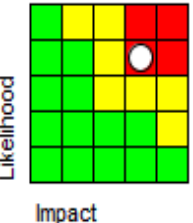
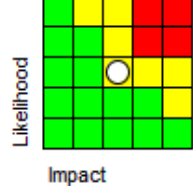
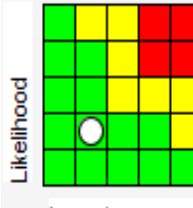


a) Reference Category c) Source d) Date	Risk Description	Risk Likelihood and Impact	Gross Risk Score & RAG	Risk Owners	Risk Control (Mitigation)	Residual Risk Likelihood and Impact	Residual Risk Score & RAG	Notes
<b>1. Administration Risks</b>								
a) 1.2 b) Administration c) Pension Administration Update Reports d) Entry last reviewed, 15 Oct 2015 (Pension Board)	<p>Replacement of the pension administration system, Heywood AXIS with Civica Universal Pension Management:</p> <ul style="list-style-type: none"> <li>Risks (service disruption and reputational damage) around moving from the transition phase to the business as usual phase with system controls operating as usual.</li> </ul>		12 Red	Pension Committee & Strategic Director of Resources	Regular monitoring and reporting re the end state and the steps to attain it by the Head of Pensions (Pension Administration Update Reports).		6 Green	Risk Control (Mitigation) action implemented.
<b>2. Funding Risks</b>								
a) 2.1 b) Funding c) Annual Report 2014/15 d) Entry last reviewed, 15 Oct 2015 (Pension Board)	Pensioners (deferred and retired) living longer.		16 Red	Pension Committee & Strategic Director of Resources	<p>Actuarial valuations take account of life expectancies with some allowance for future increases. Barnett Waddingham briefed the Pension Committee on the approach to the 2016 Valuation at the meeting held on 14 March 2016</p> <p>From December 2018 the State Pension age for both men and women will start to increase to reach 66 by October 2020. Each rise in the average age at retirement saves pension costs.</p>		9 Amber	Risk Control (Mitigation) action implemented.

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<p>a) 2.2 b) Funding c) Annual Report 2014/15 d) Entry last reviewed, 15 Oct 2015 (Pension Board)</p>	<p>Early retirements.</p>		<p>12 Amber</p>	<p>Pension Committee &amp; Strategic Director of Resources</p>	<p>Non ill health early retirement costs: Employers are required to pay additional contributions wherever an employee retires before attaining their normal retirement age. The actuary's funding basis makes no allowance for premature retirement except on grounds of ill-health. Cumulative cost of ill health retirement: The Fund monitors each employer's experience. If the cumulative cost in any financial year exceeds the allowance at the previous valuation, the employer will be charged additional contributions on the same basis as apply for non-ill-health cases. If an employer provides satisfactory evidence of a current insurance policy covering ill health early retirement strains, then: the employer's contribution to the Fund each year is reduced by the amount of that year's insurance premium, so that the total contribution is unchanged.</p>		<p>6 Green</p>	<p>Risk Control (Mitigation) action implemented.</p>
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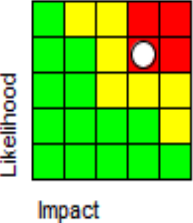
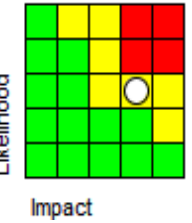
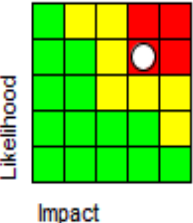
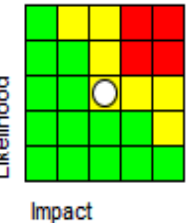
## APPENDIX IV – RISK REGISTER

<p>a) 2.3 b) Funding c) Pension Board d) Entry last reviewed, 15 Oct 2015 (Pension Board)</p>	<p>Admitted employers failing financially.</p>		<p>16 Red</p>	<p>Pension Committee &amp; Strategic Director of Resources</p>	<p>The financial strength of admitted Employers is assessed prior to entry and monitored through officer dialogue (financial position, prospects and ability to pay the necessary employer contributions).</p>		<p>8 Green</p>	<p>Risk Control (Mitigation) action implemented.</p>	
<p>3. Governance Risks</p>									
<p>a) 3.2 b) Governance c) External Audit d) Entry last reviewed, 15 Oct 2015 (Pension Board)</p>	<p>Not ensuring on-going compliance with the CIPFA Code of Practice for Local Authority Accounting.</p>		<p>9 Amber</p>	<p>Pension Committee &amp; Strategic Director of Resources</p>	<p>The external auditor ensures that the Pension Fund financial statements comply with the requirements of the Code through substantive testing.</p>		<p>4 Green</p>	<p>Risk mitigated. Entry to be deleted.</p>	
<p>a) 3.3 b) Governance c) External Audit d) Entry last reviewed, 15 Oct 2015 (Pension Board)</p>	<p>Risk that the Governance Compliance Statement does not comply with Regulations 55 of the LGPS Regulations 2013 (As amended) and the Statutory Guidance.</p>		<p>6 Green</p>	<p>Pension Committee &amp; Strategic Director of Resources</p>	<p>The Pension Board has commissioned an independent review of the Pension fund governance arrangements. This should include a review of the compliance Statement The findings from this review will be reported to the Pension Board on 6 July.</p>		<p>4 Green</p>	<p>Awaiting findings from governance review.</p>	
<p>a) 3.4 b) Governance c) Governance Review d) New entry May 2016</p>	<p>The 2014/15 Annual Report complies with the basic content requirements as set down in the LGPS Regulations, but it is not fully compliant with the detailed statutory guidance from CIPFA.</p>		<p>12 Amber</p>	<p>Pension Committee &amp; Strategic Director of Resources</p>	<p>Report to Pension Committee 14 March 2016 detailing the changes required to the 2015/16 Annual Report to ensure compliance with the statutory guidance from CIPFA. Statement of compliance to be included in the covering report</p>		<p>4 Green</p>	<p>Risk Control (Mitigation) action being implemented.</p>	

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					presented to the meeting of the Pension Committee on 5 September 2016.			
4. Investment Risks								
a) 4.1 b) Investment c) Investment Strategy Review d) Entry last reviewed, 15 Oct 2015 (Pension Board)	Inappropriate long-term investment strategy.		25 Red	Pension Committee & Strategic Director of Resources	An Investment Strategy review was undertaken following the 2010 Actuarial Valuation and a significantly revised Investment Strategy approved by the former Pension Fund Working Party on 10 March 2011. Progress on the implementation of the new Investment Strategy was reported to and where appropriate approved by the Pension Committee at its meetings held in June 2011, September 2011, December 2011, January 2012, March 2012, May 2012, October 2012 and December 2012. The new strategy has been implemented over the past five years. All major changes to the fund have now been completed. A further full review of the Investment Strategy should be undertaken following the 2016 Triennial Actuarial Valuation.		10 Amber	Risk Control (Mitigation) action implemented.

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<p>a) 4.2 b) Investment c) Triennial Valuation d) Entry last reviewed, 15 Oct 2015 (Pension Board)</p>	<p>Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>16 Red</p>	<p>Pension Committee &amp; Strategic Director of Resources</p>	<p>Progress is analysed as part of the triennial valuations with inter-valuation roll-forward of liabilities between formal valuations.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>12 Amber</p>	<p>Risk Control (Mitigation) action implemented.</p>
<p>a) 4.3 b) Investment c) Quarterly reporting to the Pension Committee d) Entry last reviewed, 15 Oct 2015 (Pension Board)</p>	<p>Active investment manager under-performance</p>	 <p>Likelihood</p> <p>Impact</p>	<p>16 Red</p>	<p>Pension Committee &amp; Strategic Director of Resources</p>	<p>The investment portfolio is split between 11 specialist investment managers. Each manager has been set a specific benchmark, as well as a performance target against which they will be measured. Quarterly reporting to the Pension Committee draws on a review of investment performance by an independent measurement service.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>9 Amber</p>	<p>Risk Control (Mitigation) action implemented.</p>

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