

Risk Group	Risk Ref.	Risk Description	Risk Owner	Risk Type	Impact			Likelihood	Total risk score	
					Fund & Reputation	Employers	Members			Total
Administration	1	INSECURE DATA. Failure to hold personal data securely - i.e. data stolen		DATA	3	1	4	4	2	8
Administration	2	OUTSOURCED MEMBER ADMIN FAILURE. Kier Service fails to the point where it is unable to deliver its contractual services to employers and members		MEMBER ADMIN	1	1	2	2	2	4
Administration	3	SCHEME MEMBER FRAUD. Fraud by scheme members or their relatives (e.g. identity, death of member)		FRAUD	1	1	2	2	4	8
Administration	4	ADMIN/OFFICER FRAUD. Fraud by administration staff		FRAUD	1	1	1	1	1	1
Administration	5	EXCESSIVE ADMIN COSTS. Excessive costs of member benefit administration leads to lack of VFM and loss of reputation		MEMBER ADMIN	1	1	1	1	1	1
Administration	6	CONTRIBUTION COLLECTION FAILURE. Failure to collect employee/er member pension contributions		MEMBER ADMIN	1	2	1	2	1	2
Administration	7	INACCURATE DATA RECORD COLLATION. Failure to maintain proper, accurate and complete data records leading to increased errors and complaints		DATA	1	2	1	2	3	6
Administration	8	ERRONEOUS MEMBER BENEFIT CALCS. Risk of incorrect calculation of members benefits		MEMBER ADMIN	1	1	2	1	1	1
Administration	10	GDPR COMPLIANCE BREACH. Non-compliance with GDPR regulations being introduced in 2018		DATA	3	1	1	3	3	9
Administration	11	INADEQUATE MEMBER COMMS. Increased workload for pensions team or increased opt-outs if communications inadequate or misunderstood		MEMBER ADMIN	0	1	1	1	1	1
Administration	12	ICT SYSTEMS FAILURE. Prolonged administration ICT systems failure		ICT	2	2	3	3	1	3
Administration	29	INADEQUATE DISPUTES RESOLUTION PROCESS. Failure to agree and implement an appropriate complaints and disputes resolution process		SYSTEMS & PROCESS	1	2	2	2	1	2
BCPP & Pooling	13	INADEQUATE POOLING DATA. Inability to gather robust, quality or timely information from BCPP		DATA	3	1	1	3	3	9
BCPP & Pooling	14	DEMANDING POOLING TIMESCALES. Implementation of proposed pooling change cannot be achieved within legislative timescales		TIMESCALES	4	2	1	4	3	12
BCPP & Pooling	15	BCPP CESSATION. Partnership disbands or fails to produce a proposal deemed sufficiently ambitious.		FAILURE BCPP	2	2	1	2	1	2
BCPP & Pooling	16	POOLING INVESTMENT UNDERPERFORMANCE. Investments in the investment pool not delivering the required return		PERFORMANCE	4	4	1	4	3	12
BCPP & Pooling	17	INADEQUATE POOLING INVESTMENT EXPERTISE. Inadequate, inappropriate or incomplete investment expertise exercised over the pooled assets		SKILLS	4	4	1	4	2	8
BCPP & Pooling	18	BCPP FAILURE. 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		FAILURE BCPP	5	4	1	5	1	5
BCPP & Pooling	19	INSUFFICIENT RANGE OF POOLING ASSET CLASSES. Insufficient range of asset classes or investment styles being available through the investment pool		RANGE	4	3	1	4	2	8
BCPP & Pooling	20	POOLING SYSTEMIC RISKS. Systemic and other investment risks not being properly managed within the investment pool; for example appropriate diversification, credit, duration, liquidity and currency risks		SYSTEMS & PROCESS	4	4	1	4	3	12
BCPP & Pooling	21	ASSET POOLING TRANSITION RISK. Loss or impairment as a result of Asset transition.		TRANSITION	3	3	1	3	2	6
BCPP & Pooling	22	POOLING CUSTODIAN FAILURE. Failure to ensure safe custody of assets		3RD PARTY	2	2	1	2	1	2
BCPP & Pooling	23	INADEQUATE POOLED STOCK LENDING. Risks associated with stock lending not being properly managed.		FAILURE BCPP	3	2	1	3	2	6
BCPP & Pooling	24	POOLING CONFLICTS OF INTEREST. Poor management of conflicts of interest e.g., those involved in creating roles within the BCPP then being transferred to those roles		CONFLICT OF INTEREST	4	1	1	4	2	8
BCPP & Pooling	25	HIGHER THAN EXPECTED SET-UP COSTS. Higher setup and ongoing costs of BCPP and of the management associated with investment pooling arrangements (or lack of reduction compared to current costs).		COST	5	2	1	5	4	20

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BCPP & Pooling	26	INADEQUATE POOLING TRANSPARENCY. Lack of transparency around investment pooling arrangements		TRANSPARENCY	5	1	1	5	3	15
BCPP & Pooling	27	INADEQUATE POOLING COMMS TO MEMBERS. Lack of understanding by TPF scheme members that investment pooling will not impact on their scheme benefits		COMMS	4	3	3	4	2	8
BCPP & Pooling	28	LGPS PARTNERHIP FAILURE. Inability to reach consensus on behalf of all the administering authorities participating in the POOLING arrangements		PARTNERSHIP	4	3	1	4	3	12
Communications	30	INACCURATE FUND INFORMATION in public domain leads to damage to reputation and loss of confidence		COMMS	2	2	1	2	2	4
Funding	38	LONGEVITY. Pensioners living longer: adding one year to life expectancy will increase the future service rate by 0.8%		LONGEVITY	4	4	1	4	3	12
Funding	32	EMPLOYER FAILURE. 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		EMPLOYERS	2	3	3	3	4	12
Funding	33	INFLATION. Price inflation is significantly more than anticipated: an increase in CPI inflation by X % will increase the liability valuation by Y %		FUNDING	4	4	4	4	4	16
Funding	34	ADVERSE LEGISLATIVE CHANGE. Risk of changes to legislation, tax rules etc.; resulting in increases required in employer contributions		FUNDING	3	3	3	3	4	12
Funding	35	STRUCTURAL CHANGES TO EMPLOYER MEMBERSHIP. 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		EMPLOYERS	2	3	2	3	3	9
Funding	36	BULK TRANSFER VALUE DISPUTE. Failure to ensure appropriate transfer is paid to protect the solvency of the fund and equivalent rights are acquired for transferring members		MEMBERS	3	4	1	4	3	12
Funding	37	LIQUIDITY SHORTFALLS. Risk of illiquidity due to difficulties in realising investments and paying benefits to members as they fall due.		LIQUIDITY	2	1	1	2	2	4
Funding	39	UNANTICIPATED PAY RISES. Increases are significantly more than expected for employers within the Fund.		COST	4	4	1	4	4	16
Funding	40	INAPPROPRIATE INVESTMENT STRATEGY. Mismatching of assets and liabilities, inappropriate long-term asset allocation or investment strategy, mistiming of investment strategy		INVESTMENT STRATEGY	4	4	1	4	2	8
Funding	41	ADVERSE ACTUARIAL VALUATION. Impact of increases to employer contributions following the actuarial valuation		ACTUARIAL	3	4	1	4	2	8
Governance	46	COMMITTEE MEMBERSHIP CHANGE. Change in membership of Pension Fund Committee leads to dilution of member knowledge and understanding		GOVERNANCE	2	1	1		4	0
Governance	47	COMPLIANCE FAILURES. Failure to comply with legislative requirements e.g. SIP, FSS, Governance Policy, Freedom of Information requests, Code of Practice 14.		COMPLIANCE	3	2	0	3	2	6
Governance	48	INTERNAL COMPLIANCE FAILURES. 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		COMPLIANCE	4	1	1	4	2	8
Governance	44	DECISION MAKING FAILURES. Failure to take difficult decisions inhibits effective Fund management		DECISION MAKING	4	2	1	4	1	4
Governance	49	POOLING COMPLIANCE FAILURES. Compliance risk due to lack of understanding of guidance relating to investment pooling and/or the legislation underpinning investment pooling		COMPLIANCE	2	1	1	2	3	6
Governance	50	GENERAL COMPLIANCE FAILURE. Failure to comply with existing legislation and objectives due to time and focus on POOLING arrangements		COMPLIANCE	3	2	1	3	3	9
Investment	31	CASH INVESTMENT FRAUD. Financial loss of cash investments from fraudulent activity		FRAUD	4	4	1	4	1	4

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Investment	43	CUSTODY DEFAULT. 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.		3RD PARTY	3	3	1	3	2	6
Investment	51	GLOBAL FINANCIAL INSTABILITY. 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.		ESG	4	4	1	4	4	16
Investment	52	INVESTMENT UNDERPERFORMANCE. 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		INVESTMENT PERFORMANCE	4	4	1	4	3	12
Investment	53	POLITICAL RISK. Significant volatility and negative sentiment in investment markets following the outcome of adversely perceived political changes.		ESG	4	4	1	4	4	16
Investment	54	INVESTMENT CLASS FAILURE. A specific industry investment class/market fails to perform in line with expectations leading to deterioration in funding levels and increased contribution requirements from employers.		INVESTMENT STRATEGY	4	4	1	4	4	16
Investment	55	BREXIT DESTABILISATION. Volatility caused by uncertainty with regard to the withdrawal of the UK from the European Union and its after effects		ESG	3	3	1	3	4	12
Operational	57	ESG REPUTATIONAL DAMAGE. Insufficient attention to environmental, social and governance (ESG) leads to reputational damage		ESG	3	1	1	3	3	9
Operational	56	FUND MANAGER FAILURE. Financial failure of a fund manager leads to increase costs and service impairment		3RD PARTY	4	4	1	4	1	4
Operational	58	THIRD PARTY SUPPLIER FAILURE. Financial failure of third party supplier results in service impairment and financial loss		3RD PARTY	3	3	1	3	3	9
Operational	59	PROCUREMENT PROCESS CHALLENGES. 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		SYSTEMS & PROCESS	3	1	1	3	3	9
TPF Resources & Skills	60	KEYMAN RISK. Concentration of knowledge & skills in small number of officers and risk of departure of key staff - failure of succession planning		SKILLS	4	1	1	4	4	16
TPF Resources & Skills	61	INSUFFICIENT STAFF. Causes failure to have time to adopt best practice by properly developing staff and processes		SKILLS	4	4	1	4	4	16
TPF Resources & Skills	62	POOLING OFFICER SKILLS SHORTAGE. Changes to administering authority duties as a result of POOLING, meaning employees don't have appropriate knowledge or skills		SKILLS	4	3	1	4	4	16
TPF Resources & Skills	63	POOLING GOVERNANCE SKILLS SHORTAGE. Lack of knowledge of Committee & Board members relating to the investment POOLING arrangement and related legislation and guidance		SKILLS	4	3	1	4	3	12
TPF Resources & Skills	64	INADEQUATE BCPP OVERSIGHT. Insufficient resources to properly monitor POOLING & BCPP		SKILLS	4	4	1	4	3	12