

## PENSION FUND RISK REGISTER

### Report of the Director of Finance and Public Value

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Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

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#### **1) Recommendation**

That the Board be asked to note the Pension Fund Register and the additional actions proposed to mitigate risk.

#### **2) Introduction**

- 2.1 Effective risk management is an essential part of any governance framework as it identifies risks and the actions required to mitigate their potential impact. For a pension fund, those risks will come from a range of sources including the funding position, investment performance, membership changes, benefits administration, costs, communications and financial systems. Good information is important to help ensure the complete and effective identification of significant risks and the ability to monitor those risks. The risks that have been identified are incorporated into the Fund's Risk Register.
- 2.2 The Pension Board monitors the Risk Register as part of its scrutiny role in relation to risk and compliance and will raise any specific concerns to the Investment and Pension Fund Committee, as necessary. The Board previously considered the Risk Register at its meeting on 18<sup>th</sup> April 2023, and comments made at board meetings have been taken on board in updating the register.
- 2.3 The Risk Register is attached at Appendix 1 to this report. It highlights the key risks in relation to the Pension Fund, the current processes in place to mitigate the risk, and the planned improvements in place to provide further assurance. It incorporates the risk register of both the Investments Team and Peninsula Pensions.
- 2.4 The Investment and Pension Fund Committee is the ultimate risk owner for the Pension Fund and last reviewed the Risk Register in September 2023.

### 3) Assessment of Risk

- 3.1 Risks are assessed in terms of the potential impact of the risk event should it occur, and in terms of the likelihood of it occurring. These are then combined to produce an overall risk score. Each risk is scored assuming no mitigation, and then on the basis of the mitigation in place.
- 3.2 In addition to the current mitigation in place, further actions are planned to provide a greater level of assurance, and these are detailed together with the planned timescale for the action to take place. The level of risk will be reviewed once these additional actions have been implemented. As a result of the incorporation of the risk register into the Authority's risk management system, there is now a more rigorous system in place for regular review of the risks identified, enabling better risk management.
- 3.3 Further risks are likely to arise from future decisions taken by the Investment and Pension Fund Committee, and from changes in legislation and regulations. Where such new risks arise, they will be added to the risk register, assessed, and mitigation actions identified.

### 4) Revisions to the Risk Register

- 4.1 For the Pension Fund the following amendments have been made
- F1 the control regarding the annual training plan has been upgraded to green status following the approval of the plan at the September committee meeting.
  - F2 A new mitigating control has been added at the request of the Investment and Pension fund committee regarding the quarterly review of Brunel and the underlying fund managers
  - F13 (Climate) control added to refer to the Investment and Pension Fund committee's decision to move all passive equities into the Paris aligned Benchmark fund.
  - I2 A new mitigating control has been added regarding the annual treasury management audit
- 4.2 There are now 43 risks recorded in the Risk Register, 23 of which relate to Devon Pension Fund management and 20 to Peninsula Pensions. The following table summarises the number of risks assigned to low, medium and high-risk scores, before and after mitigation.

Risk Category	Number of Inherent Risks Identified	Number of Risks following mitigating action
<b>Devon Pension Fund</b>		
High	9	2
Medium	11	7
Low	3	14

<b>Peninsula Pensions</b>		
High	3	0
Medium	9	4
Low	8	16

4.5 Across Devon Pension Fund management and Peninsula Pensions, action taken to mitigate risks has reduced the number of high risks from 12 to 2. The remaining high risks are in respect of:

- F5- Global Financial Crisis leading to a failure to reduce the deficit.
- F2 -Investment strategy not providing sufficient returns longer term.

## **5) Conclusion**

5.1 The Board are asked to note the Pension Fund Risk Register, and the additional actions proposed to mitigate risk.

### **Angie Sinclair**

Director of Finance and Public Value

**Electoral Divisions:** All

### **Local Government Act 1972: List of background papers**

Nil

### **Contact for enquiries:**

Name: Charlotte Thompson

Telephone: 01392 381933

Address: Room 180 County Hall


## Risks: Devon Pension Fund

Risk status (score)	Overdue (0 - 0)	Low (1 - 9)	Medium (10 - 14)	High (15 - 23)	Very high (24 - 30)
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Mitigating controls	Not started	Green	Amber	Red	Completed
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Risk details		Status and Risk owner		Mitigating controls	
<p><b>A1: Accounting</b></p> <p><b>Cause:</b> Lack of training/awareness around pension fund accounting regulations.</p> <p><b>Event:</b> Non compliance with accounting regulations and fin regs.</p> <p><b>Impact:</b> Reputational damage. Qualified accounts.</p> <p><b>Notes</b> 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated</p>	<p><b>Inherent status :</b> 12 Medium</p> <p><b>Current status :</b> 9 Low ( <input type="checkbox"/> Unchanged)</p> <p><b>Risk owner:</b> Mark Gayler</p> <p><b>Accountable officer:</b> Philip Edwards</p> <p><b>Category:</b> Compliance</p> <p><b>Last review:</b> 5<sup>th</sup> April 2023</p> <p><b>Latest review details</b> Controls reviewed and confirmed.</p>	<p><b>Green</b> Staff are kept up to date with changes to legislative requirements via network meetings, professional press, training and internal communication procedures.</p> <p><b>Green</b> Pension Fund financial management and administration processes are maintained in accordance with the CIPFA Code of Practice, International Financial Reporting Standards (IFRS), and the DCC Financial Regulations.</p> <p><b>Green</b> Regular reconciliations are carried out between in-house records and those maintained by the custodian and investment managers.</p> <p><b>Green</b> Internal Audits are carried out on an annual basis.</p> <p><b>Green</b> External Audit review the Pension Fund's accounts annually.</p>			

Risk details	Status and Risk owner	Mitigating controls
<p><b>B3: Brunel Pension Partnership</b></p> <p>Cause: Ineffective governance of Brunel or departure of key people from Brunel</p> <p>Event: Ineffective management of the Fund's investments or at the extreme breakup of the partnership.</p> <p>Impact: Significant costs to the Fund and financial loss. Reputational damage.</p>	<p>Inherent status : 16 High Current status : 12 Medium (Unchanged)</p> <p>Risk owner: Charlotte. Thompson Accountable officer: Mark Gayler Category: Operational Last review: 21 June 2023 Latest review details Review of mitigating actions and updated</p>	<p><b>Green</b> Shareholder agreement in place sets out governance framework and is regularly reviewed</p> <p><b>Green</b> Strong team now in place at Brunel, so not dependent on one or two key individuals.</p> <p><b>Green</b> Brunel have their own risk register which is regularly monitored both by the Brunel Board and the Oversight Board and Client Group.</p> <p><b>Amber</b> Brunel have put in place a revised People Strategy to support recruitment and retention of key staff though some key posts are still to be filled</p>
<p><b>Cm1: Communication</b></p> <p>Cause: Inadequate communications plan and/or insufficient resource to action.</p> <p>Event: Insufficient communication and engagement with pension fund stakeholders.</p> <p>Impact: Damage to reputation. Uniformed policy decisions. Non compliance with legislation/best practice.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Inherent status : 12 Medium Current status : 9 Low (Unchanged)</p> <p>Risk owner: Charlotte. Thompson Accountable officer: Mark Gayler Category: Operational Last review: 21 June 2023 Latest review details Controls reviewed and updated. Risk score reviewed</p>	<p><b>Amber</b> A communications strategy is in place and is due to be reviewed during 2023.</p> <p><b>Green</b> The Devon Investment Services and Peninsula Pensions websites are kept up to date.</p> <p><b>Green</b> Fund Performance is reported to the Investment &amp; Pension Fund Committee on a regular basis.</p> <p><b>Green</b> Meetings are held regularly with the Fund's Employing Authorities.</p> <p><b>Green</b> Benefit illustrations are sent annually to contributing and deferred Fund members.</p> <p><b>Green</b> The contact list for employers is updated regularly.</p> <p><b>Green</b> Annual forums are held for employers and scheme members.</p>



Risk details	Status and Risk owner	Mitigating controls
<p><b>Cu1: Custody</b></p> <p>Cause: Changing economic climate, fraud or changing financial position of the Custodian.</p> <p>Event: Failure of Pensions custodian.</p> <p>Impact: Financial loss. Failure to decrease deficit. Adverse media interest/damage to reputation.</p>	<p>Inherent status : 9 Low Current status : 6 Low</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Operational Last review: 5<sup>th</sup> April 2023 Latest review details Controls reviewed and confirmed.</p>	<p><b>Green</b> The annual report and accounts are published on the Devon Pension Fund website.</p> <p><b>Green</b> Quarterly investment update is published on the Fund's website</p> <p><b>Green</b> The custodian contract is subject to regular review and periodic re-tendering by the Brunel Pension Partnership.</p> <p><b>Green</b> The custodian must adhere to FCA and PRA financial regulations.</p> <p><b>Green</b> Fund assets are protected in the event of insolvency of the custodian</p>
<p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated.</p> <p><b>D1: Data Protection</b></p> <p>Cause: Failure to secure and maintain pension fund systems.</p> <p>Event: Loss of sensitive data.</p> <p>Impact:</p>	<p>Inherent status : 9 Low Current status : 6 Low (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Operational Last review: 5<sup>th</sup> April 2023 Latest review details Review of controls and risk score</p>	<p><b>Green</b> It is a mandatory requirement for all DCC employees to undertake Data Protection training and to adhere to DCC's data protection policy.</p>

Risk details		Status and Risk owner	Mitigating controls
<p>Reputation risk. Financial loss arising from legal action.</p> <p>Notes            13/08/2019 - Risk wording updated and category added.            29/08/2019 - Risk wording updated.            17/09/2021 - Devon Audit Partnership risk management team note Gov.UK press release 28.06.21 which may be of relevance  <a href="https://www.gov.uk/government/news/eu-adopts-adequacy-decisions-allowing-data-to-continue-flowing-freely-to-the-uk">https://www.gov.uk/government/news/eu-adopts-adequacy-decisions-allowing-data-to-continue-flowing-freely-to-the-uk</a>  <b>F 1: Funding and Investments</b></p> <p>Cause:            The committee Members and Investment Officers have insufficient knowledge of financial markets and inadequate investment and actuarial advice received.            Event:            The committee Members and Investment officers make inappropriate decisions.            Impact:            Poor fund performance/financial loss.            Increased employer contribution costs.</p> <p>Notes            13/08/2019 - Wording of risk updated and category added.            25/02/2020 - Wording of mitigation</p>	<p>Inherent status : 16 High            Current status : 12 Medium (Unchanged)            Risk owner: <b>Charlotte. Thompson</b>            Accountable officer: <b>Mark Gayler</b>            Category: Financial            Last review: 26 September            Latest review details            Review of controls</p>	<p><b>Green</b> The Investment Strategy is set in accordance with LGPS investment regulations and takes into account the Fund's Liabilities</p> <p><b>Green</b> The Investment Strategy is reviewed, approved and documented by the Investment and Pension Fund Committee.</p> <p><b>Green</b> DCC employ an external investment advisor who provides specialist guidance to the Investment and Pension Fund Committee regarding the investment strategy.</p> <p><b>Green</b> Annual Training Plan for 2023/24 has been approved by committee. Training programmes are available for Committee Members and Investment Staff. This can be delivered virtually where required</p>	



Risk details	Status and Risk owner	Mitigating controls
<p>updated to reflect delay in producing handbook due to delay in new website</p>		<p><b>Green</b> Members and Officers are encouraged to challenge advice and guidance received when necessary.</p> <p><b>Green</b> Sharepoint site dedicated to training and knowledge in development is in place</p> <p><b>Green</b> An induction session and pack will be provided for new members of the Committee and Board.</p>
<p><b>F 2: Funding and Investments</b></p> <p><b>Cause:</b> The Pension Fund's investment strategy / strategic asset allocation fails to produce the required returns.</p> <p><b>Event:</b> Volatility in the global and/or UK economy due to e.g. geo-political instability, changes to interest rates, Brexit, etc.</p> <p><b>Impact:</b> Financial loss. Insufficient funds available to meet future obligations.</p>	<p>Inherent status : 20 High</p> <p>Current status : 15 High (Unchanged)</p> <p>Risk owner: <b>Charlotte Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Financial</p> <p>Last review: 26 September 2023</p> <p>Latest review details</p> <p>Mitigations remain in place</p>	<p><b>Green</b> Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. Employer contribution rates are set in response to this. The 2022 actuarial valuation includes provision for the fund to achieve full funding over 15 years.</p> <p><b>Green</b> The funding level is updated on a quarterly basis, based on roll forward of the Triennial valuation data and subsequent investment returns, pension and salary increases and reported to the Committee.</p> <p><b>Green</b> The investment strategy is reviewed annually by the Pension Fund Committee with advice from the External Investment Advisor to determine whether any action needs to be taken to amend the fund's asset allocation strategy.</p> <p><b>Green</b> The Fund's investments are diversified across a range of different types of assets and globally to minimise the impact of losses in individual markets.</p> <p><b>Green</b> Fund-specific benchmarks and targets are set. Assets are under regular review as</p>
<p><b>Notes</b></p> <p>13/08/2019 - Wording of risk updated and category added.</p>		





Risk details	Status and Risk owner	Mitigating controls
<p><b>F 3: Funding and Investments</b></p> <p><b>Cause:</b> Collapse of Fund manager, investment arrangements are structured poorly, fraud.</p> <p><b>Event:</b> The fund is exposed to unnecessary risks and avoidable costs.</p> <p><b>Impact:</b> Financial loss.</p> <p><b>Notes</b> 13/08/2019 - Risk wording updated and category added.</p>	<p><b>Inherent status : 10 Medium</b></p> <p><b>Current status : 8 Low (Unchanged)</b></p> <p><b>Risk owner: Charlotte. Thompson</b></p> <p><b>Accountable officer: Mark Gayler</b></p> <p><b>Category: Operational</b></p> <p><b>Last review: 5<sup>th</sup> April 2023</b></p> <p><b>Latest review details</b> Controls reviewed and confirmed</p>	<p>part of the fund's performance management framework</p> <p><b>Green</b> Long term nature of the Fund provides some mitigation as the volatility caused by issues such as Brexit will reduce over time.</p> <p><b>Green</b> External review of the Fund's investment strategy is commissioned at minimum every three years. The last review was undertaken by Mercers who presented their review to the Investment and Pension Fund committee in February 2022.</p> <p><b>Green</b> Investment and Pension Fund Committee review and monitor the performance of Brunel and the underlying fund managers quarterly</p> <p><b>Green</b> The Fund's investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets.</p> <p><b>Green</b> The new cost transparency initiative should ensure full transparency of costs</p> <p><b>Green</b> Specialist services (e.g. transitions, currency transfers) are considered where appropriate in order to reduce costs.</p> <p><b>Green</b> The Investment and Pension Fund Committee will monitor investment arrangements under Brunel to ensure they provide for effective risk management and risk adjusted returns across the portfolios.</p>

Risk details	Status and Risk owner	Mitigating controls
		<p><b>Green</b> Fund managers are required to be fully compliant with FCA, PRA and other regulatory requirements.</p> <p><b>Green</b> The risk that a fund manager cannot provide a service during windup is mitigated by the availability of transition management arrangements put in place by the Brunel Pension Partnership.</p>
<p><b>F 4: Funding and Investments</b></p> <p>Cause: Inadequate risk management policies on Environmental, Social and Governance Issues. Lack of awareness/training.</p> <p>Event: The fund fails to manage environmental, social and governance risks.</p> <p>Impact: Financial loss. Damage to reputation.</p> <p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated</p>	<p>Inherent status : 15 High</p> <p>Current status : 8 Low (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Operational</p> <p>Last review: 21 June 2023</p> <p>Latest review details New control added</p>	<p><b>Green</b> The Fund requires the Brunel Pension Partnership, and its other fund managers, to monitor and manage the risks associated with ESG issues, and will review with managers on a regular basis how they are managing those risks. Brunel has a leading reputation for responsible investment.</p> <p><b>Green</b> The Fund will engage (through Brunel, its asset managers, the Local Authority Pension Fund Forum or other resources) with investee companies to ensure they can deliver sustainable financial returns over the long term.</p> <p><b>Green</b> The Fund holds annual meetings for both employers and scheme members to provide the opportunity for discussion of investment strategy and consideration of non-financial factors.</p> <p><b>Green</b> The Fund is accredited by the FRC as a signatory to the UK Stewardship Code</p>
<p><b>F 5: Funding and Investments</b></p> <p>Cause:</p>	<p>Inherent status : 20 High</p> <p>Current status : 16 High (  Unchanged)</p>	<p><b>Green</b> The fund is well diversified and consists of a wide range of asset classes which aims to mitigate the impact of poor</p>

Risk details	Status and Risk owner	Mitigating controls
<p>Global financial crisis. Substantial political changes.</p> <p>Event: The market crashes, reducing the value of investments. Impact: The deficit increases, or there is a failure to reduce the deficit. Financial loss. Increased employer contribution costs.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Risk owner: <a href="#">Charlotte. Thompson</a> Accountable officer: <a href="#">Mark Gayler</a> Category: Financial Last review: 5<sup>th</sup> April 2023 Latest review details (F6) Controls reviewed and confirmed</p>	<p>performance from an individual market segment.</p> <p><b>Green</b> Investment performance reporting and monitoring arrangements exist which provide the committee and investment officers with the flexibility to rebalance the portfolio in a timely manner.</p> <p><b>Green</b> The long term nature of the liabilities provides some mitigation, in that markets tend to bounce back after crashes, such that the impact is significantly reduced.</p>
<p><b>F 6: Funding and Investments</b></p> <p>Cause: Substantial changes to UK or global economies. Event: Pay and price inflation are higher than anticipated. Impact: There is an increase in liabilities which exceeds the previous valuation estimate.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Inherent status : 16 High Current status : 12 Medium (Unchanged)</p> <p>Risk owner: <a href="#">Charlotte. Thompson</a> Accountable officer: <a href="#">Mark Gayler</a> Category: Strategic Last review: 5<sup>th</sup> April 2023 Latest review details (F7) Controls reviewed and updated</p>	<p><b>Green</b> The triennial actuarial valuation review focuses on the real returns on assets, net price and pay increases.</p> <p><b>Green</b> Employers pay for their own salary awards and are reminded of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer serving employees.</p> <p><b>Green</b> The Fund is increasing its target allocation to investments in infrastructure funds with inflation linked returns, to act as a hedge against inflation increases.</p> <p><b>Green</b> Inflation risk was addressed in the strategic reviewed undertaken by Mercer which was presented to the Investment and Pension Fund committee in February 2022.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>F 7: Funding and Investments</b></p> <p>Cause: Public services are cut and ill health increases.</p> <p>Event: There is an increase in the number of early retirements.</p> <p>Impact: There is an increase in liabilities which exceeds the previous valuation estimate.</p> <p>Notes 13/08/2019 - Risk wording changed and category added.</p>	<p>Inherent status : 9 Low Current status : 6 Low</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b></p> <p>Category: Strategic Last review: 5<sup>th</sup> April 2023 Latest review details (F8) Controls reviewed and confirmed. Risk score reviewed and revised</p>	<p><b>Green</b> Employers are charged the extra capital cost of non ill health retirements following each individual decision.</p> <p><b>Green</b> Employer ill health retirement experience is monitored.</p>
<p><b>F 8: Funding and Investments</b></p> <p>Cause: The average life expectancy of pensioners is greater than assumed.</p> <p>Event: The actuarial assumptions are incorrect.</p> <p>Impact: There is an increase in liabilities which exceeds the previous valuation estimate.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Inherent status : 12 Medium Current status : 9 Low (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b></p> <p>Category: Strategic Last review: 12 Jan 2023 Latest review details (F9) Controls reviewed and confirmed.</p>	<p><b>Green</b> Life expectancy assumptions are reviewed at each triennial valuation. For the 2022 Valuation this included a review of the impact of COVID19 on mortality.</p> <p><b>Green</b> Mortality assumptions include an allowance for future increases in life expectancy.</p> <p><b>Green</b> Data used for the 2022 valuation suggest that life expectancy improvements are slowing down</p>
<p><b>F9: Funding and Investments</b></p> <p>Cause: Inadequate training.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Inherent status : 12 Medium Current status : 9 Low (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b></p>	<p><b>Green</b> The team has procedures in place to monitor the receipt of contributions to the fund.</p>



Risk details	Status and Risk owner	Mitigating controls
<p>Availability of staff.</p> <p>Cashflow issues for employers</p> <p>Event:</p> <p>Scheme employers' contributions to the Fund are not received, processed and recorded completely and accurately.</p> <p>Impact:</p> <p>There are increased costs across all remaining scheme employers.</p>	<p>Category: Operational</p> <p>Last review: 5<sup>th</sup> April 2023</p> <p>Latest review details (F10) Review of controls</p>	<p><b>Green</b> The team communicates regularly with scheme employers to ensure that contributions are made in a timely manner and are recorded accurately.</p> <p><b>Green</b> Details of any outstanding and overdue contributions are recorded and appropriate action is taken in order to recover payments.</p> <p><b>Green</b> Contribution monitoring report is presented to the Pensions Board at each meeting for review</p>
<p>Notes</p> <p>13/08/2019 - Risk wording updated and category added.</p> <p><b>F10: Funding and Investments</b></p> <p>Cause:</p> <p>An employer ceases to exist with insufficient funding available to settle any outstanding debts, or refuses to pay the cessation value.</p> <p>Event:</p> <p>Departing employer does not fully meet their liabilities.</p> <p>Impact:</p> <p>Increased costs across the remaining scheme employers.</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 6 Low (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Financial</p> <p>Last review: 5<sup>th</sup> April 2023</p> <p>Latest review details (F11) Controls reviewed</p>	<p><b>Green</b> Vetting prospective employers before admission and ensuring that they fully understand their obligations. Applications for admission to the Fund are considered carefully and a bond or guarantee is put into place if required.</p> <p><b>Green</b> The Actuary has an objective of keeping contributions as stable as possible whilst ensuring the long term solvency of the Fund.</p> <p><b>Green</b> Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers.</p> <p><b>Green</b> The actuarial valuation attempts to balance recovery period with risk of withdrawal.</p> <p><b>Green</b> If necessary, appropriate legal action will be taken.</p>
<p>Notes</p> <p>13/08/2019 - Risk wording updated and category added.</p>		

Risk details	Status and Risk owner	Mitigating controls
<p><b>F11: Funding and Investments</b></p> <p>Cause: Failure to meet regulatory requirements</p> <p>Event: Updated Legislative and regulatory requirements.</p> <p>Impact: Additional work to ensure compliance. Fines for noncompliance. Damage to reputation. Loss of members.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Inherent status : 12 Medium Current status : 8 Low (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Compliance Last review: 5<sup>th</sup> April 2023 Latest review details (F14) Controls reviewed</p>	<p><b>Green</b> Bond levels for each relevant employer and Employer covenant risks are re-assessed following each triennial actuarial valuation.</p> <p><b>Green</b> Following changes to regulations, new policies have been put into place with regard to Deferred Debt and Debt Spreading Agreements. These will assist in managing exiting employer deficits.</p> <p><b>Amber</b> Currently much of the EU regulation has been retained in UK law following Brexit although this could change</p> <p><b>Green</b> Officers receive regular briefing material on regulatory changes and attend training seminars and conferences, in order to ensure that any regulatory changes are implemented in the management of the Fund.</p> <p><b>Green</b> All the Fund's current fund managers and financial counterparties have accepted Devon's application for elective professional client status</p> <p><b>Green</b> Robust training plan to ensure committee and officers have required knowledge and experience to meet the qualitative criteria to opt up.</p>
<p><b>F12: Funding and Investments</b></p> <p>Cause: Remedies resulting from McCloud and Sargeant legal cases.</p> <p>Event: Significant additional pension liabilities for</p>	<p>Inherent status : 10 Medium Current status : 10 Medium</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Strategic Last review: 5<sup>th</sup> April 2023</p>	<p><b>Green</b> Employer costs from the 2022 valuation has included estimated impact of McCloud</p> <p><b>Green</b> CPI revaluation on CARE benefits currently high which will result in the McCloud guarantee applying to less members</p>

Risk details	Status and Risk owner	Mitigating controls
<p>the Fund. Impact: Increased employer contribution costs.</p> <p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated.</p> <p><b>F13: Funding and Investments</b></p> <p>Cause: Climate Change Event: Impact on investee companies of the consequences of climate change and the transition to a low carbon economy Impact: Financial loss and/or failure to meet return expectations Increases employer contribution costs</p>	<p>Latest review details (F16) Controls updated now valuation finalised and annual pension increase confirmed</p> <p>Inherent status : 16 High Current status : 12 Medium (Unchanged) Risk owner: Charlotte. Thompson Accountable officer: Mark Gayler Category: Last review: 23 August 2023 (F17) Controls added following decision to increase allocation to PAB fund</p>	<p>though actual impact unknown until the member leaves</p> <p><b>Green</b> 100% of Brunel's portfolios, across all asset classes, are carbon and climate aware. Consideration of climate change impacts is fully embedded into their manager selection process</p> <p><b>Green</b> Brunel integrates climate change into their risk management process, using carbon footprinting, assessing fossil fuel exposure and challenging managers on physical risks, and seek to reduce unrewarded climate and carbon risk.</p> <p><b>Green</b> The Devon Fund requires its non-Brunel investment managers (Infrastructure and Private Debt) to take climate change risks into account and report back regularly.</p> <p><b>Green</b> The Devon Fund will undertake an annual assessment of the carbon footprint of its investments. The assessment as at 31 December 2022 showed a 45% reduction in the Weighted Average Carbon Intensity of the Fund's equity investments compared with 31 March 2019</p> <p><b>Green</b> The Investment Strategy Statement contains the Fund's approach to Climate</p>


Risk details	Status and Risk owner	Mitigating controls
<p><b>F14: Cyber Security</b></p> <p>Cause: Cyber Attack</p> <p>Event: Loss of access to key systems</p> <p>Impact: The fund cannot continue to operate and deliver its propriety services following a disaster, IT incident or data loss scenario</p>	<p>Inherent status : 20 High Current status : 12 Medium</p> <p>Risk owner: Charlotte. Thompson Accountable officer: Mark Gayler</p> <p>Category: Last review: 23 August 2023</p>	<p>change and adopts the Brunel Climate change policy</p> <p><b>Completed</b> The Fund has moved its UK and Smart Beta passive allocations to new UK Climate Transition and Global Paris Aligned funds to significantly reduce exposure to fossil fuel reserves.</p> <p>Not Started – Investment Committee agreed to move the UK and World developed passive allocations to the Global Paris Aligned Benchmark fund</p> <p><b>Green</b> - Logotech system is a hosted system which is backed up daily. System can be accessed via non DCC computers in the event of a disaster recovery situation.</p> <p><b>Green</b> – Supplier Contract management - Business Continuity Plan in place as well as incident response plans, penetration testing which are all tested annually.</p> <p><b>Green</b> – Brunel’s cyber security arrangements have been audited by Deloitte which came back positive. Annual assurance framework in place with Brunel</p> <p><b>Green</b> - All staff have completed mandatory cyber security training</p> <p><b>Green</b> - All pensions and investment committee members and pension board members have received cyber security training</p>



Risk details	Status and Risk owner	Mitigating controls
<p><b>G1: Governance Arrangements</b></p> <p>Cause: The Administering Authority fails to have appropriate governance arrangements, including the requirement for a Pension Board.</p> <p>Event: The administering authority is non compliant with legislation and/or best practice.</p> <p>Impact: There is an inability to determine policy. There is an inability to make effective decisions. There is an inability to deliver service. Negative impact on reputation.</p> <p>Notes 13/08/2019 - Wording of risk updated.</p>	<p>Inherent status : 12 Medium </p> <p>Current status : 8 Low (  Unchanged)</p> <p>Risk owner: <a href="#">Charlotte Thompson</a></p> <p>Accountable officer: <a href="#">Mark Gayler</a></p> <p>Category: Strategic</p> <p>Last review: 5<sup>th</sup> April 2023</p> <p>Latest review details</p> <p>Controls and risk score reviewed</p>	<p>Not Started - Business Continuity Plans include supplier contact details and plan to be tested every 12 months. The plan is reviewed by the Pensions Board.</p> <p><b>Green</b> DCC has produced a Governance Policy and Compliance Statement, as required by regulation 31 of the LGPS Regulations 2008.</p> <p><b>Green</b> The Governance Policy and Compliance Statement is reviewed and updated regularly and scheme employers are consulted to ensure that the policy remains appropriate.</p> <p><b>Green</b> The Statement is published on the Devon Pensions website: <a href="https://www.devonpensionfund.org.uk/fund-policies/important-documents/">https://www.devonpensionfund.org.uk/fund-policies/important-documents/</a></p> <p><b>Green</b> Pension fund stakeholders are made aware of the Statement.</p> <p><b>Green</b> DCC has appointed an Investment and Pension Fund Committee to discharge the duties of the Council as Administering Authority of the Pension Fund.</p> <p><b>Green</b> The Committee review and approve the annual statement of accounts of the Devon Pension Fund, consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from any audit that need to be brought to the attention of the Council.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>G2: Governance Arrangements</b></p> <p>Cause: Poor governance arrangements.</p> <p>Event: The Investment and Pension Fund Committee and Pension Board are unable to fulfil their responsibilities effectively.</p> <p>Impact: Non-compliance with legislation and/or best practice. There is an inability to determine policy, make effective decisions and/or deliver service. There is a risk to reputation. Possibility of fines/sanctions.</p> <p>Notes 13/08/2019 - Wording of risk updated and category added.</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Charlotte. Thompson</p> <p>Accountable officer: Mark Gayler</p> <p>Category: Operational</p> <p>Last review: 5<sup>th</sup> April 2023</p> <p>Latest review details Controls and risk score reviewed</p>	<p><b>Green</b> A Pension Board has been established as required by the Public Service Pension Act 2013.</p> <p><b>Green</b> Support and training are being provided to ensure that the Board is equipped to undertake its role.</p> <p><b>Green</b> The Committee has adopted the CIPFA Code of Practice on Knowledge and Skills, and regular training is provided to ensure that members have the level of understanding required.</p> <p><b>Green</b> An Annual Training Plan is agreed by the Committee and Pension Board on an annual basis. The plan has been adapted to ensure provision of on-line sessions given the Coronavirus pandemic</p> <p><b>Green</b> A training and induction programme is available for new Committee and Pension Board Members.</p> <p><b>Amber</b> Some Committee members have yet to complete the Pension Regulator Public Sector Pensions Toolkit</p> <p><b>Green</b> The Fund subscribes to relevant bodies (e.g. CIPFA, LAPFF, PLSA) and sends representatives to major conferences.</p> <p><b>Green</b> DCC organises at least two training days per year for Investment and Pension Fund Committee and Pension Board members, with an additional engagement day</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>11: Internal</b></p> <p>Cause: Concentration of knowledge in a small number of staff.</p> <p>Event: Loss of staff leading to a breakdown in internal processes and service delivery.</p> <p>Impact: Financial loss and potential risk to reputation.</p> <p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated.</p>	<p>Inherent status : 16 High Current status : 12 Medium (Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Strategic Last review: 12 Jan 2023 Latest review details Controls and risk score reviewed</p>	<p>being held with the Brunel Pension Partnership.</p> <p><b>Green</b> Committee and Pension Board members are made aware of and adhere to the Governance Compliance Statement, and are encouraged to identify training requirements.</p> <p><b>Green</b> Following a request by the Pension Board, officers have produced a web based handbook to act as a knowledge hub</p> <p><b>Green</b> The Investment Manager is able to cover in the absence of the Head of Investments</p> <p><b>Green</b> Knowledge of all tasks shared by at least two team members and can in addition be covered by senior staff.</p> <p><b>Green</b> Training requirements are set out in job descriptions and reviewed annually with team members through the appraisal process.</p> <p><b>Green</b> A formal training record for officers is maintained centrally.</p> <p><b>Green</b> A procedure manual is in place which sets out work instructions for the majority of crucial tasks undertaken.</p> <p><b>Green</b> The Devon Investment Services procedure manual will continue to be refined and updated on an ongoing basis.</p>

Risk details	Status and Risk owner	Mitigating controls
<p>I2: Internal</p> <p>Cause: Inadequate treasury management practices.</p> <p>Event: Fraud, corruption or error.</p> <p>Impact: Risk of financial loss. Damage to reputation.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 9 Low (  Unchanged)</p> <p>Risk owner: <a href="#">Charlotte. Thompson</a></p> <p>Accountable officer: <a href="#">Mark Gayler</a></p> <p>Category: Operational</p> <p>Last review: 23 August 2023</p> <p>Latest review details</p> <p>Controls reviewed and remain appropriate</p>	<p><b>Green</b> The review of CIPFA's knowledge and skills framework relating to officers should result in key outcomes being delivered.</p> <p><b>Green</b> Counterparty transactions are authorised by senior staff outside of the investment team.</p> <p><b>Green</b> All staff are covered by fidelity insurance up to £15 million</p> <p><b>Green</b> Sufficient members in the team to cover absence and leave</p> <p><b>Green</b> Appropriate separation of duties exists.</p> <p><b>Green</b> Treasury Management Practices are reviewed and updated regularly.</p> <p><b>Green</b> Up to date financial regulations and practices.</p> <p><b>Green</b> Processes in place ensure that all elements of the daily treasury management activity can be carried out remotely away from the office.</p> <p><b>Completed</b> Annual internal audit undertaken which achieved substantial assurance level</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP – Readiness for connection to Pensions dashboards</p> <p>Cause(s)- Lack of resource/capacity to fully implement the required changes in a timely way; Delays in receiving national guidance.</p> <p>Event Peninsula Pensions is not fully prepared for connection to Pensions dashboards</p> <p>Impact(s) – Scheme members experience delays in connections to dashboards</p> <p>In the absence of connection to dashboards Members planning for retirement could experience delays in identifying their pensions/understanding the value of their pensions</p> <p>Reputational impact to Peninsula Pensions</p> <p>Possible legal implications (fines/penalties) for Peninsula Pensions</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb</p> <p>Accountable officer: Daniel Harris</p> <p>Category: Compliance</p> <p>Last review: 18 May 2023</p> <p>Latest review details</p> <p>Initial score and mitigating controls input</p>	<p>Green</p> <p>Internal project team in place</p> <p>Green</p> <p>Communications to employers and members</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP – Readiness for implementation of changes relating to the McCloud judgment</p> <p>Cause(s) – Lack of resource/capacity to fully implement the required changes in a timely way;</p> <p>Delays in receiving national guidance.</p> <p>Event – Peninsula Pensions is not fully prepared for implementation of the legislative changes (remedy) following the McCloud judgement.</p> <p>Impact(s) – Scheme members experience delays in the ‘remedy’ being applied</p> <p>Financial impact to scheme members</p> <p>Reputational impact to Peninsula Pensions</p> <p>Possible legal implication (fines/penalties) for Peninsula Pensions</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb</p> <p>Accountable officer: Daniel Harris</p> <p>Category: Compliance</p> <p>Last review: 18 May 2023</p> <p>Latest review details</p> <p>Initial score and mitigating controls input</p>	<p>Green</p> <p>Internal project team in place</p> <p>Green</p> <p>Data cleansing activity underway including with employers</p> <p>Green</p> <p>Communications to employers and members</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP 1 - Annual Benefit Statements</b></p> <p>Cause/s Staffing Absences ICT Failures Poor data quality Event Annual Benefit statements are not sent to active and deferred members by 31st August. Impact Fines from the regulator Damage to reputation Increased complaints from Members Increased demand on resources to rectify the situation Creation of a backlog of other tasks due to diverted resource.</p>	<p>Inherent status : 8 Low Current status : 6 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p><b>Green</b> • Project management approach • Regular contact with employers to obtain data. • Monthly interfacing to reduce workload at year end • Statements to employers for 31/07 to allow time for distribution to staff prior to 31/08</p> <p><b>Amber</b> Following the completion of the historic data sign off exercise, employers will move to monthly interfacing which will reduce the number of queries at year-end. Target date for completion is 31st March 2023.</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP 2 - Failure to provide basic information about the LGPS</p> <p>Cause/s Inability to access basic LGPS information via the website due to IT issues or non publication. Starter Packs not being sent and/or received by members. General scheme literature not being made available to members. LGPS Administration team not informed of new members. Event Failure to make available provide Basic information about the LGPS including: how benefits are worked out; how member and employer contributions are calculated. Impact Negative reporting by or fines from the Pension's regulator. Damage to reputation.</p>	<p>Inherent status : 10 Medium Current status : 8 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p>Green Reviews of documentation/letters Green Website regularly updated Completed Links to Pension Funds investment information and LGPS included on website Completed A revised New Starter pack has been designed and is now provided to members Completed Our methods and content of communication will be reviewed to ensure that members and employers are provided with accurate and relevant information.</p>



Risk details	Status and Risk owner	Mitigating controls
<p>PP 3 - Non-compliance with legislation and failure to correctly implement new legislation and regulations</p> <p>Cause Lack of structure/process to identify new legislation as it is released. Event Non-compliance with legislation/regulations. Impact Incorrect benefit payments. Damage to reputation. Fines from Regulators.</p>	<p>Inherent status : 12 Medium Current status : 6 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p>Green LGA/External training Green Project work approach to implementation of legislative changes. Green In house training for all staff. • Use of Perspective and Bulletins Completed A Training and Technical team is now in place, following the Pension Review. The team has commenced delivering training across the teams.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP 4 - Failure of employing authority to provide timely and accurate member data</b></p> <p>Cause Employing authorities not fulfilling their responsibilities.</p> <p>Event Delays in the provision of pensions member data. Inaccuracies in the pension member data.</p> <p>Impact Incorrect benefit calculations. Financial Loss due to compensation to members. Incorrect benefit payments Delays to payments Additional work to request and correct information</p>	<p>Inherent status : 12 Medium Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p>Green Pension Administration Strategy in place since April 2015 and was revised in 2020. Employer duties are clearly identified in the PAS. Ability to fine employers is provided for in PAS and LGPS regulations.</p> <p>Green Employing authorities are contacted for outstanding information when it is identified that information is missing or contains errors.</p> <p>Green Outstanding data queries are passed to Employer and Communications Team to monitor</p> <p>Completed Guidance available on website</p> <p>Green Individual employer meetings include review of employer performance</p> <p>Completed An Employer and Communications team is now in place. The team will consider employer performance and take action to address any issues, as required.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP 5 - Withdrawal of support for Employer Self Service</b></p> <p>Cause Pensions software provider withdrawing support for ESS</p> <p>Event Employers will no longer be able to access member records, run estimates or submit and receive information via ESS.</p> <p>Impact Increased workloads and reduced efficiency for PP which may result in delays in information being provided to employers, possible breaches and an increase in complaints.</p>	<p>Inherent status : 12 Medium Current status : 8 Low</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p>Green Software provider is required to give 12 months' notice before any change to the contract</p> <p>Amber Consideration is being given to a number of options. The development of an internal solution is being prioritised to ensure continued service delivery. The E&amp;C team have commenced work on this project and are aiming to have a solution in place by 31/12/2022</p> <p>Completed New internal interface solution in place January 2023</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP 6 - Communication of Entitlements</b></p> <p>Cause Insufficient communication and engagement with LGPS scheme members/employers.</p> <p>Event Employers and or Members are not made aware of their entitlements within LGPS resulting in Non-compliance with legislation and/or best practice.</p> <p>Impact Inability to determine policy Employees not joining the scheme. Inability to make effective decisions and/or deliver service</p>	<p>Inherent status : 12 Medium Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p><b>Green</b> The Peninsula Pensions website is kept up to date</p> <p><b>Green</b> Meetings between PP managers and Communications team on a regular basis, with a communications plan and strategy for the year ahead</p> <p><b>Green</b> Meetings are held with the Funds Employing Authorities and on request for training</p> <p><b>Green</b> Benefit illustrations are sent annually to contributing and deferred Fund members</p> <p><b>Green</b> The contact list for employers is updated regularly.</p> <p><b>Green</b> Annual forums are held for employers and Trade Unions</p> <p><b>Green</b> The annual report and accounts are published on the Peninsula Pensions website</p> <p><b>Amber</b> A Communication Policy exists for the Devon Pension Fund, which includes Peninsula Pensions. The Peninsula Pensions Senior Management team are considering creating a separate communication policy for Peninsula Pensions which will be brought to the Board for consideration during 2023</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP 7 - Non Payment of Pension Benefits</b></p> <p>Cause Systems Failures Lack of information from employers Poor internal processes Event Pension benefits are not paid. Impact Damage to Reputation. Financial loss arising from compensation claims.</p>	<p>Inherent status : 12 Medium Current status : 8 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p><b>Green</b> The payroll system is set up to pay pensioners monthly.</p> <p><b>Green</b> Disaster recovery plan in place with Heywoods which will restore data within 7 days in the event of system failure</p> <p><b>Green</b> The payroll manual has been revised and updated following the introduction of RTI (Real Time Information) and new administration systems.</p> <p><b>Amber</b> Fully updated Pensioner Payroll Manual is now in place. An online training resource is being developed and will be completed during 2022.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP 8 - Payment to deceased pensioners</b></p> <p>Cause LGPS Information is not updated as circumstances change. Poor internal processes. Event Pension benefits continue to be paid to deceased pensioners. Impact Damage to Reputation. Financial loss arising from overpayments. Additional resource to recover funds</p>	<p>Inherent status : 8 Low Current status : 6 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p><b>Green</b> All pensioners are contacted annually. <b>Green</b> Pension suspended if post is returned <b>Green</b> Pensioners are incorporated into National Fraud Initiative <b>Green</b> Further targeted checks are conducted with credit reference agencies as appropriate <b>Green</b> Monthly mortality screening is undertaken and any positive matches are ceased immediately <b>Green</b> Western Union overseas existence service undertaken bi annually <b>Green</b> Tell us once service has been rolled out to LGPS. All relevant staff now have access and we are using fully utilising the service.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP10 - Data and System Security</b></p> <p>Cause Insecure pensions and administration data.</p> <p>Event Loss/disclosure of Sensitive Data/Information.</p> <p>Impact Financial costs from legal action. Fines from ICO.</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris</p> <p>Category: Operational Last review: 18 May 2023 Latest review details Review by Rachel Lamb and minor updates/enhancements made to the risk mitigating controls</p>	<p><b>Green</b> Access and security controls exist and the system is tested regularly by Heywoods and PP. Responsible Officer: Systems Development Officer</p> <p><b>Green</b> System controls in place including systems access controls, approval/workflow controls and audit trail. The system is subject to regular checks by internal audit.</p> <p><b>Green</b> In-house GDPR training is delivered to all new and existing team members on an annual basis to ensure that staff are fully aware of requirements under the data protection legislation. In addition to this, all staff are required to complete DCC's GDPR and DCC's mandatory Cyber Security e-learning assessment annually.</p>
<p><b>PP11 - Personal Member Data</b></p> <p>Cause Error when printing/sorting/compiling data.</p> <p>Event Poor internal processes. Information issued to the wrong person/organisation.</p> <p>Impact Financial Costs from legal action. Fines from ICO.</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris</p> <p>Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p><b>Green</b> It is a mandatory requirement for all DCC employees to undertake Data Protection training and to adhere to DCC's data protection policy.</p> <p><b>Green</b> In-house GDPR training is delivered to all new and existing team members on an annual basis to ensure that staff are fully aware of requirements under the data protection legislation. In addition to this, all staff are required to complete DCC's GDPR e-learning assessment annually.</p> <p><b>Completed</b> Internal e-Learning training 'Sharing personal data' was also undertaken by whole office during March 2018. All staff are required to complete DCC's e-learning assessment annually.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP12 - Knowledge Management</b></p> <p>Cause Departure or non-availability of staff who hold key knowledge. Event Breakdown in internal processes and service delivery. Impact Financial Loss due to costs of obtaining resource, or delays/inefficiencies in existing processes. Reputation Damage.</p>	<p>Inherent status : 16 High Current status : 12 Medium (Unchanged) Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Strategic Last review: 6<sup>th</sup> July 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by Devon Pension Board on 06/07/23</p>	<p>Green Knowledge of all tasks are shared by at least two team members and can in addition be covered by senior staff Green Training requirements are set out in job descriptions. Amber The Training and Technical team have created training and procedure notes for the team covering all major processes. These will help to ensure consistency across the teams and will assist with the training of new recruits. Training notes are kept under review and updated as and when regulations come into effect.</p>



Risk details	Status and Risk owner	Mitigating controls
<p><b>PP13 - Scheme Membership Data</b></p> <p>Cause Incorrect information from employers. Fraudulent provision of data. System errors Poor internal processes. Event Unauthorised or invalid payments. Impact Financial loss Reputational Damage</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p><b>Green</b> Information and instructions are only accepted from authorised sources. <b>Green</b> Employers and scheme members are required to review and confirm membership records annually <b>Green</b> Benefit calculations are checked by senior colleagues and are subject to independent authorisation <b>Green</b> All transactions comply with DCC financial regulations and are subject to independent authorisation <b>Green</b> All staff are covered by fidelity insurance up to £15 million <b>Green</b> Members approaching 75 are separately identified monthly <b>Green</b> Data accuracy checks undertaken by the systems team including address / NINO checks <b>Completed</b> Employer Self Service introduced. <b>Amber</b> Employers are currently in the process of undertaking a historic data sign off exercise. Once an employer has been signed off, they will move to monthly data submissions. Target date for completion is 31st March 2023.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP14 - Compliance with Disclosure Regulations</b></p> <p>Cause Requirement to issue information within a certain timescale after a request/event. Event Failure to comply with disclosure regulations and to process accurate pension benefit payments in a timely manner. Impact Complaints which take up time to resolve. Additional Time spent chasing data Regulator Fines Compensation costs for members</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p>Green Robust workflow management system in place. Green Payroll deadline procedures in place Green Item in Business Continuity/Disaster Recovery Plan Green Participate in National Fraud Initiative (NFI) Green Life Certificates exercise carried out /mortality checks Amber Full review of performance within PP being conducted to incorporate Employer performance and Admin strategies. Target date for completion 31/12/22 (with ongoing reviews and development after this date).</p>
<p><b>PP15 - Fraud, Corruption and Error</b></p> <p>Cause Poorly designed or implemented management practices/processes. Staff deliberately updating or providing fraudulent data. Event Fraud, corruption or error. Impact Financial Loss Reputational Damage</p>	<p>Inherent status : 12 Medium Current status : 9 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p>Green Transactions are authorised by senior staff Green All staff are covered by fidelity insurance up to £15 million Green Sufficient members in the team to cover absence and leave Green Heywoods Audit trace report Green Appropriate separation of duties exists Green Up to date regulations and practices Green Internal and external audit checks performed to ensure that appropriate and effective controls are in place</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP16 - Loss of Shared Service Partner</b></p> <p>Cause Shared service partner choosing to use a different pensions administrator. Event Peninsula pensions no longer operates on the same scale. Impact Reputational Damage. Loss of staff / redundancies.</p>	<p>Inherent status : 9 Low Current status : 9 Low (Unchanged) Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Strategic Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by Devon Pensions Board on 7<sup>th</sup> Feb 2023</p>	<p>Green Constant assessment of Performance Green Quarterly Shared Service meetings with key Fund colleagues Green Regular meetings between Peninsula Pensions and Employers Green Employer Newsletters Amber Full review of performance within PP being conducted to incorporate Employer performance and Admin strategies. Target date for completion 31/12/22 (with ongoing reviews and development after this date).</p>
<p><b>PP17 - Pensions System Failure</b></p> <p>Cause Connection issues. Supplier fault Cyber Attack. Event The hosted Altair pensions system fails. Impact • Loss of sensitive data. • Reputation risk. • Financial loss arising from legal action</p>	<p>Inherent status : 15 High Current status : 10 Medium (-5) Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 18 May 2023 Latest review details Review by Rachel Lamb and enhancements made to the risk mitigating controls and new control added.</p>	<p>Green The system is backed-up daily. System is hosted by Heywoods Green A full disaster recovery plan and Business Continuity Plan is in place and tested/updated annually. Green Supplier management – Business Continuity Plan in place, along with incidence response plans, penetration testing and an annual disaster recovery test. In addition other documentation is provided with assurances of most recent UKAS certified body ISO (currently 27001) / cyber essentials / SOC2 compliance</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP18 - Cyber Attack</b></p> <p>Cause Cyber-attack on the Pensions ICT systems and or host systems.</p> <p>Event Loss of system access. Theft of confidential/personal data.</p> <p>Impact Inability to make payments to members. Fines from the ICO. Financial loss. Loss of membership data. Disclosure of sensitive data.</p>	<p>Inherent status : 15 High Current status : 10 Medium (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris</p> <p>Category: Operational Last review: 18 May 2023 Latest review details Risks score and controls reviewed by Rachel Lamb</p>	<p><b>Green</b> Ensure that the relevant people are suitably vetted and trained, that administrators and service providers have measures in place to avoid security breaches</p> <p><b>Green</b> A full disaster recovery plan and Business Continuity Plan is in place and tested/updated annually</p> <p><b>Green</b> Information from The Pensions Regulator: You can assess how secure your scheme is and find out more about protecting yourself on the government's Cyber Essentials website. And for more information about protecting against cyber threats, visit the National Cyber Security Centre's website.</p>
<p><b>PP19 - Member Self Service</b></p> <p>Cause Member Self Service access is compromised due to insecurity or lack of maintenance.</p> <p>Event Data is accessed and or obtained inappropriately.</p> <p>Impact Damage to reputation Loss of data Fines from ICO.</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris</p> <p>Category: Operational Last review: 7<sup>th</sup> Feb 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 7<sup>th</sup> Feb 2023</p>	<p><b>Green</b> Information and Instructions are only accepted from authorised sources</p> <p><b>Green</b> It is a mandatory requirement for all DCC employees to undertake Data Protection training and to adhere to DCC's Data Protection Policy</p> <p><b>Green</b> Regular penetration testing</p> <p><b>Green</b> Secure website (annual license renewal)</p>