	Dec 2025	At Target
8	Employer Default – LGPS	LGPS	Funding	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 employer underwriting deficit, or bond put in place. Contribution escalation policy provides early indicator/warning.	3	2	6	↔			3	2	6	Dec 2025	At Target

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9	Inaccurate or out of date pension liability data	LGPS	Funding	Late or Incomplete Returns from Employers	Errors in Pension Liability Profile impacting on Risks 1 and 2 above.	Pension Services Manager	Monitoring of Monthly returns	3	1	3	↔			3	1	3	Dec 2025	At Target
10	Inaccurate or out of date pension liability data from Employer	LGPS	Operational	Late or Incomplete Returns from Employers	Late Payment of Pension Benefits.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	3	1	3	↔			3	1	3	Dec 2025	At Target
11	Inaccurate or out of date pension liability data from Employer	LGPS	Operational	Late or Incomplete Returns from Employers	Improvement Notice and/or Fines issued by Pension Regulator.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	4	1	4	↔			4	1	4	Dec 2025	At Target
12	Insufficient resources from Committee to deliver responsibilities	LGPS	Operational	Budget Reductions	Breach of Regulation	Head of Fund	Annual Budget Review as part of Business Plan.	4	1	4	↔	Committee have supported with additional resources wherever required particularly with regards to McCloud and any other on-going projects.	On-going	4	1	4	Dec 2025	At Target
13	Insufficient Skills and Knowledge on Committee	LGPS	Operational	Poor Training Programme. New Committee Members.	Breach of Regulation. Loss of Professional Investor Status under MIFID II	Head of Fund	Training Review	4	1	4	↔	Implement new training plan 25/26 based on the outcomes of the National Knowledge Assessment from Hymans	On-going	4	1	4	Dec 2025	At target
14	Insufficient Skills and Knowledge amongst Board Members	LGPS	Operational	Turnover of Board membership	Insufficient Scrutiny of work of Pension Fund Committee leading to Breach of Regulations	Head of Fund	Training Policy	4	2	8	↔	Implement new training plan 25/26 based on the outcomes of the National Knowledge Assessment from Hymans	On-going	4	1	4	Dec 2025	Above target

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15	Insufficient Skills and Knowledge amongst officers	LGPS	Operational	Poor Training Programme and/or high staff turnover. Pay grades not reflecting market rates and affecting recruitment and retention.	Breach of Regulation, errors in Payments and ineffective scheme member engagement. Inability to effectively meet RI and Climate related objectives.	Head of Fund	Training Plan. Control checklists. Use of staff from 3 rd party agencies	3	2	6	↔	The Workforce Strategy and workforce planning is to be completed and changes to workforce agreed and implemented. Additional posts soon to be recruited to.	On-going	3	1	3	Dec 2025	Above target
16	Key System Failure	LGPS	Operational	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme, and Cyber Security Policy	4	1	4	↔	Quarterly Meetings with ICT Cybersecurity Lead have been established. Business Continuity plan has been completed.	On going	4	1	4	Dec 2025	At Target
17	Breach of Data Security	LGPS / FPS	Operational	Poor Controls	Breach of Regulation, including GDPR	Pension Services Manager	Security Controls, passwords etc. GDPR Privacy Policy and Cyber Security Policy.	4	1	4	↔			4	1	4	Dec 2025	At Target
18	Failure to Meet Government Requirements on Pooling	LGPS	Governance	Inability to agree proposals with other administering authorities.	Direct Intervention by Secretary of State	Head of Fund	Full engagement within Brunel Partnership	5	1	5	↓	Agreement with other Administering Authorities (14). Memorandum of understanding has been signed. MHCLG supportive of the direction of travel.		5	1	5	Dec 2025	At Target
19	Failure of Pooled Vehicle to meet local objectives	LGPS	Investment	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Head of Fund	Full engagement within Brunel Partnership	4	4	16	↔	Asset allocation did not occur as agreed by committee (UK equity). This is due to pooling reform by central government. This will need to be implemented by the new pool. The Fund is currently working through mapping	Dec 25	4	1	4	Dec 2025	Above Target

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20	Significant change in liability profile or cash flow as a consequence of Structural Changes	LGPS	Funding	Significant Transfers Out from the Oxfordshire Fund, leading to loss of current contributions income.	Insufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Head of Fund	Engagement with key projects to ensure impacts fully understood	4	2	8	↑	Increased focus on cashflow monitoring going forward. Monitoring developments in Local Government re-organisations. Lowering employer contributions will reduce cashflow into the fund.	On going	4	1	4	Dec 2025	Above Target
21	Insufficient Resource and/or Data to comply with consequences of McCloud Judgement & Sergeant.	LGPS / FPS	Operational	Significant requirement to retrospectively re-calculate member benefits	Breach of Regulation and Errors in Payments	Pension Services Manager	Re-organising this work between the whole team based on existing skill sets.	4	2	8	↔	Most of the cases have been updated to meet the statutory requirements. Regulatory discretions have been applied for the remaining cases. Extension until August 2026 would apply to these cases.	On-Going	4	1	4	Dec 2025	Above target

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22	Loss of strategic direction	LGPS / FPS	Governance	Loss of key person	Short term lack of direction on key strategic issues	Head of Fund	Establishment of a Governance & Communications Team provides the resilience that the fund requires.	2	1	2	↔			2	1	2	Dec 2025	At Target
23	Impact of Pension Scams	LGPS FPS	Operational	Failure to follow TPR guidance for transfers out.	Financial loss to members. Potential cost to Fund for making good any loss. Potential TPR sanctions and reputational damage.	Pension Services Manager	TPR guidance for transfers out and the forthcoming regulations in the General Code of Practice. All processes are in line with the above.	3	1	3	↔			3	1	3	Dec 2025	At target
24	Impact of a potential turnover of Pension Fund Committee members as a result of the election.	LGPS FPS	Governance	Council Election in May 2025 and natural turnover leading to significantly new Pension Fund Committee members	Significant deterioration of knowledge and skills of the Pension Fund Committee. Impaired decision making due to lack of knowledge and skills.	Head of Fund	Additional resources devoted to ensure that Pension Fund Committee members are trained appropriately. Additional support for decision making possibly through a third-party or the Pension Board.	4	2	8	↔	The training plan for 2025/26 to establish actions to implement the mitigations outlined. Quarterly updates to be provided to Committee.	on-going	4	1	4	Dec 2025	Above target