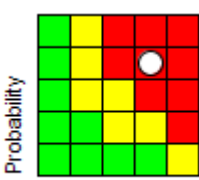
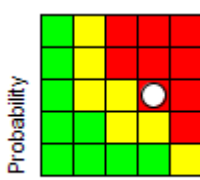
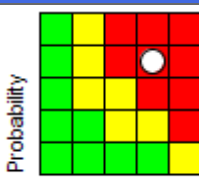
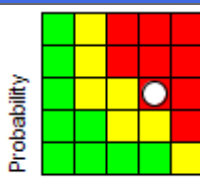
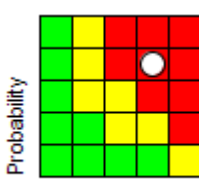
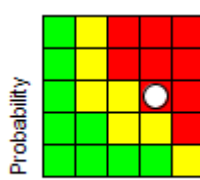
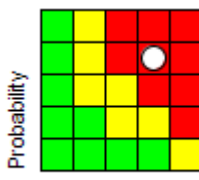
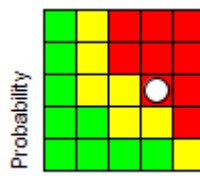


## Appendix C - Teesside Pension Fund Risk Register

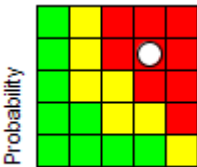
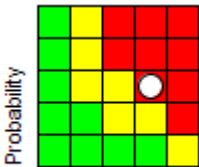
Code	Title	Original Score	Current Score
TPF001	<b>INFLATION</b> Price inflation is significantly more than anticipated: an increase in long-term CPI inflation of 0.2% a year will increase the liability valuation by 3%.  Fund & Reputation Impact-5 Employers Impact-5 Member Impact-5	 20	 15
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
In assessing the member liabilities, the triennial Fund Actuary assumptions made for inflation are "conservatively" set based on independent economic data, and hedged against by setting higher investment performance targets.			Head of Pensions Governance and Investments

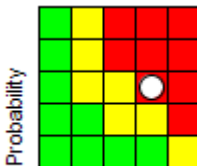

Code	Title	Original Score	Current Score
TPF002	<b>ADVERSE ACTUARIAL VALUATION</b> Impact of increases to employer contributions following the actuarial valuation.  Fund & Reputation Impact-3 Employers Impact-5 Member Impact-1	 20	 15
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Interim valuations provide early warnings. Actuary has scope to smooth impact for most employers.			Head of Pensions Governance and Investments

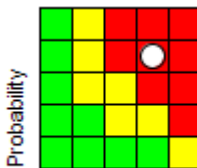
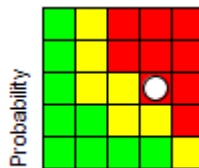
Code	Title	Original Score	Current Score
TPF003	<b>GLOBAL FINANCIAL INSTABILITY</b> Outlook deteriorates in advanced economies because of heightened uncertainty and setbacks to growth and confidence, with declines in oil and commodity prices. Leading to tightened financial conditions, reduced risk appetite and raised credit risks.  Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 20	 15
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Increasing investment diversification will allow the Fund to be better placed to withstand this type of economic instability. As a long-term investor the Fund does not have to be a forced seller of assets when they are depressed in value.			Head of Pensions Governance and Investments

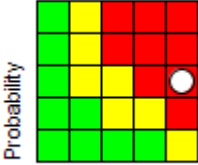
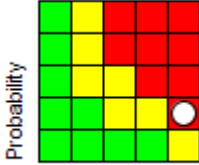
Code	Title	Original Score	Current Score
TPF004	<b>POLITICAL RISK</b> Significant volatility and negative sentiment in investment markets following the outcome of adversely perceived political changes.  Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 20	 15
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>

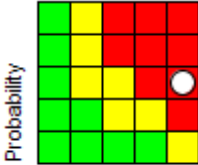
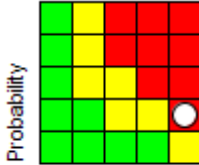
Increasing investment diversification will allow the Fund to be better placed to withstand this type of political instability. As a long-term investor the Fund does not have to be a forced seller of assets when they are depressed in value.		Head of Pensions Governance and Investments
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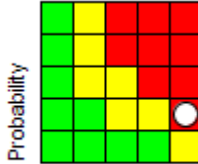
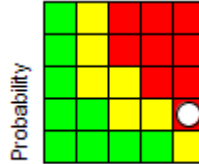
Code	Title	Original Score	Current Score
TPF005	<b>INVESTMENT CLASS FAILURE</b>  A specific industry investment class/market fails to perform in line with expectations leading to deterioration in funding levels and increased contribution requirements from employers.  Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 20	 15
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Increasing investment diversification will allow the Fund to be better placed to withstand this type of market class failure. As a long-term investor the Fund does not have to be a forced seller of assets when they are depressed in value.			Head of Pensions Governance and Investments

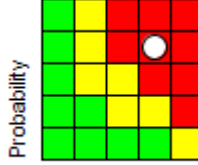

Code	Title	Original Score	Current Score
TPF012	<b>POOLING INVESTMENT UNDERPERFORMANCE</b>  Investments in the investment pool not delivering the required return.  Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 15	 15
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Ongoing monitoring by officers and advisors			Head of Pensions Governance and Investments

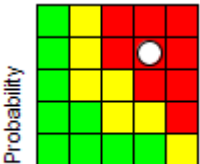
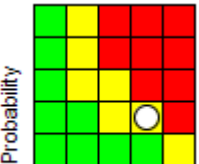
Code	Title	Original Score	Current Score
TPF053	<b>CLIMATE CHANGE</b>  The systemic risk posed by climate change and the policies implemented to tackle them will fundamentally change economic, political and social systems and the global financial system. They will impact every asset class, sector, industry and market in varying ways and at different times, creating both risks and opportunities to investors. The Fund's policy in relation to how it takes climate change into account in relation to its investments is set out in its Investment Strategy Statement and Responsible Investment Policy	 20	 15
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
In relation to the funding implications, the administering authority keeps the effect of climate change on future returns and demographic experience, eg. longevity, under review and will commission modelling or advice from the Fund's Actuary on the potential effect on funding as required.			Head of Pensions Governance and Investments

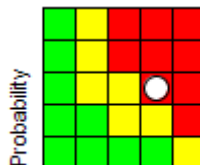
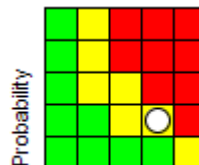
Code	Title	Original Score	Current Score
TPF009	<p>HIGHER THAN EXPECTED COSTS OF INVESTMENT POOLING</p> <p>Higher setup and ongoing costs of Border to Coast and of the management associated with investment pooling arrangements (or lack of reduction compared to current costs).</p> <p>Fund &amp; Reputation Impact-7 Employers Impact-2 Member Impact-1</p>	 <p>21</p>	 <p>14</p>
Current Mitigation		Future Mitigation	Responsible Officer
Border to Coast's budget is set annually with the agreement of at least 9 of the 11 partner funds. Expenditure is monitored and reported to the Officer Group and Joint Committee meetings. Tenders for suppliers ensure value for money ethos applies.			Head of Pensions Governance and Investments



Code	Title	Original Score	Current Score
TPF010	<p>INADEQUATE POOLING TRANSPARENCY</p> <p>Lack of transparency around investment pooling arrangements.</p> <p>Fund &amp; Reputation Impact-7 Employers Impact-1 Member Impact-1</p>	 <p>21</p>	 <p>14</p>
Current Mitigation		Future Mitigation	Responsible Officer
With the pooling of investment assets TPF staff work closely with Border to Coast sub-fund asset managers and Border to Coast management to gain full clarity of performance, with training provided to TPF staff as required.			Head of Pensions Governance and Investments

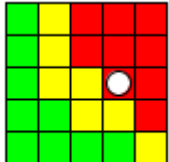
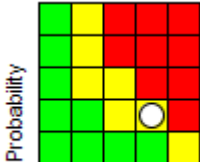
Code	Title	Original Score	Current Score
TPF021	<p>INAPPROPRIATE INVESTMENT STRATEGY</p> <p>Mismatching of assets and liabilities, inappropriate long term asset allocation of investment strategy, mistiming of investment strategy.</p> <p>Fund &amp; Reputation Impact-7 Employers Impact-7 Member Impact-1</p>	 <p>14</p>	 <p>14</p>
Current Mitigation		Future Mitigation	Responsible Officer
This is mitigated by the Triennial Valuation and the engagement of Two Independent Investment Advisors.			Head of Pensions Governance and Investments

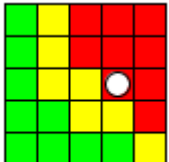

Code	Title	Original Score	Current Score
TPF007	<p>KEY PERSON RISK</p> <p>Concentration of knowledge &amp; skills in small number of officers and risk of departure of key staff - failure of succession planning.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-1 Member Impact-1</p>	 <p>20</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
Two Deputy positions were created in 2018/19 (although one remains to be filled). These act to support deputise as required for the Head of Investments, Governance and Pensions.			Head of Pensions Governance and Investments

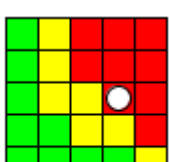

Code	Title	Original Score	Current Score
TPF008	<b>INSUFFICIENT STAFF</b> Causes failure to have time to adopt best practice by properly developing staff and processes. Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 20	 10
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
In preparation for the pooling of investment assets to Border to Coast, the team was expanded and has a total complement of 9 staff (albeit with two current vacancies). With a new investment strategy of passive rather than active management, investment transaction volumes have significantly reduced.			Head of Pensions Governance and Investments

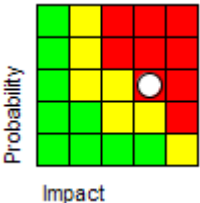
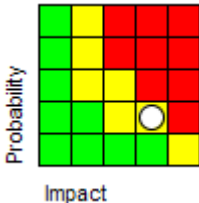
Code	Title	Original Score	Current Score
TPF011	<b>UNANTICIPATED PAY RISES</b> Increases are significantly more than expected for employers within the Fund. Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 15	 10
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
1) Fund employers will monitor own experience. 2) Triennial Actuarial valuation 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 would lead to further review. 3) Employers are made aware of generic impact that salary increases can have upon final salary linked elements of LGPS benefits. 4) Over time, a diminishing proportion of LGPS liabilities are linked to final salary following the introduction of the career average scheme from April 2014.			Head of Pensions Governance and Investments

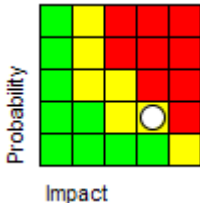
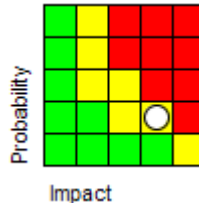
Code	Title	Original Score	Current Score
TPF013	<b>POOLING SYSTEMIC RISKS</b> Systemic and other investment risks not being properly managed within the investment pool; for example appropriate diversification, credit, duration, liquidity and currency risks. Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 15	 10
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Appropriate due diligence is carried out regarding the structure, targets, diversification and risk approach for each sub-fund before investment. In addition, The Pensions Head of Service and Section 151 officer, will closely monitor and review Border to Coast sub-fund investment elements on an on-going basis, and report to TPF Committee and Board.			Head of Pensions Governance and Investments

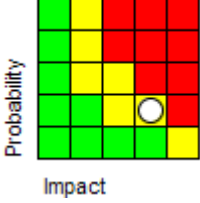
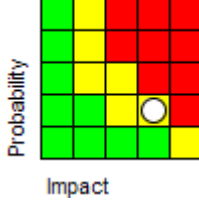
Code	Title	Original Score	Current Score
TPF014	<p>LONGEVITY</p> <p>Pensioners living longer: adding one year to life expectancy will increase the future service rate by 0.8%.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	 <p>15</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
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.			Head of Pensions Governance and Investments

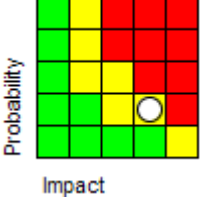
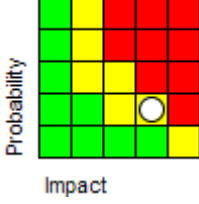
Code	Title	Original Score	Current Score
TPF017	<p>BULK TRANSFER VALUE DISPUTE</p> <p>Failure to ensure appropriate transfer is paid to protect the solvency of the fund and equivalent rights are acquired for transferring members.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-5 Member Impact-1</p>	 <p>15</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
A mechanism exists within the regulations to resolve such disputes - this should reduce the financial impact of any such event.			Head of Pensions Governance and Investments

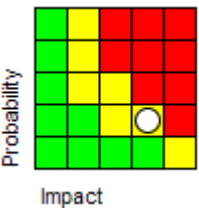
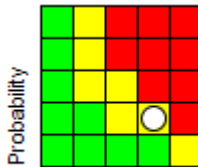
Code	Title	Original Score	Current Score
TPF018	<p>TPF INVESTMENT UNDERPERFORMANCE</p> <p>Investment Managers fail to achieve performance targets over the longer term: a shortfall of 1% on the investment target will result in an annual impact of £50m.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	 <p>15</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
<p>1) The asset allocation made up of equities, bonds, property, alternatives, cash etc. funds, is sufficiently diversified to limit exposure to one asset category.</p> <p>2) The investment strategy is continuously monitored and periodically reviewed to ensure optimal asset allocation.</p> <p>3) Actuarial valuation and asset/liability study take place every three years.</p> <p>4) Interim valuation data is received annually and provides an early warning of any potential problems.</p> <p>5) The actuarial assumption regarding asset outperformance of a measure over CPI over gilts is regarded as achievable over the long-term when compared with historical data.</p>			Head of Pensions Governance and Investments

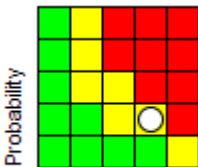
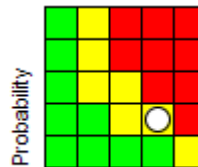
Code	Title	Original Score	Current Score
TPF019	<p>TPF GOVERNANCE SKILLS SHORTAGE</p> <p>Lack of knowledge of Committee &amp; Board members relating to the investment arrangement and related legislation and guidance.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-3 Member Impact-1</p>	 <p>15</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
Pension Fund Committee new members have an induction programme and have access to on-line training based on the requirements of CIPFA Knowledge and Skills Framework including Pooling.			Head of Pensions Governance and Investments

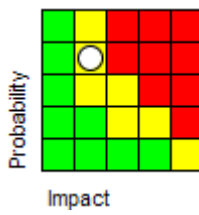
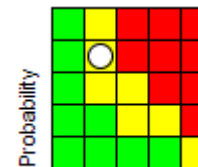
Code	Title	Original Score	Current Score
TPF025	<p>OUTSOURCED MEMBER ADMIN FAILURE</p> <p>XPS Administration service fails to the point where it is unable to deliver its contractual services to employers and members.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-1 Member Impact-5</p>	 <p>10</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
XPS Administration is a well-resourced established pensions administration provider which is not in financial difficulty.			Head of Pensions Governance and Investments



Code	Title	Original Score	Current Score
TPF026	<p>INSECURE DATA</p> <p>Failure to hold personal data securely - i.e data stolen.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-1 Member Impact-5</p>	 <p>10</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
XPS Administration have advised they have robust data security and are not aware of any attempted hacking events.			Head of Pensions Governance and Investments

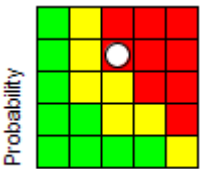
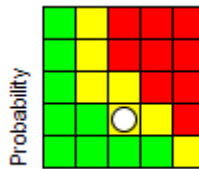
Code	Title	Original Score	Current Score
TPF028	<p>INADEQUATE POOLING INVESTMENT EXPERTISE</p> <p>Inadequate, inappropriate or incomplete investment expertise exercised over the pooled assets.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	 <p>10</p>	 <p>10</p>
Current Mitigation		Future Mitigation	Responsible Officer
Border to Coast has completed recruitment of experienced and capable management team, alongside its expanding complement of over 100 staff.			Head of Pensions Governance and Investments

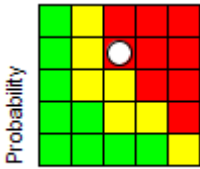
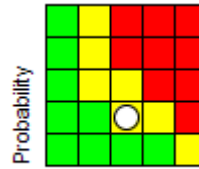
Code	Title	Original Score	Current Score
TPF029	<b>INSUFFICIENT RANGE OF POOLING ASSET CLASSES</b>  Insufficient range of asset classes or investment styles being available through the investment pool.  Fund & Reputation Impact-5 Employers Impact-3 Member Impact-1	 10	 10
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
There is in place a roll-out plan of different asset classes and engagement with Border to Coast to identify relevant future asset classes			Head of Pensions Governance and Investments

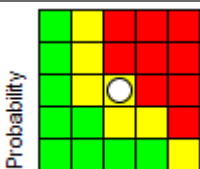
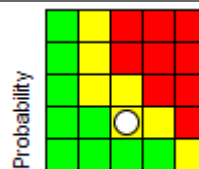
Code	Title	Original Score	Current Score
TPF031	<b>INTERNAL COMPLIANCE FAILURES</b>  Failure to comply with recommendations from the local pension board, resulting in the matter being escalated to the scheme advisory board and/or the pensions regulator.  Fund & Reputation Impact-5 Employers Impact-1 Member Impact-1	 10	 10
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
The Head of Pensions Governance and Investments attends all Committee and Board meetings and acts as a conduit between the two, ensuring any Board recommendations are relayed to the Committee.			Head of Pensions Governance and Investments


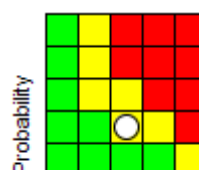
Code	Title	Original Score	Current Score
TPF030	<b>COMMITTEE MEMBERSHIP CHANGE</b>  Change in membership of Pension Fund Committee leads to dilution of member knowledge and understanding.  Fund & Reputation Impact-2 Employers Impact-1 Member Impact-1	 8	 8
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Officers and advisers provide continuity and training following changes to Committee membership.			Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF039	<b>BORDER TO COAST 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.  Fund & Reputation Impact-7 Employers Impact-4 Member Impact-1	 7	 7
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Ongoing oversight and close working with Border to Coast and the other Partner Funds will provide advance warning of any issues in this area and an opportunity to rectify them.			Head of Pensions Governance and Investments



Code	Title	Original Score	Current Score
TPF015	<p><b>EMPLOYER FAILURE</b></p> <p>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.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-3 Member Impact-3</p>	 <p>12</p>	 <p>6</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
<p>1) Fund employers should monitor own experience.</p> <p>2) Triennial Actuarial Assumptions will account for the possibility of employer(s) failure (for the purposes of IAS19/FRS102 and actuarial valuations). Any employer specific assumptions above the actuaries long-term assumption, would lead to further review.</p> <p>3) Employers rates are set taking into account the strength of an employer and any underwriting by other employers in the Fund.</p>			Head of Pensions Governance and Investments



Code	Title	Original Score	Current Score
TPF016	<p><b>ADVERSE LEGISLATIVE CHANGE</b></p> <p>Risk of changes to legislation, tax rules etc.; resulting in increases required in employer contributions.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-3 Member Impact-3</p>	 <p>12</p>	 <p>6</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
<p>The process of legislative change and the actuarial valuation cycle means any such change would be flagged up well in advance. The actuary has scope to mitigate any contribution increase in respect of most Fund employers.</p>			Head of Pensions Governance and Investments

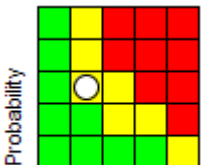

Code	Title	Original Score	Current Score
TPF022	<p><b>GDPR COMPLIANCE</b></p> <p>Non-compliance with GDPR regulations.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-1 Member Impact-1</p>	 <p>9</p>	 <p>6</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
<p>Data protection privacy notices have been distributed by XPS Administration. The Council has established GDPR-compliant processes and procedures.</p>			Head of Pensions Governance and Investments

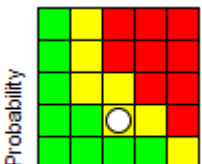

Code	Title	Original Score	Current Score
TPF023	<p><b>INACCURATE DATA RECORD COLLATION</b></p> <p>Failure to maintain proper, accurate and complete data records leading to increased errors and complaints.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-3 Member Impact-3</p>	 <p>9</p>	 <p>6</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
<p>Administration data quality is being assessed as part of the triennial valuation process, as well as being assessed regularly in order to meet Pensions Regulator requirements on scheme data.</p>			Head of Pensions Governance and Investments







Code	Title	Original Score	Current Score
TPF024	<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.  Fund & Reputation Impact-2 Employers Impact-3 Member Impact-2	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
The XPS Administration employer liaison team will improve this by working closely with employers.			Head of Pensions Governance and Investments


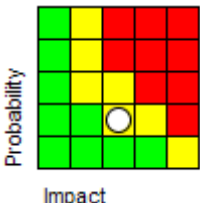
Code	Title	Original Score	Current Score
TPF032	<b>INADEQUATE POOLING DATA</b>  Inability to gather robust, quality or timely information from Border to Coast.  Fund & Reputation Impact-3 Employers Impact-1 Member Impact-1	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
TPF staff work closely with Border to Coast sub-fund asset managers and Border to Coast management to gain full clarity and reporting of performance, with training provided to TPF staff as required.			


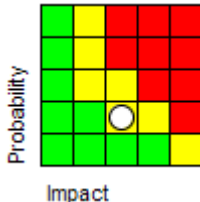
Code	Title	Original Score	Current Score
TPF033	<b>ESG REPUTATIONAL DAMAGE</b>  Insufficient attention to environmental, social and governance (ESG) leads to reputational damage.  Fund & Reputation Impact-2 Employers Impact-1 Member Impact-1	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Border to Coast provides increased focus on Responsible Investment.			Head of Pensions Governance and Investments

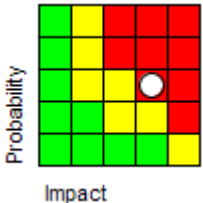
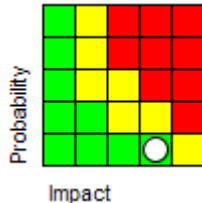
Code	Title	Original Score	Current Score
TPF034	<b>THIRD PARTY SUPPLIER FAILURE</b>  Financial failure of third party supplier results in service impairment and financial loss.  Fund & Reputation Impact-3 Employers Impact-3 Member Impact-1	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
New supplier's financial strength is assessed through the procurement process. Existing suppliers are obliged to report any issues.			Head of Pensions Governance and Investments

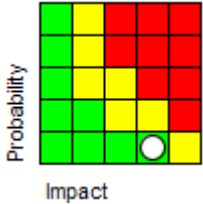
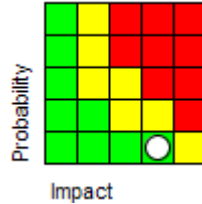
Code	Title	Original Score	Current Score
TPF035	<p>PROCUREMENT PROCESS CHALLENGES</p> <p>Procurement processes may be challenged if seen to be non-compliant with procurement regulations. Poor specifications lead to dispute. Unsuccessful fund managers may seek compensation following non-compliant process.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-1 Member Impact-1</p>	 <p>6</p>	 <p>6</p>
Current Mitigation		Future Mitigation	Responsible Officer
Advice sought from Council's procurement specialist on regulatory compliance,			Head of Pensions Governance and Investments

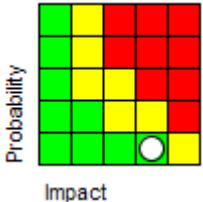
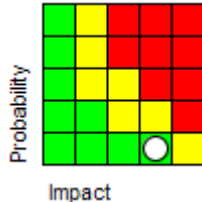
Code	Title	Original Score	Current Score
TPF036	<p>ASSET POOLING TRANSITION RISK</p> <p>Loss or impairment as a result of Asset transition.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-3 Member Impact-1</p>	 <p>6</p>	 <p>6</p>
Current Mitigation		Future Mitigation	Responsible Officer
Listed assets already transferred			Head of Pensions Governance and Investments

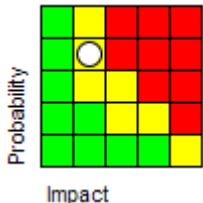
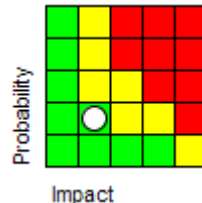
Code	Title	Original Score	Current Score
TPF037	<p>COMPLIANCE FAILURES</p> <p>Failure to comply with legislative requirements e.g. ISS, FSS, Governance Policy, Freedom of Information requests, Code of Practice 14.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-2 Member Impact-0</p>	 <p>6</p>	 <p>6</p>
Current Mitigation		Future Mitigation	Responsible Officer
Advice sought where needed on compliance e.g. ISS, FSS			Head of Pensions Governance and Investments

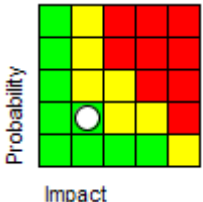
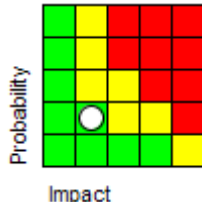
Code	Title	Original Score	Current Score
TPF038	<p>CUSTODY DEFAULT</p> <p>The risk of losing economic rights to pension fund assets, when held in custody or when being traded. The risk might arise from missed dividends or corporate actions (e.g. rights issues) or problems arising from delays in trade settlements.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-3 Member Impact-1</p>	 <p>6</p>	 <p>6</p>
Current Mitigation		Future Mitigation	Responsible Officer
Issues are now largely historic and relate to withholding tax claims or corporate actions in relation to assets previously held by the Fund.			Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF020	<p>INADEQUATE BORDER TO COAST OVERSIGHT</p> <p>Insufficient resources to properly monitor pooling &amp; Border to Coast.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	 <p>15</p>	 <p>5</p>
Current Mitigation		Future Mitigation	Responsible Officer
Sufficient resources exist within the team to oversee and monitor Border to Coast. External providers are also involved, such as Portfolio Evaluation Limited and the two independent investment advisors.			Head of Pensions Governance and Investments

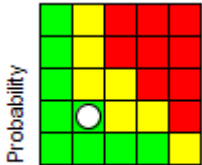
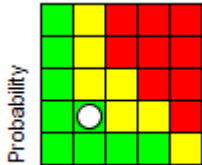
Code	Title	Original Score	Current Score
TPF042	<p>DECISION MAKING FAILURES</p> <p>Failure to take difficult decisions inhibits effective Fund management.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-2 Member Impact-1</p>	 <p>5</p>	 <p>5</p>
Current Mitigation		Future Mitigation	Responsible Officer
Ongoing challenge and advice from two independent advisors			Head of Pensions Governance and Investments

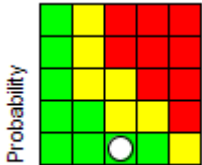

Code	Title	Original Score	Current Score
TPF043	<p>CASH INVESTMENT FRAUD</p> <p>Financial loss of cash investments from fraudulent activity.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	 <p>5</p>	 <p>5</p>
Current Mitigation		Future Mitigation	Responsible Officer
Approval processes and systems			Head of Pensions Governance and Investments

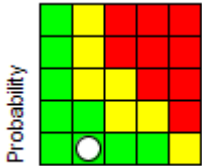
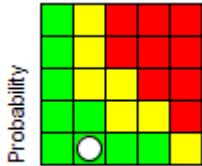
Code	Title	Original Score	Current Score
TPF027	<p>SCHEME MEMBER FRAUD</p> <p>Fraud by scheme members or their relatives (e.g. identity, death of member).</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-1 Member Impact-2</p>	 <p>8</p>	 <p>4</p>
Current Mitigation		Future Mitigation	Responsible Officer
XPS checking processes – e.g. mortality screening			Head of Pensions Governance and Investments

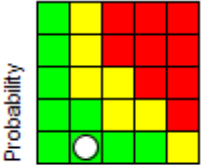
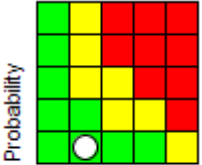
Code	Title	Original Score	Current Score
TPF040	<p>INACCURATE FUND INFORMATION</p> <p>In public domain leads to damage to reputation and loss of confidence.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-2 Member Impact-1</p>	 <p>4</p>	 <p>4</p>
Current Mitigation		Future Mitigation	Responsible Officer

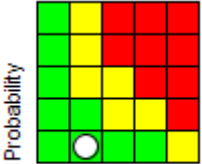
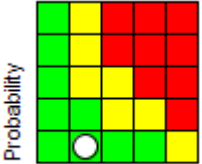
Checking and reviewing processes, internal and external audit		Head of Pensions Governance and Investments
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Code	Title	Original Score	Current Score
TPF041	<b>LIQUIDITY SHORTFALLS</b>  Risk of illiquidity due to difficulties in realising investments and paying benefits to members as they fall due.  Fund & Reputation Impact-2 Employers Impact-1 Member Impact-1	 4	 4
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Daily monitoring of cash position, cash-flow planning			Head of Pensions Governance and Investments

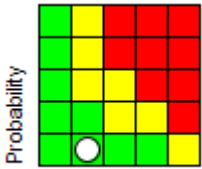
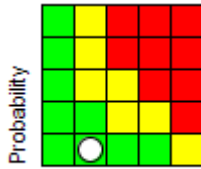
Code	Title	Original Score	Current Score
TPF044	<b>ICT SYSTEMS FAILURE</b>  Prolonged administration ICT systems failure.  Fund & Reputation Impact-2 Employers Impact-2 Member Impact-3	 3	 3
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Disaster recovery plans			Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF045	<b>CONTRIBUTION COLLECTION FAILURE</b>  Failure to collect employee/er member pension contributions.  Fund & Reputation Impact-1 Employers Impact-2 Member Impact-1	 2	 2
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Ongoing monitoring of contribution collection at employer level			Head of Pensions Governance and Investments


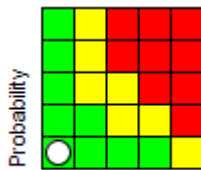
Code	Title	Original Score	Current Score
TPF046	<b>INADEQUATE DISPUTES RESOLUTION PROCESS</b>  Failure to agree and implement an appropriate complaints and disputes resolution process.  Fund & Reputation Impact-1 Employers Impact-2 Member Impact-2	 2	 2
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Process is in place and operating effectively.			Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF047	<b>BORDER TO COAST CESSATION</b>  Partnership disbands or fails to produce a proposal deemed sufficiently ambitious.  Fund & Reputation Impact-2 Employers Impact-2 Member Impact-1	 2	 2

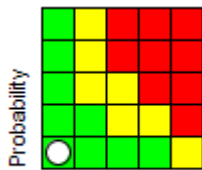
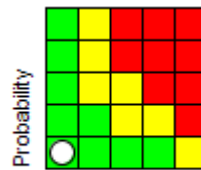
Current Mitigation	Future Mitigation	Responsible Officer
Border to Coast in place – Fund has oversight and jointly owns the company.		Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF048	<p>POOLING CUSTODIAN FAILURE</p> <p>Failure to ensure safe custody of assets.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-2 Member Impact-1</p>		


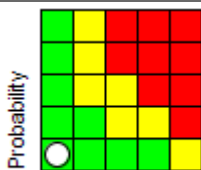
Current Mitigation	Future Mitigation	Responsible Officer
Border to Coast's custodian is financially secure and keeps pool's assets segregated.		Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF049	<p>OFFICER FRAUD</p> <p>Fraud by administration staff.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-1 Member Impact-1</p>		


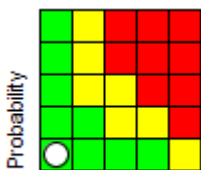
Current Mitigation	Future Mitigation	Responsible Officer
Approval processes, verification on transactions, restricted options in place re payments		Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF050	<p>EXCESSIVE ADMIN COSTS</p> <p>Excessive costs of member benefit administration leads to lack of VFM and loss of reputation.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-1 Member Impact-1</p>		

Current Mitigation	Future Mitigation	Responsible Officer
		Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF051	<p>ERRONEOUS MEMBER BENEFIT CALCS</p> <p>Risk of incorrect calculation of members benefits.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-1 Member Impact-2</p>		

Current Mitigation	Future Mitigation	Responsible Officer
		Head of Pensions Governance and Investments

Code	Title	Original Score	Current Score
TPF052	<p>INADEQUATE MEMBER COMMS</p> <p>Increased workload for pensions team or increased opt-outs if communications inadequate or misunderstood.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-1 Member Impact-1</p>		

Current Mitigation	Future Mitigation	Responsible Officer
		Head of Pensions Governance and Investments