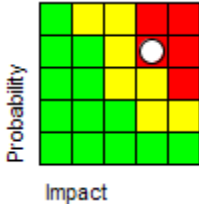
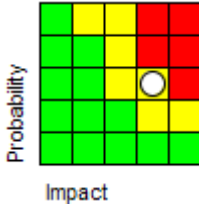
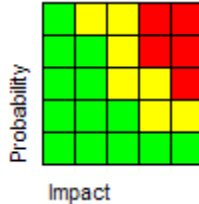


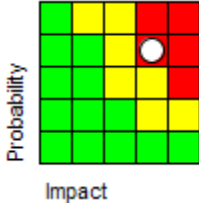
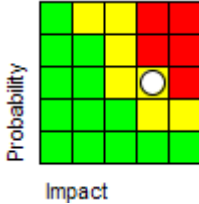
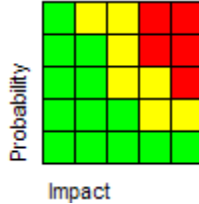
**Teesside Pension Fund Risk Register**

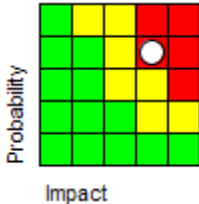
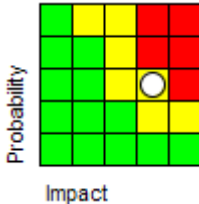
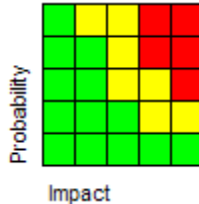
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF01	<p><b>CESSATION/TRANSFER OF OUTSOURCED MEMBER ADMIN SERVICE</b></p> <p>The incumbent provider have indicated they intend to sell the Pensions Administration service to another company in the near future. At present there is insufficient clarity as to future intentions of the sale or the proposed new supplier, particularly with regards whether or not they would look to renew their contract which ends in Spring 2021. (The impact is mainly on Members and to a lesser extent Employers).</p>				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
		Director of Finance to instigate a Service Continuity Options Study Project for all functions impacted (Revs & Bens, Finance, Pensions Admin) which should identify all options and recommendations.	Paul Campbell	▶ Action on target	31-Dec-2018
		To develop a high level Service Transition Project and Milestones plan.	Paul Campbell	▶ Action on target	31-Dec-2018

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF02	<p><b>INFLATION</b></p> <p>Price inflation is significantly more than anticipated: and increase in CPI inflation by X % will increase the liability valuation by Y%. (The impact is mainly on Employers).</p>				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
In assessing the member liabilities, the tri-ennial Fund Actuary assumptions made for inflation are 'conservatively' set based on independent economic data, and hedged against by setting higher investment performance targets.					

Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

TPF04	<b>ADVERSE ACTUARIAL VALUATION</b> Impact of increases to employer to employer contributions following the actuarial valuation. (The impact is mainly on Members and to a lesser extent Employers).	 20	 15		Paul Campbell
	<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	
Interim valuations provide early warnings, which are communicated to all employers.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF05	<b>GLOBAL FINANCIAL INSTABILITY</b> Outlook deteriorates in advanced economies because of heightened uncertainty and setbacks to growth and confidence, with declines in oil and commodity prices. Leading to tightened financial conditions, reduced risk appetite and raised credit risks. (The impact is mainly on the Fund and Reputation).	 20	 15		Paul Campbell
	<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	
Ongoing TPF management of the Fund, is constantly reviewing investment market volatility and other economic data to determine the imminent likelihood of a market correction. With a high market volatility and adverse economic indicators the investment asset holdings are adjusted to protect and mitigate against the impact of a market correction.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF06	<b>POLITICAL</b> Significant volatility and negative sentiment in investment markets following the outcome of adversely perceived political changes. (The impact is mainly on Members and to a lesser extent Employers).	 20	 15		Paul Campbell
	<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	
Ongoing TPF management of the Fund, is constantly reviewing investment market volatility and other economic data to determine the imminent likelihood of a market correction. With a high market volatility and adverse economic indicators the investment asset holdings are adjusted to protect and mitigate against the impact of a market correction due to adverse political scenarios.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF07	<p><b>INVESTMENT CLASS FAILURE</b></p> <p>A specific industry investment class/market fails to perform in line with expectations leading to deterioration in funding levels and increase contribution requirements from employers. (The impact is mainly on Members and to a lesser extent Employers).</p>	 Probability Impact 20	 Probability Impact 15	 Probability Impact 15	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Ongoing TPF management of the Fund is constantly reviewing the investment sector performance volatility and other key data to determine the imminent likelihood of a sector failure, which is largely mitigated against by having a diversified investment strategy portfolio to limit the impact of class failure. With a high sector volatility and adverse indicators the investment asset holdings are reviewed and tactically adjusted to mitigate against the impact of market class failure.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF08	<p><b>BREXIT DESTABILISATION</b></p> <p>Volatility caused by uncertainty with regard to the withdrawal of the UK from the European Union and its after effects. The impact is mainly on Fund and Reputation).</p>	 Probability Impact 20	 Probability Impact 15	 Probability Impact 15	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Ongoing TPF management of the Fund is constantly reviewing investment market volatility and other economic data to determine the imminent likelihood of a market correction due to Brexit. With high market volatility and more adverse economic indicators the investment asset holdings are adjusted to mitigate against the impact of market correction.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF13	<p><b>POOLING INVESTMENT UNDERPERFORMANCE</b></p> <p>Investments in the investment pool not delivering the required return. (The impact is mainly on Members and to a lesser extent Employers).</p>	 Probability Impact 15	 Probability Impact 15	 Probability Impact 15	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>

As part of the BCPP asset sub-fund due diligence, the TPF Head of Service checked the stated fund performance targets. In addition, the Head of Service and Section 151 Officer, will closely monitor and review BCPP sub-fund performance on an ongoing basis, as part of the normal business as usual BCPP governance, and reported upon to TPF Committee and Panel.				
--	--	--	--	--

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF22	<b>OFFICER SKILLS SHORTAGE</b> Changes to administering authority duties as a result of pooling, meaning employees don't have appropriate knowledge or skills. (The impact is mainly on Fund and Reputation).				Paul Campbell
Current Mitigation		Future Mitigation	Responsible Officer	Expected Outcome	Target Date
		Implement succession planning process	Paul Campbell	▶ Action on target	31-Mar-2019
		To deliver training to Committee members to be undertaken by Officer deputies	Paul Campbell	▶ Action on target	31-Mar-2019

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF11	<b>HIGHER THAN EXPECTED SET UP COSTS</b> Higher setup and ongoing costs of BCPP and of the management associated with investment pooling arrangements (or lack of reduction compared to current costs). (The impact is mainly on Fund and Reputation).				Paul Campbell
Current Mitigation		Future Mitigation	Responsible Officer	Expected Outcome	Target Date
The LGPS partners of BCPP have governance and arrangements in place, whereby the Executive Directors of BCPP have an agreed budget set up budget in place which the Executive manages against. LGPS partners monitor progress against budget through the monthly Joint Partnership Committee meetings. Going forward, an annual operating budget is to be set in place with agreement with the LGPS partners. Tenders for ongoing suppliers and staff are all now in place.					

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF12	<b>INADEQUATE POOLING TRANSPARENCY</b> Lack of transparency around investment pooling arrangements. (The impact is mainly on Fund and Reputation).	 Probability Impact	21	 Probability Impact	14	 Probability Impact	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		
		TPF staff to work closely with BCPP sub-fund asset managers and BCPP management to gain full clarity of performance with training to be provided to TPF staff.	Paul Campbell	▶ Action on target	15-Nov-2018		

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF25	<b>INAPPROPRIATE INVESTMENT STRATEGY</b> Mismatching of assets and liabilities, inappropriate long term asset allocation or investment strategy, mistiming of investment strategy. (The impact is mainly on Fund and Reputation).	 Probability Impact	14	 Probability Impact	14	 Probability Impact	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		
This is potentially mitigated by the Tri-ennial Valuation.		Independent Investment Advisors to be engaged.	Paul Campbell	▶ Action on target	15-Nov-2018		

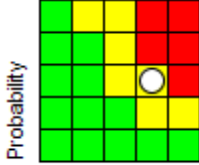

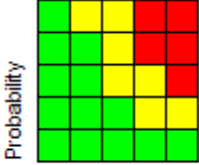
Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF09	<b>KEY MANAGEMENT RISK</b> Concentration of knowledge and skills in small number of officers and risk of departure of key staff - failure of succession planning. (The impact is mainly on Fund and Reputation).	 Probability Impact	20	 Probability Impact	10	 Probability Impact	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		

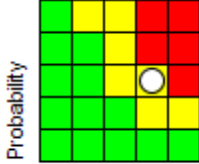
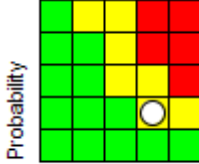
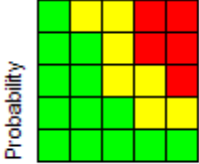
In preparation for the pooling of investment assets to BCPP, satisfactory TPF resources and staff organisation are now in place. The new organisation has in place two new Deputy positions. These act to support and will be expected to Deputise as required for the Head of Investments, Governance and Pensions and these posts will be filled by Summer 2018. In addition the asset transition to BCPP passive sub funds has significantly increased the level of staff resources managing investment assets.				
--	--	--	--	--

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF10	<b>INSUFFICIENT STAFF</b> Causes failure to have time to adopt best practice by properly developing staff and processes. (The impact is mainly on Fund and Reputation).	 Probability Impact <p style="text-align: right;">20</p>	 Probability Impact <p style="text-align: right;">10</p>	 Probability Impact <p style="text-align: right;">10</p>	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
In preparation for the pooling of investment assets to BCPP, satisfactory TPF resources and staff organisation are now in place. The new organisation has a total complement of 9 staff. With a new Investment Strategy of passive rather than active management, investment transaction volumes are being reduced by circa 90%.					

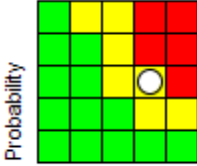
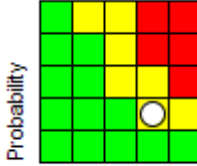

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF14	<b>POOLING SYSTEMIC RISKS</b> Systemic and other investment risks not being properly managed within the investment pool; for example appropriate diversification, credit, duration, liquidity and currency risks. (The impact is mainly on Fund and Reputation).	 Probability Impact <p style="text-align: right;">15</p>	 Probability Impact <p style="text-align: right;">10</p>	 Probability Impact <p style="text-align: right;">10</p>	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
As part of the BCPP asset sub-fund due diligence, the TPF Head of Service checked the stated fund targets for appropriate diversification, credit, duration, liquidity. In addition, The Pension Head of Service and Section 151 Officer, will closely monitor and					

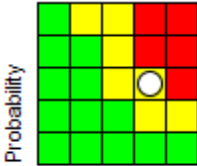
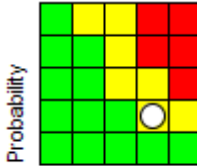

review BCPP sub-fund investment elements on an ongoing basis, as part of a formal part of the normal business as usual BCPP governance and reported upon to TPF Committee and Panel.				
--	--	--	--	--

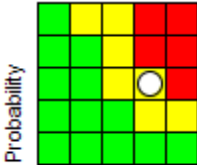
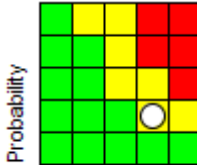
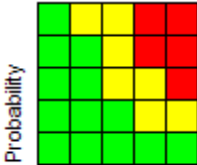

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF16	<b>LONGEVITY</b> Pensioners living longer; adding one year to life expectancy will increase the future service rate by 0.8%. (The impact is mainly on Fund and Reputation).	 Probability Impact	15	 Probability Impact	10	 Probability Impact	Paul Campbell
Current Mitigation		Future Mitigation	Responsible Officer	Expected Outcome	Target Date		
In assessing the member longevity and pension liabilities, the Triennial Actuary assumptions made for longevity are 'conservatively' set based on the latest life expectancy economic data. They are reviewed and updated at each three year Actuarial valuation. If required, further investigation can be carried out of scheme specific/employer longevity data (e.g. supplied by Mercer).							

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF19	<b>BULK TRANSFER VALUE DISPUTE</b> Failure to ensure appropriate transfer is paid to protect the solvency of the fund and equivalent rights are acquired for transferring members. (The impact is mainly on Employers).	 Probability Impact	15	 Probability Impact	10	 Probability Impact	Paul Campbell
Current Mitigation		Future Mitigation	Responsible Officer	Expected Outcome	Target Date		
* Pension Admin Officers as a matter of course, are expected to consult and engage with the employer organisations in conjunction with actuary. * Actuary assists where appropriate with stabilisation and phasing in processes.							


Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

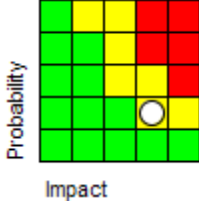
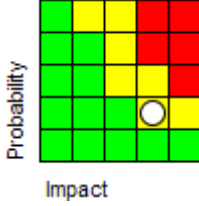
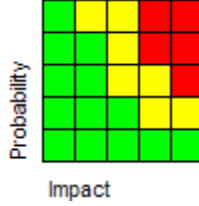
TPF20	<b>POOLING COMPLIANCE FAILURES</b> Compliance risks due to lack of understanding of guidance relating to investment pooling and/or the legislation underpinning investment pooling. (The impact is mainly on Fund and Reputation).	 Probability Impact	15	 Probability Impact	10	 Probability Impact	Paul Campbell
		<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>	
The appropriate checks had been made by the Head of Service.							

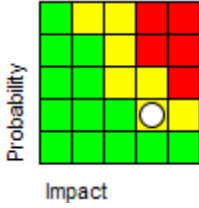
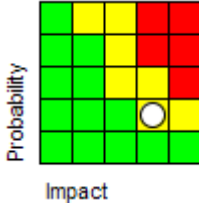
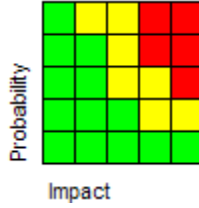
Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF21	<b>TPF INVESTMENT FAILURES</b> Investment Managers fail to achieve performance targets over the longer term: a shortfall of X% on the investment target will result in an annual impact of £ Y m. (The impact is mainly on Employers).	 Probability Impact	15	 Probability Impact	10	 Probability Impact	Paul Campbell
		<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>	
<ul style="list-style-type: none"> <li>* The asset allocation made up of equities, bonds, property, cash etc. funds, is sufficiently diversified to limit exposure to one asset category.</li> <li>* The investment strategy is continuously monitored and periodically reviewed to ensure optimal asset allocation.</li> <li>* Actuarial valuation and asset/liability study take place automatically every three years.</li> <li>* Interim valuation data is received annually and provides an early warning of any potential problems.</li> <li>* The actuarial assumptions regarding asset outperformance of a measure over CPI over gilts is regarded as achievable over the long-term when compared with historical data.</li> </ul>							

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF23	<b>TPF GOVERNANCE SKILLS SHORTAGE</b> Lack of knowledge of Committee and Board members relating to the investment arrangement and related legislation and guidance. (The impact is mainly on Fund and Reputation).	 Probability Impact	15	 Probability Impact	10	 Probability Impact	Paul Campbell
		<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>	
		Succession Planning process to be implemented	Paul Campbell		Action on target	30-Mar-2019	



Pension Fund Committee new members have an induction programme, with training based on the requirements of CIPFA Knowledge and Skills Framework including Pooling.	Training of Pension Fund Committee Members to be undertaken by Officer Deputies from Summer 2018.	Paul Campbell		Action on target	30-Mar-2019
--	---	---------------	---	------------------	-------------

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF33	<b>INSECURE DATA</b> Failure to hold personal data securely - i.e. data stolen. (The impact is mainly on Members).				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Kier have advised they are now aware of any attempted hacking events, and their processes are sufficiently robust to address this.					

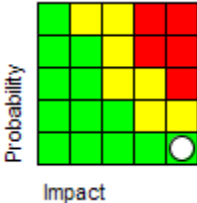
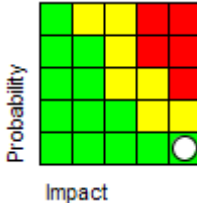
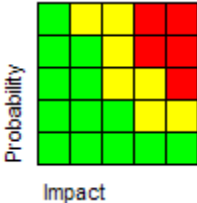
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF35	<b>INADEQUATE POOLING INVESTMENT EXPERTISE</b> Inadequate, inappropriate or incomplete investment expertise exercised over the pooled assets. (The impact is mainly on Employers).				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
The BCPP organisation now has in place a very experience and capable management team and will have a full staff compliment of nearly 70 staff by the end of 2018.					

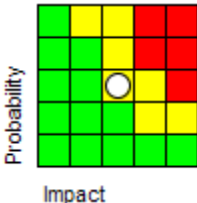
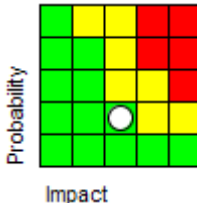
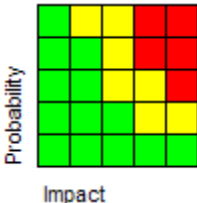
Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

TPF36	<b>INSUFFICIENT RANGE OF POOLING ASSET CLASSES</b> Insufficient range of asset classes or investment styles being available through investment pool. (The impact is mainly on Fund and Reputation).		10		10		Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>		<b>Responsible Officer</b>		<b>Expected Outcome</b>	
There is now in place a roll out plan of different asset classes and engagement with BCPP to identify relevant future asset classes.							

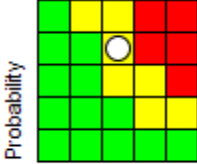
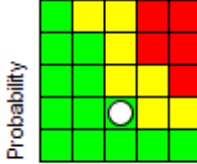
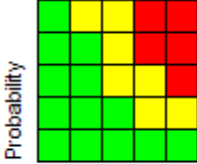
Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF38	<b>INTERNAL COMPLIANCE FAILURES</b> Failure to comply with recommendations from the local pension board, resulting in the matter being escalated to the scheme advisory board and/or the pensions regulator. (The impact is mainly on Fund and Reputation).		10		10		Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>		<b>Responsible Officer</b>		<b>Expected Outcome</b>	
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.							

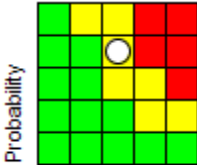
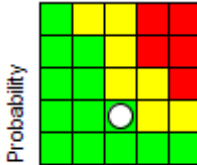
Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF37	<b>COMMITTEE MEMBERSHIP CHANGE</b> Change in membership of Pension Fund Committee leads to dilution of member knowledge and understanding. (The impact is mainly on Fund and Reputation).		8		8		Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>		<b>Responsible Officer</b>		<b>Expected Outcome</b>	
The TPF Committee have recently introduced a change that Committee members will now be in post for 4 years as opposed to 1.							

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF42	<b>BCPP FAILURE</b> Failure of the operator itself, or its internal risks and controls failure of corporate governance, responsible investment, or the failure to exercise voting rights according to policy. (The impact is mainly on Fund and Reputation).	 7	 7	 7	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk. Should the BCPP service be required to be brought back in-house under direct TPF management sufficient staff resources are now in place to facilitate this.					

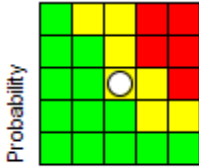
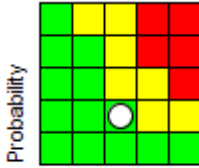
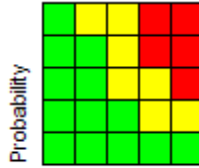
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF03	<b>UNANTICIPATED PAY RISES</b> Increases are significantly more than expected for employers within the fund. (The impact is mainly on Members and to a lesser extent Employers).	 9	 6	 7	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
<ul style="list-style-type: none"> <li>* Fund employers monitor their own experience.</li> <li>* Tri-ennial Actuarial evaluation assumptions made on pay and price inflation (for the purposes of IAS19/FRS102 and actuarial valuations) will be long term assumptions, any employer specific assumptions above the actuaries long term assumption lead to further review.</li> <li>* Employers are made aware of generic impact that salary increases can have upon final salary linked elements of LGPS benefits.</li> </ul>					

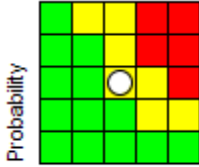
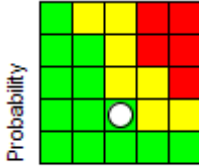

Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

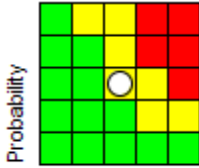
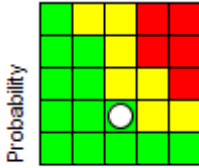
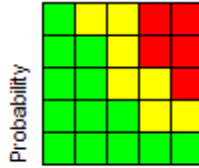
TPF17	<b>EMPLOYER FAILURE</b> An employer ceasing to exist with insufficient funding, or being unable to meet its financial commitments, adequacy of bond or guarantee. Any shortfall would be attributed to the fund as a whole. (The impact is mainly on Members and to a lesser extent Employers).		12		6		Paul Campbell
		Probability	Impact	Probability	Impact	Probability	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		
<ul style="list-style-type: none"> <li>* Fund employers monitor their own experience.</li> <li>* Tri-ennial Actuary Assumptions will account for the possibility of employer(s) failure (for purposes of IAS19/FRS102 and actuarial valuations). Any employer specific assumptions above the actuaries long term assumption, would lead to further review.</li> <li>* Employer constantly review.</li> </ul>							

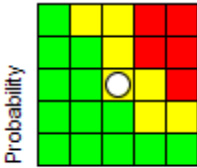
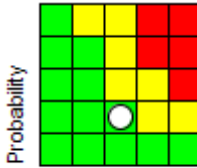

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF18	<b>ADVERSE LEGISLATIVE CHANGE</b> Risk of changes to legislation, tax rules etc.; resulting in increases required in employer contributions. (The impact is mainly on Members).		12		6	Paul Campbell	
		Probability	Impact	Probability	Impact		Probability
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		
<ul style="list-style-type: none"> <li>* The Head of Investments regularly receives and reviews relevant LGPS publications advising of such potential legislative changes - this responsibility is delegated to Deputies from Summer 2018.</li> <li>* Managers are expected to comply with SIP and IMA.</li> <li>* Pension Board self-assessment to ensure awareness if all relevant documents.</li> <li>* Annual external audit highlights such changes and ensures that the Fund will become compliant with such changes.</li> <li>* Kier have in place a Technical Team that participate in local and national group to review up and coming legislative change or developments and LGA announcements.</li> </ul>							

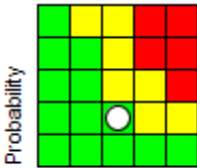
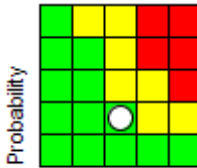

Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

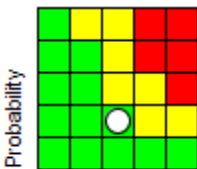
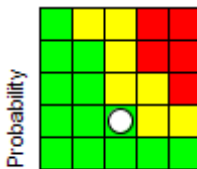
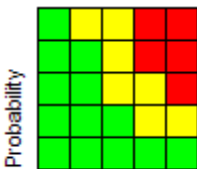
TPF26	<b>GDPR COMPLIANCE BREACH</b> Non-compliance with GDPR regulations being introduced in May 2018. (The impact is mainly on Fund and Reputation).	 9	 6	 6	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
		Kier to review and address data protection compliance with GDPR.	Paul Campbell	▶ Action on target	30-Sep-2018
		Head of Service to develop privacy notice and memorandum of understanding and documents to be hosted on Pensions website.	Paul Campbell	▶ Action on target	30-Sep-2018

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF27	<b>INACCURATE DATA RECORD COLLATION</b> Failure to maintain proper, accurate and complete data records leading to increased errors and complaints. (The impact is mainly on Employers).	 9	 6	 6	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
		Kier to change Member data checking process to higher frequency to highlight anomalies earlier	Paul Campbell	▶ Action on target	31-Oct-2018

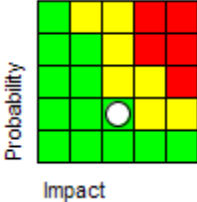
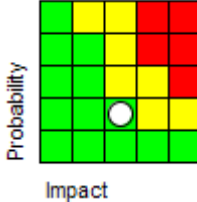
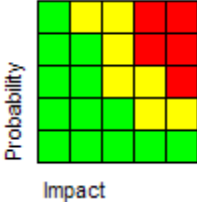
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF28	<b>INADEQUATE POOLING DATA</b> Inability to gather robust, quality or timely information from BCPP. (The impact is mainly on Fund and Reputation).	 9	 6	 6	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
With the pooling of investment assets TPF staff will work closely with BCPP sub-fund asset managers and BCPP management to gain full clarity and reporting of performance, with training provided to TPF staff as required.					

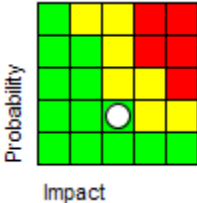
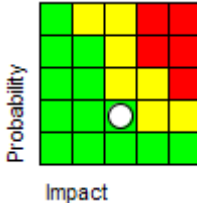
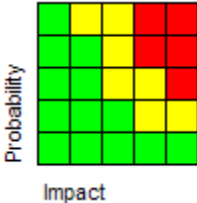
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF29	<b>STRUCTURAL CHANGES TO EMPLOYER MEMBERSHIP</b> Risk that TPF are unaware of structural changes to an employer's membership, or changes (e.g. closing to new entrants) meaning the individual employer's contribution level becomes inappropriate. (The impact is mainly on Employers).	 9	 6	 6	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
The new Kier Employer Liaison Team are now in place which will improve this by working much more closely with employers.					

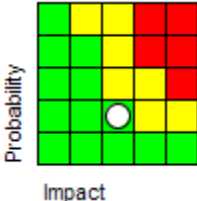
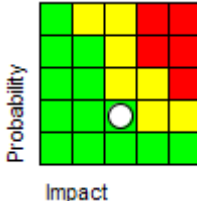
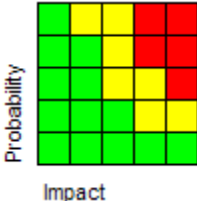
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF30	<b>ESG REPUTATIONAL DAMAGE</b> Insufficient attention to environmental, social and governance (ESG) leads to reputational damage. (The impact is mainly on Fund and Reputation).	 6	 6	 6	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and process to address this risk.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF31	<b>THIRD PARTY SUPPLIERS FAILURE</b> Financial failure of third party supplier results in service impairment and financial loss. (The impact is mainly on Fund and Reputation).	 6	 6	 6	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and process to address this risk.					

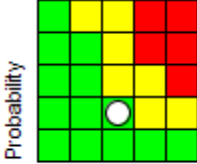
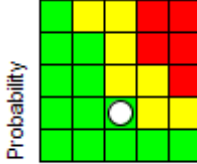
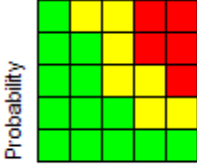
Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

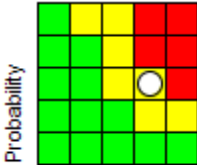
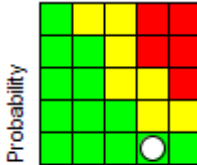
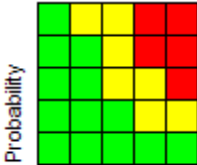
TPF32	<b>PROCUREMENT PROCESS CHALLENGES</b> Procurement processes may be challenged if seen to be non-compliant with OJEU rules. Poor specifications lead to dispute. Unsuccessful fund managers may seek compensation following non-compliant process. (The impact is mainly on Fund and Reputation).				Paul Campbell
		6	6	6	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and process to address this risk.					


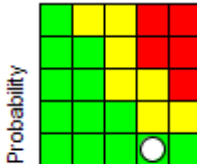
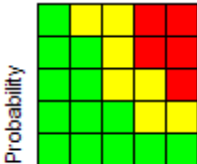
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF39	<b>ASSET POOLING TRANSITION RISK</b> Loss or impairment as a result of the Asset transition. (The impact is mainly on Fund and Reputation).				Paul Campbell
		6	6	6	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF40	<b>COMPLIANCE FAILURES</b> Failure to comply with legislative requirements e.g. SIP, FSS, Governance Policy, Freedom of Information requests, Code of Practice 14. (The impact is mainly on Fund and Reputation).				Paul Campbell
		6	6	6	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					

Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

TPF41	<b>CUSTODY DEFAULT</b> The risk of losing economic rights to pension fund assets, when held in custody or when being traded. The risk might arise from missed dividends or corporate actions (e.g. rights issues) or problems arising from delays in trade settlements. (The impact is mainly on Fund and Reputation).	 Probability Impact	6	 Probability Impact	6	 Probability Impact	Paul Campbell
	<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.							

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF15	<b>LGPS PARTNERSHIP FAILURE</b> Inability to reach consensus on behalf of all administering authorities participating in the pooling arrangements. (The impact is mainly on Fund and Reputation).	 Probability Impact	15	 Probability Impact	5	 Probability Impact	Paul Campbell
	<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		
The LGPS partners of BCPP, the Joint Partnership Committee, have already agreed via the Partnership Memorandum of Association and Shareholder Agreement a governance management decision process and it is in place to deal with occurring.							

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF24	<b>INADEQUATE BCPP OVERSIGHT</b> Insufficient resources to properly monitor pooling and BCPP. (The impact is mainly on Fund and Reputation).	 Probability Impact	15	 Probability Impact	5	 Probability Impact	Paul Campbell
	<b>Current Mitigation</b>	<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>		

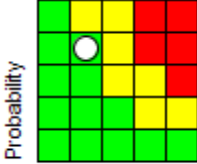
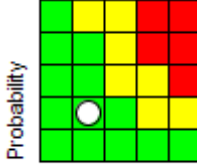
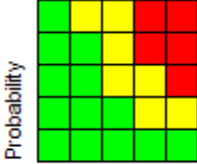


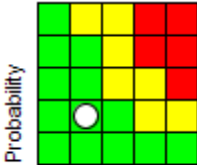
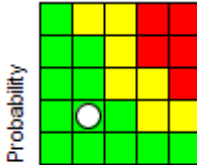
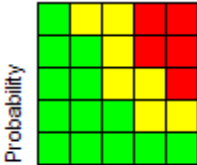
Governance for BCPP Pooling is via The Joint LGPS Partnership Committee, with officers and Members of that Committee being chosen based upon the perceived expertise and like-mindedness of the officers and members involved with the fund to ensure compliance with the pooling requirements. A key Joint Partnership Committee role, is to ensure that the ongoing pooled funds and management are comprehensive and meet government and Partnership objectives.				
---	--	--	--	--

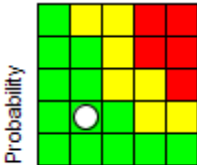
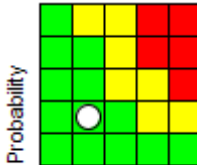
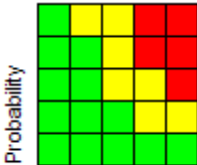
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF45	<b>DECISION MAKING FAILURES</b> Failure to take difficult decisions inhibits effective Fund management. (The impact is mainly on Fund and Reputation).				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					

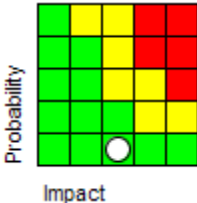
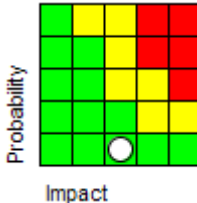
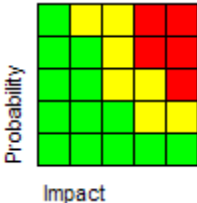
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF46	<b>CASH INVESTMENT FRAUD</b> Financial loss of cash investments from fraudulent activity. (The impact is mainly on Fund and Reputation).				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					

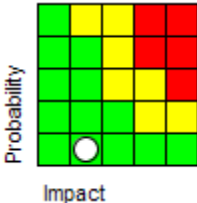
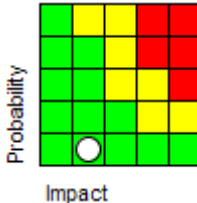
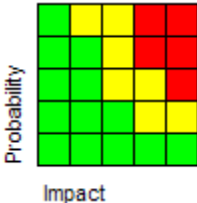
Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

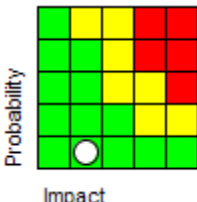
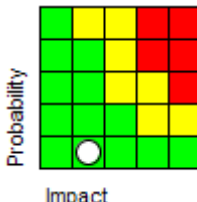
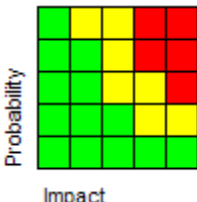
TPF34	<b>SCHEME MEMBER FRAUD</b> Fraud by scheme members of their relatives (e.g. identity, death of member). (The impact is mainly on Members).	 Probability Impact	8	 Probability Impact	4	 Probability Impact	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>		<b>Responsible Officer</b>		<b>Expected Outcome</b>	
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.							

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF43	<b>INACCURATE FUND INFORMATION</b> Inaccurate fund information in public domain leads to damage to reputation and loss of confidence. (The impact is mainly on Fund and Reputation).	 Probability Impact	4	 Probability Impact	4	 Probability Impact	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>		<b>Responsible Officer</b>		<b>Expected Outcome</b>	
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.							

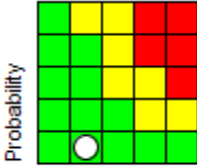
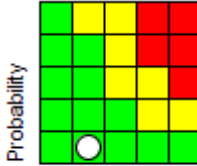

Code	Title	Original Score	Current Score	Target Score	Managed By		
TPF44	<b>LIQUIDITY SHORTFALLS</b> Risk of illiquidity due to difficulties in realising investments and paying benefits to members as they fall due. (The impact is mainly on Fund and Reputation).	 Probability Impact	4	 Probability Impact	4	 Probability Impact	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>		<b>Responsible Officer</b>		<b>Expected Outcome</b>	
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.							

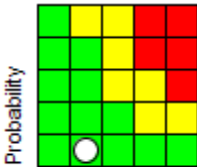
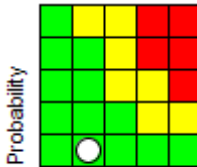

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF47	<b>ICT SYSTEMS FAILURE</b> Prolonged administration ICT systems failure. (The impact is mainly on Members).				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF48	<b>CONTRIBUTION COLLECTION FAILURE</b> Failure to collect employee/er member pension contributions. (The impact is mainly on Employers).				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					

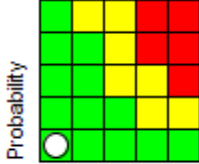
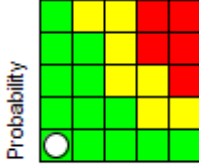

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF49	<b>INADEQUATE DISPUTES RESOLUTION PROCESS</b> Failure to agree and implement an appropriate complaints and disputes resolution process. (The impact is mainly on Members).				Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>




Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.				
--	--	--	--	--



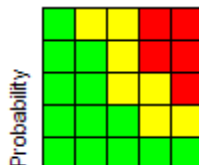
Code	Title	Original Score	Current Score	Target Score	Managed By
TPF50	<b>BCPP CESSATION</b> Partnership disbands or fails to produce a proposal deemed sufficiently ambitious. (The impact is mainly on Fund and Reputation).	 Probability Impact	 Probability Impact	 Probability Impact	Paul Campbell
Current Mitigation		Future Mitigation	Responsible Officer	Expected Outcome	Target Date
Should the BCPP service be required to be brought back in-house under direct TPF management sufficient staff resources are now in place to facilitate this.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF51	<b>POOLING CUSTODIAN FAILURE</b> Failure to ensure safe custody of assets. (The impact is mainly on Fund and Reputation).	 Probability Impact	 Probability Impact	 Probability Impact	Paul Campbell
Current Mitigation		Future Mitigation	Responsible Officer	Expected Outcome	Target Date
Head of Service believes the risk of this occurring is extremely low, and even if it did, the custodian provides specific contractual service continuation and asset guarantees.					

Code	Title	Original Score	Current Score	Target Score	Managed By
------	-------	----------------	---------------	--------------	------------

TPF52	<b>OFFICER FRAUD</b> Fraud by administration staff. (The impact is mainly on Members).	 1	 1	 1	Paul Campbell
		Impact	Impact	Impact	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place specifically separation and segregation of duties, along with clearly defined governance personnel and admin process to address this risk.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF53	<b>EXCESSIVE ADMIN COSTS</b> Excessive costs of member benefit administration leads to lack of VFM and loss of reputation. (The impact is mainly on Members).	 1	 1	 1	Paul Campbell
		Impact	Impact	Impact	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF54	<b>ERRONEOUS MEMBER BENEFIT CALCULATIONS</b> Risk of incorrect calculation of members benefits. (The impact is mainly on Members).	 1	 1	 1	Paul Campbell
		Impact	Impact	Impact	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service and Kier Pensions Admin believe roles and responsibilities are very clearly defined and in place, along with					

clearly defined governance personnel and admin process to address this risk.				
--	--	--	--	--

Code	Title	Original Score	Current Score	Target Score	Managed By
TPF55	<b>INADEQUATE MEMBER COMMUNICATIONS</b> Increased workload for pensions team of increased opt-outs if communications inadequate or misunderstood. (The impact is mainly on Members).	 Probability Impact	 Probability Impact	 Probability Impact	Paul Campbell
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Expected Outcome</b>	<b>Target Date</b>
Head of Service believes roles and responsibilities are very clearly defined and in place, along with clearly defined governance personnel and admin process to address this risk.					