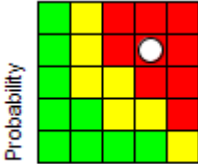
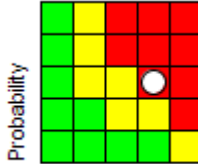
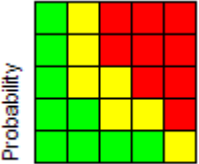
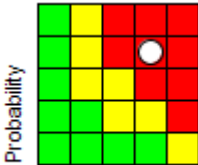
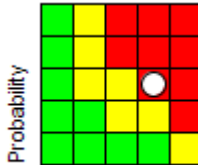
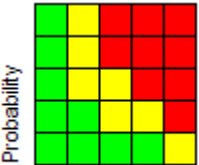



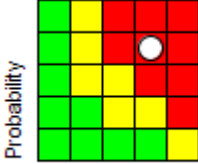

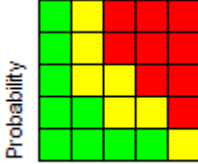
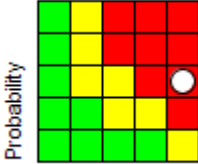

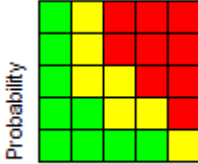


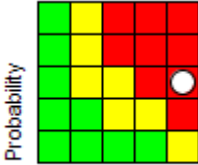
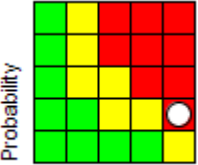
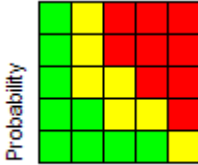
Appendix A - Teesside Pension Fund Risk Register

| Code | Title | Original Score | Current Score | Target Score |
|--|--|---|---|----------------------------------|
| TPF001 | <p>INFLATION</p> <p>Price inflation is significantly more than anticipated: an increase in CPI inflation by X % will increase the liability valuation by Y %.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-5</p> | <p>Probability</p> <p>Impact</p> <p style="text-align: right;">20</p> | <p>Probability</p> <p>Impact</p> <p style="text-align: right;">15</p> | <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| 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. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF002 | <p>ADVERSE ACTUARIAL VALUATION</p> <p>Impact of increases to employer contributions following the actuarial valuation.</p> <p>Fund & Reputation Impact-3 Employers Impact-5 Member Impact-1</p> | <p>Probability</p> <p>Impact</p> <p style="text-align: right;">20</p> | <p>Probability</p> <p>Impact</p> <p style="text-align: right;">15</p> | <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| Interim valuations provide early warnings. Actuary has scope to smooth impact for most employers. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF003 | <p>GLOBAL FINANCIAL INSTABILITY</p> <p>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.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> | <p>Probability</p> <p>Impact</p> <p style="text-align: right;">20</p> | <p>Probability</p> <p>Impact</p> <p style="text-align: right;">15</p> | <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| 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. | | | | |
| Code | Title | Original Score | Current Score | Target Score |

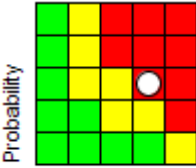
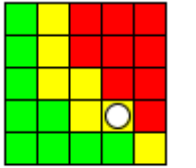
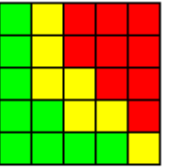
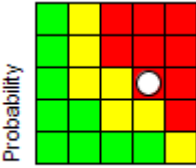
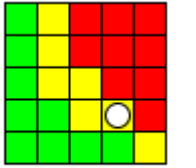
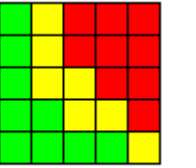
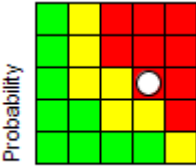
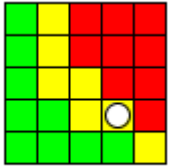
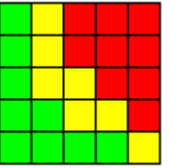
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|---|---|---|---|---|
| TPF004 | <p>POLITICAL RISK</p> <p>Significant volatility and negative sentiment in investment markets following the outcome of adversely perceived political changes.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> |  <p>Probability</p> <p>Impact</p> <p>20</p> |  <p>Probability</p> <p>Impact</p> <p>15</p> |  <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| 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. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF005 | <p>INVESTMENT CLASS FAILURE</p> <p>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.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> |  <p>Probability</p> <p>Impact</p> <p>20</p> |  <p>Probability</p> <p>Impact</p> <p>15</p> |  <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| 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. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF012 | <p>POOLING INVESTMENT UNDERPERFORMANCE</p> <p>Investments in the investment pool not delivering the required return.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> |  <p>Probability</p> <p>Impact</p> <p>15</p> |  <p>Probability</p> <p>Impact</p> <p>15</p> |  <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |
| Code | Title | Original Score | Current Score | Target Score |

| | | | | | | |
|--------|---|--|--------------------------|--|-------------------------|--|
| TPF053 | CLIMATE CHANGE 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 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. |  Probability Impact | 20 |  Probability Impact | 15 |  Probability Impact |
| | | Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome | |

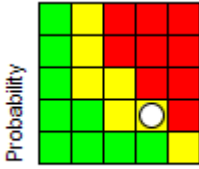


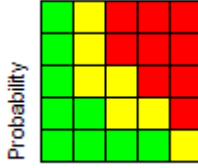
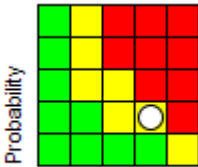
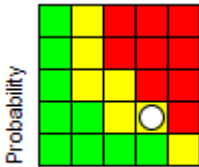

| Code | Title | Original Score | Current Score | Target Score | | |
|--|---|--|--------------------------|--|-------------------------|--|
| TPF009 | HIGHER THAN EXPECTED COSTS OF INVESTMENT POOLING Higher setup and ongoing costs of Border to Coast and of the management associated with investment pooling arrangements (or lack of reduction compared to current costs). Fund & Reputation Impact-7 Employers Impact-2 Member Impact-1 |  Probability Impact | 21 |  Probability Impact | 14 |  Probability Impact |
| | | Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome | |
| Border to Coast's budget is set annually with the agreement of at least 9 of the 12 partner funds. Expenditure is monitored and reported to the quarterly Joint Committee meetings. Tenders for on-going suppliers and staff are all now in place. | | | | | | |

| Code | Title | Original Score | Current Score | Target Score | | |
|---|---|--|--------------------------|--|-------------------------|--|
| TPF010 | INADEQUATE POOLING TRANSPARENCY Lack of transparency around investment pooling arrangements. Fund & Reputation Impact-7 Employers Impact-1 Member Impact-1 |  Probability Impact | 21 |  Probability Impact | 14 |  Probability Impact |
| | | Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome | |
| With the pooling of investment assets TPF staff will work closely with Border to Coast sub-fund asset managers and Border to Coast management to gain full clarity of performance, with | | | | | | |

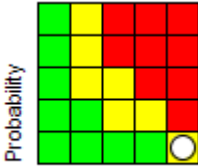
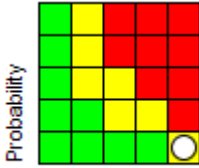
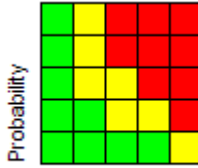
| training provided to TPF staff as required. | | | | |
|--|--|--|--|----------------------------------|
| Code | Title | Original Score | Current Score | Target Score |
| TPF021 | <p>INAPPROPRIATE INVESTMENT STRATEGY</p> <p>Mismatching of assets and liabilities, inappropriate long term asset allocation of investment strategy, mistiming of investment strategy.</p> <p>Fund & Reputation Impact-7 Employers Impact-7 Member Impact-1</p> | <p>Probability</p> <p>Impact</p> <p>14</p> | <p>Probability</p> <p>Impact</p> <p>14</p> | <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| This is mitigated by the Triennial Valuation and the engagement of Two Independent Investment Advisors. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF007 | <p>KEYMAN RISK</p> <p>Concentration of knowledge & skills in small number of officers and risk of departure of key staff - failure of succession planning.</p> <p>Fund & Reputation Impact-5 Employers Impact-1 Member Impact-1</p> | <p>Probability</p> <p>Impact</p> <p>20</p> | <p>Probability</p> <p>Impact</p> <p>10</p> | <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| 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. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF008 | <p>INSUFFICIENT STAFF</p> <p>Causes failure to have time to adopt best practice by properly developing staff and processes.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> | <p>Probability</p> <p>Impact</p> <p>20</p> | <p>Probability</p> <p>Impact</p> <p>10</p> | <p>Probability</p> <p>Impact</p> |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| In preparation for the pooling of investment assets to Border to Coast, the team was expanded and has a total complement of 9 staff. With a new investment strategy of passive rather than active management, investment transaction volumes have significantly reduced. | | | | |
| Code | Title | Original Score | Current Score | Target Score |

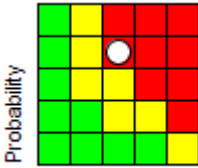
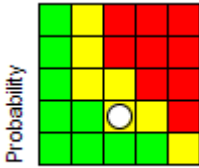
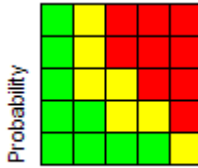
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|--|--|--|----------------------------|--|----|--|
| TPF011 | UNANTICIPATED PAY RISES |  Probability Impact | 15 |  Probability Impact | 10 |  Probability Impact |
| | Increases are significantly more than expected for employers within the Fund. Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1 | | | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome | | |
| 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. | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | |
| TPF013 | POOLING SYSTEMIC RISKS |  Probability Impact | 15 |  Probability Impact | 10 |  Probability Impact |
| | 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 | | | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome | | |
| 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 reported to TPF Committee and Board. | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | |
| TPF014 | LONGEVITY |  Probability Impact | 15 |  Probability Impact | 10 |  Probability Impact |
| | Pensioners living longer: adding one year to life expectancy will increase the future service rate by 0.8%. Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1 | | | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome | | |
| 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 | | | | | | |

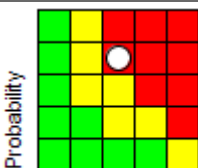
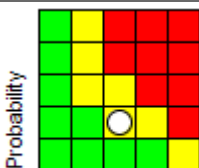
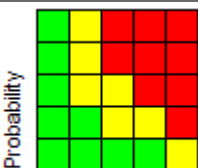
| valuation. If required, further investigation can be carried out of scheme specific/employer longevity data. | | | | |
|--|---|-------------------|---------------------|------------------|
| Code | Title | Original Score | Current Score | Target Score |
| TPF017 | <p>BULK TRANSFER VALUE DISPUTE</p> <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 & Reputation Impact-3 Employers Impact-5 Member Impact-1</p> | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| A mechanism exists within the regulations to resolve such disputes - this should reduce the financial impact of any such event. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF018 | <p>TPF INVESTMENT UNDERPERFORMANCE</p> <p>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.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| <p>1) The asset allocation made up of equities, bonds, property, 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 automatically 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> | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF019 | <p>TPF GOVERNANCE SKILLS SHORTAGE</p> <p>Lack of knowledge of Committee & Board members relating to the investment arrangement and related legislation and guidance.</p> <p>Fund & Reputation Impact-5 Employers Impact-3 Member Impact-1</p> | | | |

| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
|---|---|---|---|---|
| Pension Fund Committee new members have an induction programme and will have subsequent training based on the requirements of CIPFA Knowledge and Skills Framework including Pooling. | | | | |
| Code | Title | Original Score | Current Score | Target 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 & Reputation Impact-1 Employers Impact-1 Member Impact-5</p> |  |  |  |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| XPS Administration is a well-resourced established pensions administration provider which is not in financial difficulty. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF026 | <p>INSECURE DATA</p> <p>Failure to hold personal data securely - i.e data stolen.</p> <p>Fund & Reputation Impact-3 Employers Impact-1 Member Impact-5</p> |  |  |  |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| XPS Administration have advised they are not aware of any attempted hacking events. | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF028 | <p>INADEQUATE POOLING INVESTMENT EXPERTESE</p> <p>Inadequate, inappropriate or incomplete investment expertise exercised over the pooled assets.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> |  |  |  |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| Border to Coast has completed recruitment of experienced and capable management team, alongside most of its final expected complement of 70 staff. | | | | |
| Code | Title | Original Score | Current Score | Target Score |

| | | | | | | |
|--|--|--------------------------|----------------------------|-------------------------|----|--|
| TPF029 | <p>INSUFFICIENT RANGE OF POOLING ASSET CLASSES</p> <p>Insufficient range of asset classes or investment styles being available through the investment pool.</p> <p>Fund & Reputation Impact-5 Employers Impact-3 Member Impact-1</p> | | 10 | | 10 | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome | | |
| There is now in place a roll-out plan of different asset classes and engagement with Border to Coast to identify relevant future asset classes | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | |
| TPF031 | <p>INTERNAL COMPLIANCE FAILURES</p> <p>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.</p> <p>Fund & Reputation Impact-5 Employers Impact-1 Member Impact-1</p> | | 10 | | 10 | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome | | |
| | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | |
| TPF030 | <p>COMMITTEE MEMBERSHIP CHANGE</p> <p>Change in membership of Pension Fund Committee leads to dilution of member knowledge and understanding.</p> <p>Fund & Reputation Impact-2 Employers Impact-1 Member Impact-1</p> | | 8 | | 8 | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome | | |
| Officers and advisers provide continuity and training following changes to Committee membership. | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | |

| | | | | | | | |
|--------|--|---|--------------------------|---|-------------------------|---|--|
| TPF039 | BORDER TO COAST 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. Fund & Reputation Impact-7 Employers Impact-4 Member Impact-1 |  Probability Impact | 7 |  Probability Impact | 7 |  Probability Impact | |
| | | Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome | | |

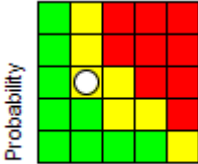
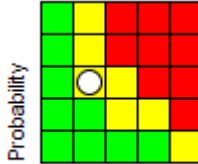

| Code | Title | Original Score | Current Score | Target Score | | | |
|--------|---|--|--------------------------|--|-------------------------|--|--|
| TPF015 | EMPLOYER FAILURE An employer ceasing to exist with insufficient funding, or being unable to meet its financial commitments, adequacy of bond or guarantee. Any shortfall would be attributed to the fund as a whole. Fund & Reputation Impact-2 Employers Impact-3 Member Impact-3 |  Probability Impact | 12 |  Probability Impact | 6 |  Probability Impact | |
| | | Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome | | |
| | 1) Fund employers should monitor own experience. 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. 3) Employer covenant review. | | | | | | |

| Code | Title | Original Score | Current Score | Target Score | | | |
|--------|--|---|--------------------------|---|-------------------------|---|--|
| TPF016 | ADVERSE LEGISLATIVE CHANGE Risk of changes to legislation, tax rules etc.; resulting in increases required in employer contributions. Fund & Reputation Impact-3 Employers Impact-3 Member Impact-3 |  Probability Impact | 12 |  Probability Impact | 6 |  Probability Impact | |
| | | Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome | | |
| | 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. | | | | | | |

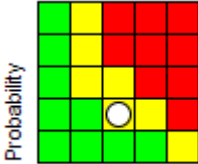
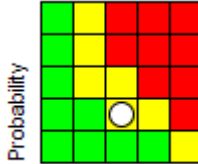

| Code | Title | Original Score | Current Score | Target Score |
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| | | | | | | | |
|--|---|--------------------------|----------------------|----------------------------|---|-------------------------|--|
| TPF022 | GDPR COMPLIANCE | | 9 | | 6 | | |
| | Non-compliance with GDPR regulations. Fund & Reputation Impact-3 Employers Impact-1 Member Impact-1 | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| Data protection privacy notices have been distributed by XPS Administration. The Council has established GDPR-compliant processes and procedures. | | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | | |
| TPF023 | INACCURATE DATA RECORD COLLATION | | 9 | | 6 | | |
| | Failure to maintain proper, accurate and complete data records leading to increased errors and complaints. Fund & Reputation Impact-1 Employers Impact-3 Member Impact-3 | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| 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. | | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | | |
| TPF024 | STRUCTURAL CHANGES TO EMPLOYER MEMBERSHIP | | 9 | | 6 | | |
| | 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 | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| The new XPS Administration employer liaison team will improve this by working closely with employers. | | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | | |
| TPF032 | INADEQUATE POOLING DATA | | 6 | | 6 | | |
| | Inability to gather robust, quality or timely information from Border to Coast. Fund & Reputation Impact-3 Employers Impact-1 Member Impact-1 | | | | | | |

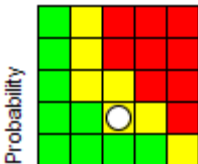


| Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome |
|--|-------------------|---------------------|------------------|
| With the pooling of investment assets TPF staff will work closely with Border to Coast sub- fund asset managers and Border to Coast management to gain full clarity and reporting of performance, with training provided to TPF staff as required. | | | |

| Code | Title | Original Score | Current Score | Target Score |
|--------|---|--|--|--|
| TPF033 | <p>ESG REPUTATIONAL DAMAGE</p> <p>Insufficient attention to environmental, social and governance (ESG) leads to reputational damage.</p> <p>Fund & Reputation Impact-2 Employers Impact-1 Member Impact-1</p> |  <p>6</p> |  <p>6</p> |  <p>6</p> |

| Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome |
|---|-------------------|---------------------|------------------|
| Border to Coast provides increased focus on Responsible Investment. | | | |

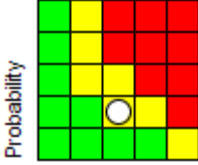
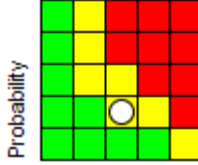


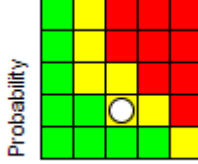
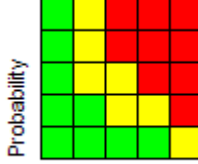
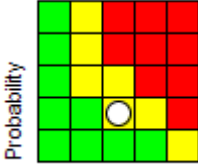
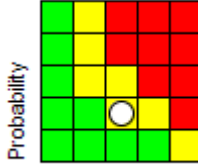
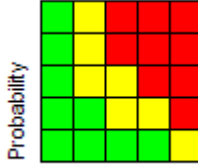
| Code | Title | Original Score | Current Score | Target Score |
|--------|---|--|--|--|
| TPF034 | <p>THIRD PARTY SUPPLIER FAILURE</p> <p>Financial failure of third party supplier results in service impairment and financial loss.</p> <p>Fund & Reputation Impact-3 Employers Impact-3 Member Impact-1</p> |  <p>6</p> |  <p>6</p> |  <p>6</p> |

| Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome |
|--------------------|-------------------|---------------------|------------------|
| | | | |

| Code | Title | Original Score | Current Score | Target Score |
|--------|---|---|---|---|
| TPF035 | <p>PROCUREMENT PROCESS CHALLENGES</p> <p>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.</p> <p>Fund & Reputation Impact-3 Employers Impact-1 Member Impact-1</p> |  <p>6</p> |  <p>6</p> |  <p>6</p> |

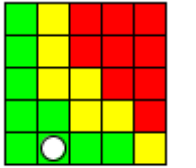
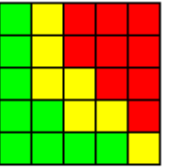
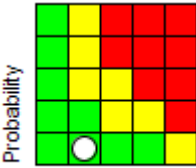
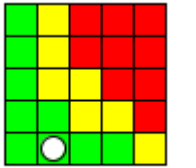
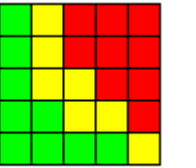
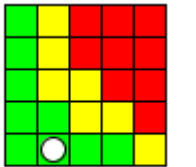
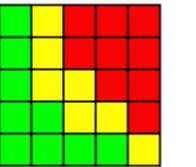

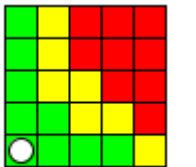
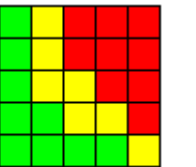
| Current Mitigation | Future Mitigation | Responsible Officer | Expected Outcome |
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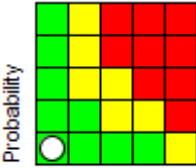
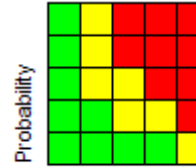
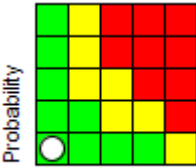
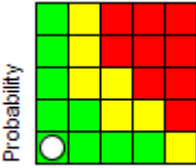
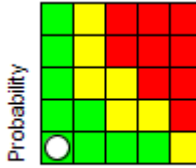
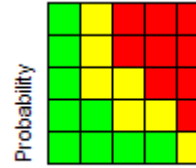
| Code | Title | Original Score | Current Score | Target Score |
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| | | | | |

| TPF036 | ASSET POOLING TRANSITION RISK |  Probability | 6 |  Probability | 6 |  Probability | |
|----------------------------|--|---|---------------|---|---|---|--------|
| | Loss or impairment as a result of Asset transition. | | | | | | Impact |
| Fund & Reputation Impact-3 | | | | | | | |
| Employers Impact-3 | | | | | | | |
| Member Impact-1 | | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| | | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | | |
| TPF037 | COMPLIANCE FAILURES |  Probability | 6 |  Probability | 6 |  Probability | |
| | Failure to comply with legislative requirements e.g. SIP, FSS, Governance Policy, Freedom of Information requests, Code of Practice 14. | | | | | | Impact |
| Fund & Reputation Impact-3 | | | | | | | |
| Employers Impact-2 | | | | | | | |
| Member Impact-0 | | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| | | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | | |
| TPF038 | CUSTODY DEFAULT |  Probability | 6 |  Probability | 6 |  Probability | |
| | 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. | | | | | | Impact |
| Fund & Reputation Impact-3 | | | | | | | |
| Employers Impact-3 | | | | | | | |
| Member Impact-1 | | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| | | | | | | | |
| Code | Title | Original Score | Current Score | Target Score | | | |

| | | | | | | | |
|--|--|--|----|--|---|--|--|
| TPF020 | INADEQUATE BORDER TO COAST OVERSIGHT |  Probability Impact | 15 |  Probability Impact | 5 |  Probability Impact | |
| | <p>Insufficient resources to properly monitor pooling & Border to Coast.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| 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. | | | | | | | |
| Code | Title | Original Score | | Current Score | | Target Score | |
| TPF042 | DECISION MAKING FAILURES |  Probability Impact | 5 |  Probability Impact | 5 |  Probability Impact | |
| | <p>Failure to take difficult decisions inhibits effective Fund management.</p> <p>Fund & Reputation Impact-5 Employers Impact-2 Member Impact-1</p> | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| | | | | | | | |
| Code | Title | Original Score | | Current Score | | Target Score | |
| TPF043 | CASH INVESTMENT FRAUD |  Probability Impact | 5 |  Probability Impact | 5 |  Probability Impact | |
| | <p>Financial loss of cash investments from fraudulent activity.</p> <p>Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1</p> | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| | | | | | | | |
| Code | Title | Original Score | | Current Score | | Target Score | |
| TPF027 | SCHEME MEMBER FRAUD |  Probability Impact | 8 |  Probability Impact | 4 |  Probability Impact | |
| | <p>Fraud by scheme members or their relatives (e.g. identity, death of member).</p> <p>Fund & Reputation Impact-1 Employers Impact-1 Member Impact-2</p> | | | | | | |
| Current Mitigation | | Future Mitigation | | Responsible Officer | | Expected Outcome | |
| | | | | | | | |

| Code | Title | Original Score | Current Score | Target Score |
|--------------------|---|-------------------|---------------------|------------------|
| TPF040 | <p>INACCURATE FUND INFORMATION</p> <p>In public domain leads to damage to reputation and loss of confidence.</p> <p>Fund & Reputation Impact-2 Employers Impact-2 Member Impact-1</p> | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF041 | <p>LIQUIDITY SHORTFALLS</p> <p>Risk of illiquidity due to difficulties in realising investments and paying benefits to members as they fall due.</p> <p>Fund & Reputation Impact-2 Employers Impact-1 Member Impact-1</p> | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF044 | <p>ICT SYSTEMS FAILURE</p> <p>Prolonged administration ICT systems failure.</p> <p>Fund & Reputation Impact-2 Employers Impact-2 Member Impact-3</p> | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF045 | <p>CONTRIBUTION COLLECTION FAILURE</p> <p>Failure to collect employee/er member pension contributions.</p> <p>Fund & Reputation Impact-1 Employers Impact-2 Member Impact-1</p> | | | |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |
| Code | Title | Original Score | Current Score | Target Score |

| | | | | |
|---------------------------|--|---|---|---|
| TPF046 | INADEQUATE DISPUTES RESOLUTION PROCESS Failure to agree and implement an appropriate complaints and disputes resolution process. Fund & Reputation Impact-1 Employers Impact-2 Member Impact-2 |  2 Impact |  2 Impact |  2 Impact |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| Code | Title | Original Score | Current Score | Target Score |
| TPF047 | BORDER TO COAST CESSATION Partnership disbands or fails to produce a proposal deemed sufficiently ambitious. Fund & Reputation Impact-2 Employers Impact-2 Member Impact-1 |  2 Impact |  2 Impact |  2 Impact |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| Code | Title | Original Score | Current Score | Target Score |
| TPF048 | POOLING CUSTODIAN FAILURE Failure to ensure safe custody of assets. Fund & Reputation Impact-2 Employers Impact-2 Member Impact-1 |  2 Impact |  2 Impact |  2 Impact |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| Code | Title | Original Score | Current Score | Target Score |
| TPF049 | OFFICER FRAUD Fraud by administration staff. Fund & Reputation Impact-5 Employers Impact-1 Member Impact-1 |  1 Impact |  1 Impact |  1 Impact |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| Code | Title | Original Score | Current Score | Target 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 & Reputation Impact-1 Employers Impact-1 Member Impact-1</p> |  <p>1</p> |  <p>1</p> |  |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |
| Code | Title | Original Score | Current Score | Target Score |
| TPF051 | <p>ERRONEOUS MEMBER BENEFIT CALCS</p> <p>Risk of incorrect calculation of members benefits.</p> <p>Fund & Reputation Impact-1 Employers Impact-1 Member Impact-2</p> |  <p>1</p> |  <p>1</p> |  |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |
| Code | Title | Original Score | Current Score | Target 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 & Reputation Impact-2 Employers Impact-1 Member Impact-1</p> |  <p>1</p> |  <p>1</p> |  |
| Current Mitigation | | Future Mitigation | Responsible Officer | Expected Outcome |
| | | | | |