

PENSION FUND RISK REGISTER

Report of the County Treasurer

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

Recommendation: that the Committee approves the Pension Fund Risk Register and the additional actions proposed to mitigate risk.

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### **1. Introduction**

- 1.1 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.
- 1.2 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 13th July 2021, and comments made at board meetings have been taken on board in updating the register.
- 1.3 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.
- 1.4 The Investment and Pension Fund Committee is the ultimate risk owner for the Pension Fund and last reviewed the Risk Register in June 2020.

### **2. Assessment of Risk**

- 2.1 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.

- 2.2 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.
- 2.3 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.

### **3. Revisions to the Risk Register**

- 3.1 The Risk Register is reviewed and updated on an ongoing basis during the year. The Pension Board highlighted a number of areas where additional plans had now been completed or dates had slipped, and the Risk Register has been amended to take those additional plans into account.
- 3.2. Several risks have been reviewed in relation to the Covid-19 pandemic. These include F2 and F6 in relation to the volatility of markets as a result of the pandemic. Since then, markets have recovered and a note to this effect is added under the last review details. Following a review by the Pensions Board, F18 was added to reflect the risk of interest rates turning negative.
- 3.3. The mitigating controls on Risk F16, regarding the McCloud judgement, have been updated to reflect the Government intentions on resolving this issue. Firm details and legislation are yet to be put in place.
- 3.4. Risks B1 and B2 have been removed. These related to the transition of assets to the Brunel Pension Partnership. The transition process has now been completed, and therefore the associated risks can be removed. Risks F12 and PP9 were duplicated and related to the risk of high volumes of members transferring their benefits out of the fund following the Freedom and Choice rules. Both risks were removed as it is now six years since the rules changed and volumes have remained at expected levels.
- 3.5. A new risk PP5 has been added following the withdrawal of support by the administration system provider for the Employer Self Service module used by Peninsula Pensions.
- 3.6. Risk PP17 (Pension System Failure) is now classified as a high risk. Strong mitigating controls are in place to reduce the impact of a system failure, including a daily back-up of data, a robust disaster recovery plan and a business continuity plan. However, despite these mitigating controls, the risk score remains high in view of the new risk scoring methodology adopted.
- 3.7. Taking account of the revisions above there are now 44 risks recorded in the Risk Register, 26 of which relate to Devon Pension Fund management and

18 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                                   | 3                                           |
| Medium                    | 15                                  | 4                                           |
| Low                       | 2                                   | 19                                          |
| <b>Peninsula Pensions</b> |                                     |                                             |
| High                      | 3                                   | 1                                           |
| Medium                    | 7                                   | 3                                           |
| Low                       | 8                                   | 14                                          |

3.8 Across Devon Pension Fund management and Peninsula Pensions, action taken to mitigate risks has reduced the number of high risks from 12 to 4. The remaining high risks are in respect of:

- Market Crash leading to a failure to reduce the deficit.
- Investment strategy not providing sufficient returns longer term.
- Failure of the Pensions Administration system.
- Cost implications of the McCloud judgement.

#### 4. Conclusion

4.1 The Committee are asked to approve the Pension Fund Risk Register, and the additional actions proposed to mitigate risk.

Mary Davis  
County Treasurer

Electoral Divisions: All

Local Government Act 1972:

List of Background Papers: Nil

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# Appendix 1



## Devon Pension Fund Risk Register

Risk Management - is a modern management discipline and is about getting the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other.

| 1. Identify your risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2. Assess your risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3. Respond to risks | 4. Monitor and Review |    |    |    |    |   |    |    |    |    |   |   |    |    |    |   |   |   |    |    |   |   |   |   |    |  |        |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p><b>Risk:</b> an event or action that will have affect our ability to achieve our <b>objectives</b></p> <p>Opportunities <u>and</u> Threats</p> <p>Event leads to Impact</p> <p>Identify in groups - by those responsible for delivery of the objectives</p> <p><b>When:</b></p> <p>Setting strategic aims</p> <p>Setting business objectives</p> <p>Early stages of project planning &amp; key stages</p> <p>Entering partnerships</p> <p><b>Categories can help:</b></p> <p>Political, Economic/Financial, Social, Technological, Legislative/Legal, Environmental, Community, Professional/Managerial, Physical, Partnership/Contractual.</p> | <p>Combination of the probability of an event and its consequences; Impact x Likelihood:</p> <table border="1" data-bbox="651 639 1115 935"> <tr> <td rowspan="5">LIKELIHOOD</td> <td>6</td> <td>12</td> <td>18</td> <td>24</td> <td>30</td> </tr> <tr> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> </tr> <tr> <td>4</td> <td>8</td> <td>12</td> <td>16</td> <td>20</td> </tr> <tr> <td>3</td> <td>6</td> <td>9</td> <td>12</td> <td>15</td> </tr> <tr> <td>2</td> <td>4</td> <td>6</td> <td>8</td> <td>10</td> </tr> <tr> <td></td> <td colspan="5">IMPACT</td> </tr> </table> <p><b>24 - 30 VERY HIGH (VIOLET)</b></p> <ul style="list-style-type: none"> <li>Immediate action</li> </ul> <p><b>15 - 20 HIGH (RED)</b></p> <ul style="list-style-type: none"> <li>Regular review to seek better control</li> </ul> <p><b>10 - 12 MEDIUM (AMBER)</b></p> <ul style="list-style-type: none"> <li>Review current controls / incorporate into action plan</li> </ul> <p><b>1 - 9 LOW (YELLOW)</b></p> <ul style="list-style-type: none"> <li>Limited action - long term plans</li> </ul> | LIKELIHOOD          | 6                     | 12 | 18 | 24 | 30 | 5 | 10 | 15 | 20 | 25 | 4 | 8 | 12 | 16 | 20 | 3 | 6 | 9 | 12 | 15 | 2 | 4 | 6 | 8 | 10 |  | IMPACT |  |  |  |  | <p>Concentrate on Top Risks:</p> <ul style="list-style-type: none"> <li>Set risk appetite</li> <li>Proportionate and cost-effective response</li> </ul> <p>Can we reduce likelihood?</p> <p>Can we reduce impact?</p> <p>Can we change the consequences?</p> <p>Treat</p> <p>Transfer</p> <p>Tolerate</p> <p>Terminate</p> <p>Devise Contingencies</p> <p>Business Continuity Planning</p> | <p>Risk Registers:</p> <p>Baseline data to be prepared and monitored regularly; these should clearly indicate impacts, responses and contingencies as well as the risk owner.</p> <p>Use early warning indicators.</p> <p>Review Top Risks regularly as agenda item.</p> <p>Report progress to senior management.</p>  |
| LIKELIHOOD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                     | 12                    | 18 | 24 | 30 |    |   |    |    |    |    |   |   |    |    |    |   |   |   |    |    |   |   |   |   |    |  |        |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | IMPACT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                       |    |    |    |    |   |    |    |    |    |   |   |    |    |    |   |   |   |    |    |   |   |   |   |    |  |        |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                             |

## Risks: Pensions

Risk status  
(score)

|                 |             |                  |                |                     |
|-----------------|-------------|------------------|----------------|---------------------|
| Overdue (0 - 0) | Low (1 - 9) | Medium (10 - 14) | High (15 - 23) | Very high (24 - 30) |
|-----------------|-------------|------------------|----------------|---------------------|

Mitigating controls

|             |       |       |     |           |
|-------------|-------|-------|-----|-----------|
| Not started | Green | Amber | Red | Completed |
|-------------|-------|-------|-----|-----------|

| Risk details                                                                                                                                                                                                                                                                                                                                                                        | Status and Risk owner                                                                                                                                                                                                                                                                                     | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p><b>A1: Accounting</b></p> <p>Cause:<br/>Lack of training/awareness around pension fund accounting regulations.</p> <p>Event:<br/>Non compliance with accounting regulations and fin regs.</p> <p>Impact:<br/>Reputational damage.<br/>Qualified accounts.</p> <hr/> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.<br/>29/08/2019 - Risk wording updated</p> | <p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 9 Low</b></p> <p>Risk owner: <b>Mark Gayler</b></p> <p>Accountable officer: <b>Angela Stirland</b></p> <p>Category: Compliance</p> <p>Last review: 1 September 2021</p> <p>Latest review details<br/>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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p><b>B3: Brunel Pension Partnership</b></p> <p>Cause:<br/>Ineffective governance of Brunel or departure of key people from Brunel</p> <p>Event:<br/>Ineffective management of the Fund's investments or at the extreme breakup of the partnership.</p> <p>Impact:<br/>Significant costs to the Fund and financial loss. Reputational damage.</p>                                                                        | <p>Inherent status : 16 High<br/>Current status : 12 Medium<br/>(Unchanged)</p> <p>Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler<br/>Category: Operational<br/>Last review: 02 Jul 2021<br/>Latest review details<br/>Some key issues of concern were addressed through a review of governance which has now concluded. This has resulted in revisions to the shareholders agreement which have now been agreed by each participating administering authority</p> | <p>Completed Shareholder agreement in place sets out governance framework.</p> <p>Green Strong team now in place at Brunel, so not dependent on one or two key individuals.</p> <p>Green Brunel have their own risk register which is regularly monitored both by the Brunel Board and the Oversight Board and Client Group.</p> <p>Completed Governance review resulted in changes to the shareholder agreement which is now agreed by all shareholders.</p>                                                                                                                                                                                                                                                                                |
| <p><b>Cm1: Communication</b></p> <p>Cause:<br/>Inadequate communications plan and/or insufficient resource to action.</p> <p>Event:<br/>Insufficient communication and engagement with pension fund stakeholders.</p> <p>Impact:<br/>Damage to reputation.<br/>Uniformed policy decisions.<br/>Non compliance with legislation/best practice.</p> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.</p> | <p>Inherent status : 12 Medium<br/>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Mark Gayler<br/>Accountable officer: Charlotte Thompson<br/>Category: Operational<br/>Last review: 02 Jul 2021<br/>Latest review details<br/>Controls reviewed and confirmed</p>                                                                                                                                                                                                        | <p>Completed A communications strategy is in place and was last reviewed and updated in November 2018.</p> <p>Green The Devon Investment Services and Peninsula Pensions websites are kept up to date.</p> <p>Green Fund Performance is reported to the Investment &amp; Pension Fund Committee on a regular basis.</p> <p>Green Meetings are held regularly with the Fund's Employing Authorities.</p> <p>Green Benefit illustrations are sent annually to contributing and deferred Fund members.</p> <p>Green The contact list for employers is updated regularly.</p> <p>Green Annual forums are held for employers and scheme members.</p> <p>Green The annual report and accounts are published on the Devon Pension Fund website.</p> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                             | Status and Risk owner                                                                                                                                                                                                                                                         | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p><b>Cu1: Custody</b></p> <p>Cause:<br/>Changing economic climate, fraud or changing financial position of the Custodian.</p> <p>Event:<br/>Failure of Pensions custodian.</p> <p>Impact:<br/>Financial loss.<br/>Failure to decrease deficit.<br/>Adverse media interest/damage to reputation.</p> <hr/> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.<br/>29/08/2019 - Risk wording updated.</p> | <p>Inherent status : 12 Medium<br/>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Mark Gayler<br/>Accountable officer: Charlotte. Thompson</p> <p>Category: Operational<br/>Last review: 02 Jul 2021<br/>Latest review details<br/>Controls reviewed and confirmed</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>Completed</b> Following the formation of the Brunel Pension Partnership, State Street were appointed as Third Party Administrator, and will provide a custody service to each of the Brunel client funds. The procurement process included an assessment of their financial standing.</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><b>D1: Data Protection</b></p> <p>Cause:<br/>Failure to secure and maintain pension fund systems.</p> <p>Event:<br/>Loss of sensitive data.</p> <p>Impact:<br/>Reputation risk. Financial loss arising from legal action.</p> <hr/> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.<br/>29/08/2019 - Risk wording updated.</p>                                                                     | <p>Inherent status : 9 Low<br/>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Charlotte. Thompson<br/>Accountable officer: Mark Gayler</p> <p>Category: Operational<br/>Last review: 04 Dec 2020<br/>Latest review details<br/>Review of controls</p>                  | <p><b>Completed</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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p data-bbox="114 161 499 193">F 1: Funding and Investments</p> <p data-bbox="114 236 824 416">Cause:<br/>The committee Members and Investment Officers have insufficient knowledge of financial markets and inadequate investment and actuarial advice received.</p> <p data-bbox="114 421 824 528">Event:<br/>The committee Members and Investment officers make inappropriate decisions.</p> <p data-bbox="114 533 824 639">Impact:<br/>Poor fund performance/financial loss. Increased employer contribution costs.</p> <hr/> <p data-bbox="114 683 824 895">Notes<br/>13/08/2019 - Wording of risk updated and category added.<br/>25/02/2020 - Wording of mitigation updated to reflect delay in producing handbook due to delay in new website</p> | <p data-bbox="831 161 1332 268">Inherent status : 16 High<br/>Current status : 12 Medium<br/>(Unchanged)</p> <p data-bbox="831 272 1332 379">Risk owner: Mark Gayler<br/>Accountable officer: Charlotte Thompson</p> <p data-bbox="831 384 1332 416">Category: Financial</p> <p data-bbox="831 421 1332 453">Last review: 13 May 2021</p> <p data-bbox="831 458 1332 489">Latest review details</p> <p data-bbox="831 494 1332 799">Controls reviewed. Training can be delivered virtually where required. Following the 2021 elections there will be several new members of the Committee and effective induction of the new members will be crucial to mitigate the risks around lack of knowledge.</p> | <p data-bbox="1339 161 2110 225"><b>Green</b> The Investment Strategy is set in accordance with LGPS investment regulations.</p> <p data-bbox="1339 240 2110 352"><b>Green</b> The Investment Strategy is reviewed, approved and documented by the Investment and Pension Fund Committee.</p> <p data-bbox="1339 368 2110 432"><b>Green</b> The Investment Strategy takes into account the Fund's liabilities.</p> <p data-bbox="1339 448 2110 592"><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 data-bbox="1339 608 2110 751"><b>Green</b> An Annual Training Plan has been agreed for 2021/22. Training programmes are available for Committee Members and Investment Staff. This can be delivered virtually where required</p> <p data-bbox="1339 767 2110 831"><b>Green</b> Members and Officers are encouraged to challenge advice and guidance received when necessary.</p> <p data-bbox="1339 847 2110 959"><b>Green</b> Sharepoint site dedicated to training and knowledge in development and will be used for new members to the board and committee in 2021.</p> <p data-bbox="1339 975 2110 1038"><b>Green</b> An induction session and pack will be provided for new members of the Committee and Board.</p> |



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| <p><b>F 2: Funding and Investments</b></p> <p><b>Cause:</b><br/>The Pension Fund's investment strategy and /or Fund Managers fail to produce the required returns.</p> <p><b>Event:</b><br/>The Pension Fund has insufficient assets to meet its long term liabilities.<br/>Organisational changes / manager departures at a Fund Manager damage performance.</p> <p><b>Impact:</b><br/>Financial loss.<br/>Insufficient funds available to meet future obligations.</p> | <p><b>Inherent status : 20 High</b><br/><b>Current status : 15 High</b><br/><b>(Unchanged)</b></p> <p>Risk owner: <b>Mark Gayler</b><br/>Accountable officer: <b>Mark Gayler</b><br/>Category: Financial<br/>Last review: 1 September 2021<br/>Latest review details<br/>Returns during 2019/20 were severely impacted as a result of the Coronavirus COVID-19 pandemic. Markets have subsequently recovered with a return of over 20% in the nine months to December 2020, and the roll out of the vaccination programme has provided more hope to investors. It is still likely that there will be a long lasting impact on the global economy, however the mitigations are still relevant re longer term performance.</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 2019 actuarial valuation includes provision for the fund to achieve full funding over 19 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 to minimise the impact of losses in individual markets.</p> <p><b>Green</b> Fund-specific benchmarks and targets are set.</p> <p><b>Green</b> Fund assets are kept under regular review as part of the Fund's performance management framework.</p> <p><b>Green</b> Fund managers have been thoroughly vetted prior to appointment and performance is reviewed regularly against the benchmark and performance objectives, and this is reported to Committee. Appropriate action may be taken if it is considered that an Investment Manager is underperforming.</p> <p><b>Completed</b> The depth of expertise in the fund managers' teams have been assessed as part of the appointment process.</p> <p><b>Green</b> Performance targets are agreed by the Investment and Pension Fund Committee and are based upon recommendations provided by the DCC in-house Investment Team and our external investment advisor.</p> |
| <p><b>Notes</b><br/>13/08/2019 - Wording of risk updated and category added.</p>                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Risk details | Status and Risk owner | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|              |                       | <p><b>Green</b> The Investment and Pension Fund Committee have the power to terminate a fund manager's contract if it is deemed that the manager has not performed as expected, or there are concerns about future performance due to organisational change / manager departures.</p> <p><b>Completed</b> External review of the Fund's investment strategy is commissioned on a regular basis. Mercers undertook an investment strategy review in 2016, which was then refreshed in February 2019. The 2019 report and recommendations were presented to the Investment and Pension Fund Committee in February 2019.</p> <p><b>Green</b> From April 2018, responsibility for new fund manager appointments and monitoring of the new managers appointed transferred to the Brunel Pension Partnership. The Devon Fund still has incumbent managers to monitor, but will primarily need to focus on monitoring of Brunel's performance.</p> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                       | Status and Risk owner                                                                                                                                                                                                                                                                                                                                              | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p data-bbox="114 161 499 193">F 3: Funding and Investments</p> <p data-bbox="114 236 788 488">Cause:<br/>Investment arrangements are structured poorly.<br/>Event:<br/>The fund is exposed to unnecessary risks and avoidable costs.<br/>Impact:<br/>Financial loss.</p> <hr/> <p data-bbox="114 533 806 639">Notes<br/>13/08/2019 - Risk wording updated and category added.</p> | <p data-bbox="831 161 1216 193">Inherent status : 10 Medium</p> <p data-bbox="831 196 1317 228">Current status : 8 Low (Unchanged)</p> <p data-bbox="831 231 1279 456">Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler<br/>Category: Operational<br/>Last review: 1 September 2021<br/>Latest review details<br/>Controls reviewed and confirmed.</p> | <p data-bbox="1337 161 2110 268"><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 data-bbox="1337 276 2110 355"><b>Green</b> IMA disclosure tables are reviewed to ensure best execution by managers.</p> <p data-bbox="1337 363 2027 443"><b>Green</b> The new cost transparency initiative should ensure full transparency of costs</p> <p data-bbox="1337 451 2110 558"><b>Green</b> Specialist services (e.g. transitions, currency transfers) are considered where appropriate in order to reduce costs.</p> <p data-bbox="1337 566 1989 646"><b>Green</b> Banking and custodian arrangements are reviewed and re-tendered when appropriate.</p> <p data-bbox="1337 654 2085 842"><b>Green</b> The Brunel Pension Partnership has been set up as part of the investment pooling requirements of Government. The investment arrangements under Brunel should provide for improved risk management and better risk adjusted investment returns</p> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Status and Risk owner                                                                                                                                                                                                                                                                                                                                         | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p data-bbox="114 159 499 191">F 4: Funding and Investments</p> <p data-bbox="114 236 779 379">Cause:<br/>Inadequate risk management policies on Environmental, Social and Governance Issues.<br/>Lack of awareness/training.</p> <p data-bbox="114 386 779 491">Event:<br/>The fund fails to manage environmental, social and governance risks.</p> <p data-bbox="114 497 430 603">Impact:<br/>Financial loss.<br/>Damage to reputation.</p> <hr/> <p data-bbox="114 644 806 785">Notes<br/>13/08/2019 - Risk wording updated and category added.<br/>29/08/2019 - Risk wording updated</p> | <p data-bbox="831 159 1167 191">Inherent status : 15 High</p> <p data-bbox="831 197 1317 229">Current status : 8 Low (Unchanged)</p> <p data-bbox="831 236 1279 459">Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler<br/>Category: Operational<br/>Last review: 1 September 2021<br/>Latest review details<br/>Controls reviewed and updated</p> | <p data-bbox="1335 159 2087 379"><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 data-bbox="1335 386 2087 580"><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 data-bbox="1335 587 2087 740"><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> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                       | Status and Risk owner                                                                                                                                                                                                                                                                                                                                         | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p data-bbox="114 161 495 193">F 5: Funding and Investments</p> <p data-bbox="114 236 685 491">Cause:<br/>Collapse of a fund manager.<br/>Fraudulent activity (Internal/external).<br/>Event:<br/>Negligent or wilful loss of pension funds.<br/>Impact:<br/>Inability to meet financial obligations.</p> <hr/> <p data-bbox="114 533 806 639">Notes<br/>13/08/2019 - Risk wording updated and category added.</p> | <p data-bbox="831 161 1216 193">Inherent status : 12 Medium</p> <p data-bbox="831 196 1317 228">Current status : 9 Low (Unchanged)</p> <p data-bbox="831 231 1279 459">Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler<br/>Category: Financial<br/>Last review: 1 September 2021<br/>Latest review details<br/>Controls reviewed and updated</p> | <p data-bbox="1335 161 2112 491"><b>Green</b> The Fund has considered the financial stability of managers during past appointment processes and the situation is kept under review. Future selection processes will be the responsibility of the Brunel Pension Partnership. When Brunel is selecting managers we would expect them to consider financial stability of those managers, and will work with other Brunel clients to ensure that Brunel has in place robust procedures to do so.</p> <p data-bbox="1335 507 2112 614"><b>Completed</b> DCC use a global custodian service to ensure that there exists a separation of investment management arrangements from custody of assets.</p> <p data-bbox="1335 630 2112 737"><b>Completed</b> Legal requirements are in place for fund managers and are set out in the investment management agreements.</p> <p data-bbox="1335 753 2112 826"><b>Green</b> Fund managers are required to be fully compliant with FCA, PRA and other regulatory requirements.</p> <p data-bbox="1335 842 2112 986"><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> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p data-bbox="114 161 499 193">F 6: Funding and Investments</p> <p data-bbox="114 236 728 639">Cause:<br/>Global financial crisis.<br/>Substantial political changes.<br/>Event:<br/>The market crashes, reducing the value of investments.<br/>Impact:<br/>The deficit increases, or there is a failure to reduce the deficit.<br/>Financial loss.<br/>Increased employer contribution costs.</p> <p data-bbox="114 683 808 785">Notes<br/>13/08/2019 - Risk wording updated and category added.</p> | <p data-bbox="831 161 1167 193">Inherent status : 20 High</p> <p data-bbox="831 197 1155 229">Current status : 16 High</p> <p data-bbox="831 234 1010 266">(Unchanged)</p> <p data-bbox="831 271 1167 303">Risk owner: Mark Gayler</p> <p data-bbox="831 308 1279 339">Accountable officer: Mark Gayler</p> <p data-bbox="831 344 1093 376">Category: Financial</p> <p data-bbox="831 381 1256 413">Last review: 1 September 2021</p> <p data-bbox="831 418 1099 450">Latest review details</p> <p data-bbox="831 454 1332 758">Markets incurred significant losses as a result of the Coronavirus COVID-19 pandemic. This had a significant impact on the value of the Fund as at 31 March 2020. Markets have subsequently recovered and the roll out of the vaccination programme has provided hope to investors.</p> | <p data-bbox="1339 161 2107 304"><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 performance from an individual market segment.</p> <p data-bbox="1339 320 2107 464"><b>Amber</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 data-bbox="1339 480 2107 624"><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> |

| Risk details                                                                                                                                                                                                                                                                                                                        | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p data-bbox="114 158 499 193">F 7: Funding and Investments</p> <p data-bbox="114 233 824 488">Cause:<br/>Substantial changes to UK or global economies.<br/>Event:<br/>Pay and price inflation are higher than anticipated.<br/>Impact:<br/>There is an increase in liabilities which exceeds the previous valuation estimate.</p> | <p data-bbox="831 158 1216 193">Inherent status : 12 Medium</p> <p data-bbox="831 197 1317 233">Current status : 9 Low (Unchanged)</p> <p data-bbox="831 237 1171 272">Risk owner: Mark Gayler</p> <p data-bbox="831 277 1279 312">Accountable officer: Mark Gayler</p> <p data-bbox="831 317 1088 352">Category: Strategic</p> <p data-bbox="831 357 1160 392">Last review: 21 Jul 2021</p> <p data-bbox="831 397 1099 432">Latest review details</p> <p data-bbox="831 437 1323 608">Controls reviewed and updated. the Bank of England's central expectation is still that CPI inflation will be in a range between 1.5% and 2.5%</p> | <p data-bbox="1337 158 2101 264"><b>Green</b> The triennial actuarial valuation review focuses on the real returns on assets, net price and pay increases.</p> <p data-bbox="1337 277 2101 424"><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 data-bbox="1337 437 2101 544"><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 data-bbox="1337 564 2101 671"><b>Green</b> The Committee has received training on understanding liabilities and potential approaches to Liability Driven Investment.</p> <p data-bbox="1337 692 2101 956"><b>Completed</b> Hymans Robertson were commissioned to produce a report which reviewed the strategy for the fixed interest and its role in managing inflation risk. The report was presented to the I&amp;PFC in September 2015, and recommendations partly implemented. This issue was also addressed in the strategic review carried out by Mercer in 2016/17 and the refresh in 2018/19.</p> |
| <p data-bbox="114 528 824 635">Notes<br/>13/08/2019 - Risk wording updated and category added.</p>                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Risk details                                                                                                                                                                                                                                                                                                                                                                  | Status and Risk owner                                                                                                                                                                                                                                                                                                       | Mitigating controls                                                                                                                                                                                                                                                                        |
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| <p><b>F 8: Funding and Investments</b></p> <p>Cause:<br/>Public services are cut and ill health increases.</p> <p>Event:<br/>There is an increase in the number of early retirements.</p> <p>Impact:<br/>There is an increase in liabilities which exceeds the previous valuation estimate.</p> <hr/> <p>Notes<br/>13/08/2019 - Risk wording changed and category added.</p>  | <p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 6 Low (Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Strategic</p> <p>Last review: 1 September 2021</p> <p>Latest review details</p> <p>Controls reviewed and confirmed</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 9: Funding and Investments</b></p> <p>Cause:<br/>The average life expectancy of pensioners is greater than assumed.</p> <p>Event:<br/>The actuarial assumptions are incorrect.</p> <p>Impact:<br/>There is an increase in liabilities which exceeds the previous valuation estimate.</p> <hr/> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.</p> | <p><b>Inherent status : 16 High</b></p> <p><b>Current status : 9 Low (Unchanged)</b></p> <p>Risk owner: <b>Mark Gayler</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Strategic</p> <p>Last review: 1 September 2021</p> <p>Latest review details</p> <p>Controls reviewed and updated</p>             | <p><b>Green</b> Life expectancy assumptions are reviewed at each triennial valuation. For the 2022 Valuation this will include 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> |



| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p data-bbox="114 161 506 193">F10: Funding and Investments</p> <p data-bbox="114 236 824 639">Cause:<br/>Inadequate training.<br/>Availability of staff.<br/>Cashflow issues for employers<br/>Event:<br/>Scheme employers' contributions to the Fund are not received, processed and recorded completely and accurately.<br/>Impact:<br/>There are increased costs across all remaining scheme employers.</p> <hr/> <p data-bbox="114 683 824 785">Notes<br/>13/08/2019 - Risk wording updated and category added.</p> | <p data-bbox="831 161 1335 193">Inherent status : 12 Medium</p> <p data-bbox="831 197 1335 229">Current status : 9 Low (Unchanged)</p> <p data-bbox="831 234 1335 266">Risk owner: Mark Gayler</p> <p data-bbox="831 271 1335 303">Accountable officer: Martyn Williams</p> <p data-bbox="831 308 1335 339">Category: Operational</p> <p data-bbox="831 344 1335 376">Last review: 13 May 2021</p> <p data-bbox="831 381 1335 413">Latest review details</p> <p data-bbox="831 418 1335 683">Controls reviewed. The risk of employers being impacted by the Coronavirus COVID-19 pandemic and being unable to meet their obligations to pay contributions payments seems to have receded with no noticeable impact to date.</p> | <p data-bbox="1341 161 2096 229"><b>Completed</b> The team has procedures in place to monitor the receipt of contributions to the fund.</p> <p data-bbox="1341 234 2096 352"><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 data-bbox="1341 357 2096 475"><b>Green</b> Details of any outstanding and overdue contributions are recorded and appropriate action is taken in order to recover payments.</p> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p data-bbox="114 161 506 193">F11: Funding and Investments</p> <p data-bbox="114 236 806 379">Cause:<br/>An employer ceases to exist with insufficient funding available to settle any outstanding debts, or refuses to pay the cessation value.</p> <p data-bbox="114 384 745 488">Event:<br/>Departing employer does not fully meet their liabilities.</p> <p data-bbox="114 493 766 596">Impact:<br/>Increased costs across the remaining scheme employers.</p> <hr/> <p data-bbox="114 644 806 748">Notes<br/>13/08/2019 - Risk wording updated and category added.</p> | <p data-bbox="831 161 1216 193">Inherent status : 12 Medium</p> <p data-bbox="831 197 1198 229">Current status : 6 Low (-3 )</p> <p data-bbox="831 234 1288 266">Risk owner: Charlotte. Thompson</p> <p data-bbox="831 271 1279 303">Accountable officer: Mark Gayler</p> <p data-bbox="831 308 1093 339">Category: Financial</p> <p data-bbox="831 344 1160 376">Last review: 01 Jul 2021</p> <p data-bbox="831 381 1099 413">Latest review details</p> <p data-bbox="831 418 1299 561">Controls updated following the committee approval of the new Deferred Debt and Debt spreading agreements policies.</p> | <p data-bbox="1337 161 2110 344"><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 data-bbox="1337 355 2110 467"><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 data-bbox="1337 478 2110 590"><b>Green</b> Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers.</p> <p data-bbox="1337 601 2110 673"><b>Green</b> The actuarial valuation attempts to balance recovery period with risk of withdrawal.</p> <p data-bbox="1337 684 2110 756"><b>Green</b> If necessary, appropriate legal action will be taken.</p> <p data-bbox="1337 767 2110 919"><b>Completed</b> An Employer Covenant Risk Assessment was undertaken by the Fund Actuary, Barnett Waddingham, in conjunction with the 2019 Triennial Valuation of the Fund.</p> <p data-bbox="1337 930 2110 1002"><b>Green</b> Bond levels for each relevant employer are re-assessed following each triennial actuarial valuation.</p> <p data-bbox="1337 1013 2110 1165"><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> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mitigating controls                                                                                                                                                                                                                                                                                                                                |
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| <p><b>F13: Funding and Investments</b></p> <p>Cause:<br/>Significant economic instability and slowdown as a result of the decision to leave the European Union,</p> <p>Event:<br/>Lower investment returns.</p> <p>Impact:<br/>Financial loss, and/or failure to meet return expectations.<br/>Increased employer contribution costs.</p> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.<br/>29/08/2019 - Risk wording updated.</p> | <p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 8 Low (-8)</b></p> <p>Risk owner: <b>Mark Gayler</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Financial</p> <p>Last review: 14 Jan 2021</p> <p>Latest review details</p> <p>A deal was agreed at the end of December, which has significantly reduced the level of uncertainty. However, there is still likely to be some economic disruption as arrangements settle down, and areas not covered by the deal are addressed. However, the level of risk is now reduced.</p> | <p><b>Amber</b> The long term nature of the Fund's liabilities provides some mitigation, as the impact of "Brexit" will reduce over time.</p> <p><b>Green</b> Diversification of the Fund's investments across the world, including economies where the impact of "Brexit" is likely to be smaller.</p>                                            |
| <p><b>F14: Funding and Investments</b></p> <p>Cause:<br/>UK Leaving the EU.</p> <p>Event:<br/>Updated Legislative and regulatory requirements.</p> <p>Impact:<br/>Additional work to ensure compliance.<br/>Fines for noncompliance.<br/>Damage to reputation.<br/>Loss of members.</p> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.</p>                                                                                          | <p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 8 Low (Unchanged)</b></p> <p>Risk owner: <b>Mark Gayler</b></p> <p>Accountable officer: <b>Charlotte. Thompson</b></p> <p>Category: Compliance</p> <p>Last review: 1 September 2021</p> <p>Latest review details</p> <p>Controls reviewed and confirmed</p>                                                                                                                                                                                                                                       | <p><b>Amber</b> The Government is likely to ensure that much of current EU regulation is enshrined in UK law.</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> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Status and Risk owner                                                                                                                                                                                                                                                                                                                                           | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p data-bbox="114 161 506 193">F15: Funding and Investments</p> <p data-bbox="114 236 808 671">Cause:<br/>There is a failure to meet the requirements of the Markets in Financial Instruments Directive II.<br/>Event:<br/>The Devon fund is downgraded to retail client status.<br/>Impact:<br/>Assets are sold at less than fair value .<br/>The Fund is unable to access a range of investment opportunities.<br/>Failure to meet return expectations.<br/>Reduction in diversification.</p> | <p data-bbox="831 161 1218 193">Inherent status : 12 Medium</p> <p data-bbox="831 196 1317 228">Current status : 6 Low (Unchanged)</p> <p data-bbox="831 231 1279 456">Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler<br/>Category: Strategic<br/>Last review: 1 September 2021<br/>Latest review details<br/>Controls reviewed and confirmed</p> | <p data-bbox="1339 161 2063 268"><b>Completed</b> All the Fund's current fund managers and financial counterparties have accepted Devon's application for elective professional client status.</p> <p data-bbox="1339 276 2056 392"><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 data-bbox="1339 400 2092 587"><b>Completed</b> Availability of LGA template to enable the Fund to make multiple applications to financial institutions to opt back up to professional client status, should any new applications or amendments be required.</p> |
| <p data-bbox="114 719 808 817">Notes<br/>13/08/2019 - Risk wording updated and category added.</p>                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                           | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Mitigating controls                                                                                                                                                                 |
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| <p data-bbox="114 161 506 193">F16: Funding and Investments</p> <p data-bbox="114 236 824 528">Cause:<br/>Remedies resulting from McCloud and Sargeant legal cases.<br/>Event:<br/>Significant additional pension liabilities for the Fund.<br/>Impact:<br/>Increased employer contribution costs.</p> <hr/> <p data-bbox="114 571 824 715">Notes<br/>13/08/2019 - Risk wording updated and category added.<br/>29/08/2019 - Risk wording updated.</p> | <p data-bbox="831 161 1335 268">Inherent status : 16 High<br/>Current status : 15 High<br/>(Unchanged)</p> <p data-bbox="831 272 1335 347">Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler</p> <p data-bbox="831 352 1335 427">Category: Strategic<br/>Last review: 21 Jul 2021<br/>Latest review details</p> <p data-bbox="831 464 1335 1016">The Government has confirmed, via a ministerial statement, the key elements of the changes to scheme regulations which will be made in due course. Underpin protection will apply to LGPS members who meet the revised qualifying criteria. However, regulations giving effect to these changes will not be made until after new primary legislation in relation to public service pensions has completed its passage through Parliament and the Government's intention is that regulations will come into force on 1st April 2023.</p> | <p data-bbox="1341 161 2112 268">Amber A level of prudence was incorporated into the 2019 Triennial Valuation to take account of the potential consequences of McCloud/Sargeant</p> |

| Risk details                                                                                                                                                                                                                                                                                                                       | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p><b>F17: Funding and Investments</b></p> <p>Cause:<br/>Climate Change</p> <p>Event:<br/>Impact on investee companies of the consequences of climate change and the transition to a low carbon economy</p> <p>Impact:<br/>Financial loss and/or failure to meet return expectations<br/>Increases employer contribution costs</p> | <p>Inherent status : 16 High<br/>Current status : 12 Medium<br/>(Unchanged)</p> <p>Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler</p> <p>Category:<br/>Last review: 02 Jul 2021<br/>Latest review details<br/>Carbon footprint assessed as at 31 March 2019, 31 December 2019 and 31 December 2020, showing a total of 37% reduction in Weighted Average Carbon Intensity. The Fund is targetting a 7% per annum reduction in its carbon footprint on an ongoing basis.</p> | <p><b>Completed</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 to take climate change risks into account, engage with companies over their approach to climate change issues 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 2020 showed a 37% reduction in the Weighted Average Carbon Intensity of the Fund's equity investments compared with 31 March 2019</p> |
| <p><b>F18: Funding and Investments</b></p> <p>Cause:<br/>Bank of England move to negative interest rates</p> <p>Event:<br/>Money Market funds go negative</p> <p>Impact:<br/>No or negative return on cash balances held which could impact on investment returns</p>                                                              | <p>Inherent status : 8 Low<br/>Current status : 3 Low</p> <p>Risk owner: Charlotte. Thompson<br/>Accountable officer: Mark Gayler</p> <p>Category: Financial<br/>Last review: 02 Jul 2021<br/>Latest review details<br/>Inflationary pressures more likely to cause a rise in interest rates though no movement is expected until late 2022</p>                                                                                                                                           | <p><b>Green</b> Cash balances to remain low</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Status and Risk owner                                                                                                                                                                                                                                                           | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><b>G1: Governance Arrangements</b></p> <p>Cause:<br/>The Administering Authority fails to have appropriate governance arrangements, including the requirement for a Pension Board.</p> <p>Event:<br/>The administering authority is non compliant with legislation and/or best practice.</p> <p>Impact:<br/>There is an inability to determine policy.<br/>There is an inability to make effective decisions.<br/>There is an inability to deliver service.<br/>Negative impact on reputation.</p> | <p>Inherent status : 12 Medium<br/>Current status : 8 Low (Unchanged)</p> <p>Risk owner: Mark Gayler<br/>Accountable officer: Charlotte Thompson</p> <p>Category: Strategic<br/>Last review: 1 September 2021<br/>Latest review details<br/>Controls reviewed and confirmed</p> | <p><b>Completed</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>Completed</b> The Statement is published on the Devon Pensions website:<br/><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>Notes<br/>13/08/2019 - Wording of risk updated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                 | <p><b>Completed</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> <p><b>Completed</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> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                    | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p><b>G2: Governance Arrangements</b></p> <p>Cause:<br/>Poor governance arrangements.</p> <p>Event:<br/>The Investment and Pension Fund Committee and Pension Board are unable to fulfil their responsibilities effectively.</p> <p>Impact:<br/>Non-compliance with legislation and/or best practice.<br/>There is an inability to determine policy, make effective decisions and/or deliver service.<br/>There is a risk to reputation.<br/>Possibility of fines/sanctions.</p> | <p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 9 Low (Unchanged)</b></p> <p>Risk owner: <b>Mark Gayler</b><br/>Accountable officer: <b>Charlotte Thompson</b></p> <p>Category: Operational<br/>Last review: 05 Mar 2021<br/>Latest review details<br/>Updated re Provision of on-line alternative means of delivering on-line training due to Coronavirus pandemic, and current position re provision of web-based member handbook</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> Committee and Pension Board members are asked to complete the Pension Regulator Trustee Toolkit by the end of 2021</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 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 discussion at the Pension Board in April 2019, officers have produced a web based handbook which will be further enhanced following feedback from board and committee members.</p> |
| <p>Notes<br/>13/08/2019 - Wording of risk updated and category added.</p>                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



| Risk details                                                                                                                                                                                                                                                               | Status and Risk owner                                                                                                                                                                                                                                                            | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>I1: Internal</b></p> <p>Cause:<br/>Concentration of knowledge in a small number of staff.</p> <p>Event:<br/>Loss of staff leading to a breakdown in internal processes and service delivery.</p> <p>Impact:<br/>Financial loss and potential risk to reputation.</p> | <p>Inherent status : 16 High<br/>Current status : 12 Medium<br/>(Unchanged)</p> <p>Risk owner: Mark Gayler<br/>Accountable officer: Charlotte Thompson</p> <p>Category: Strategic<br/>Last review: 05 Mar 2021<br/>Latest review details<br/>Controls reviewed and confirmed</p> | <p><b>Green</b> The Investment Manager is able to cover in the absence of the Assistant County Treasurer.</p> <p><b>Completed</b> In 2018 the Head of Peninsula Pensions and the Investment Manager swapped roles to improve the sharing of knowledge and the resilience of the Fund. The change of roles has now been made permanent, but the shared knowledge will continue to provide resilience.</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>Notes</p> <p>13/08/2019 - Risk wording updated and category added.</p> <p>29/08/2019 - Risk wording updated.</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> <p><b>Green</b> Ensure the review of CIPFA's knowledge and skills framework relating to officers results in key outcomes being delivered.</p> |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                     | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p>I2: Internal</p> <p>Cause:<br/>Inadequate treasury management practices.</p> <p>Event:<br/>Fraud, corruption or error.</p> <p>Impact:<br/>Risk of financial loss.<br/>Damage to reputation.</p> <hr/> <p>Notes<br/>13/08/2019 - Risk wording updated and category added.</p>                                                                                                                                                                                    | <p>Inherent status : 12 Medium<br/>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Mark Gayler<br/>Accountable officer: Mark Gayler<br/>Category: Operational<br/>Last review: 1 September 2021<br/>Latest review details<br/>Controls reviewed and updated.<br/>Enforced working at home as a result of the Coronavirus pandemic has demonstrated the effectiveness of the processes in place working remotely</p> | <p>Green Counterparty transactions are authorised by senior staff outside of the investment team.</p> <p>Green All staff are covered by fidelity insurance up to £15 million</p> <p>Green Sufficient members in the team to cover absence and leave - a weekly planner is produced in order to review cover requirements.</p> <p>Green Appropriate separation of duties exists.</p> <p>Green Treasury Management Practices are reviewed and updated regularly.</p> <p>Green Up to date financial regulations and practices.</p> <p>Green Processes in place ensure that all elements of the daily treasury management activity can be carried out remotely away from the office.</p> |
| <p>PP 1 - Annual Benefit Statements</p> <p>Cause/s<br/>Staffing Absences<br/>ICT Failures<br/>Poor data quality</p> <p>Event<br/>Annual Benefit statements are not sent to active and deferred members by 31st August.</p> <p>Impact<br/>Fines from the regulator<br/>Damage to reputation<br/>Increased complaints from Members<br/>Increased demand on resources to rectify the situation<br/>Creation of a backlog of other tasks due to diverted resource.</p> | <p>Inherent status : 8 Low<br/>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p>                                                                                        | <p>Green • 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>Amber 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 2022.</p>                                                                                                                                                                                                             |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Status and Risk owner                                                                                                                                                                                                                                                                                                               | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>PP 2 - Failure to provide basic information about the LGPS</p> <p>Cause/s<br/>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.<br/>General scheme literature not being made available to members.<br/>LGPS Administration team not informed of new members.<br/>Event<br/>Failure to make available provide Basic information about the LGPS including: how benefits are worked out; how member and employer contributions are calculated.<br/>Impact<br/>Negative reporting by or fines from the Pension's regulator.<br/>Damage to reputation.</p> | <p>Inherent status : 10 Medium<br/>Current status : 8 Low (Unchanged)<br/>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p>Green Reviews of documentation/letters<br/>Green Website regularly updated<br/>Green Links to Pension Funds investment information and LGPS included on website<br/>Completed A revised New Starter pack has been designed and is now provided to members<br/>Completed Our methods and content of communication will be reviewed to ensure that members and employers are provided with accurate and relevant information.</p> |
| <p>PP 3 - Non-compliance with legislation and failure to correctly implement new legislation and regulations</p> <p>Cause<br/>Lack of structure/process to identify new legislation as it is released.<br/>Event<br/>Non-compliance with legislation/regulations.<br/>Impact<br/>Incorrect benefit payments.<br/>Damage to reputation.<br/>Fines from Regulators.</p>                                                                                                                                                                                                                                                                                           | <p>Inherent status : 12 Medium<br/>Current status : 6 Low (Unchanged)<br/>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p>Green LGA/External training<br/>Green Project work approach to implementation of legislative changes.<br/>Green In house training for all staff. • Use of Perspective and Bulletins<br/>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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>PP 4 - Failure of employing authority to provide timely and accurate member data</p> <p>Cause<br/>Employing authorities not fulfilling their responsibilities.</p> <p>Event<br/>Delays in the provision of pensions member data.<br/>Inaccuracies in the pension member data.</p> <p>Impact<br/>Incorrect benefit calculations.<br/>Financial Loss due to compensation to members.<br/>Incorrect benefit payments<br/>Delays to payments<br/>Additional work to request and correct information</p> | <p>Inherent status : 12 Medium<br/>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</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> |
| <p>PP 5 - Withdrawal of support for Employer Self Service</p> <p>Cause<br/>Pensions software provider withdrawing support for ESS</p> <p>Event<br/>Employers will no longer be able to access member records, run estimates or submit and receive information via ESS.</p> <p>Impact<br/>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<br/>Current status : 12 Medium</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</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 in the short term.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p data-bbox="114 161 607 188">PP 6 - Communication of Entitlements</p> <p data-bbox="114 236 826 341">Cause<br/>Insufficient communication and engagement with LGPS scheme members/employers.</p> <p data-bbox="114 347 826 523">Event<br/>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 data-bbox="114 529 826 705">Impact<br/>Inability to determine policy<br/>Employees not joining the scheme.<br/>Inability to make effective decisions and/or deliver service</p> | <p data-bbox="831 161 1211 188">Inherent status : 12 Medium</p> <p data-bbox="831 194 1317 221">Current status : 9 Low (Unchanged)</p> <p data-bbox="831 228 1182 255">Risk owner: Daniel Harris</p> <p data-bbox="831 261 1285 288">Accountable officer: Martin Oram</p> <p data-bbox="831 295 1128 322">Category: Operational</p> <p data-bbox="831 328 1173 355">Last review: 13 July 2021</p> <p data-bbox="831 362 1099 389">Latest review details</p> <p data-bbox="831 395 1332 533">Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p>          | <p data-bbox="1337 161 2112 188">Green The Peninsula Pensions website is kept up to date</p> <p data-bbox="1337 194 2063 312">Green Meetings between PP managers and Communications team on a regular basis, with a communications plan and strategy for the year ahead</p> <p data-bbox="1337 319 2036 400">Green Meetings are held with the Funds Employing Authorities and on request for training</p> <p data-bbox="1337 406 1973 488">Green Benefit illustrations are sent annually to contributing and deferred Fund members</p> <p data-bbox="1337 494 1984 576">Green The contact list for employers is updated regularly.</p> <p data-bbox="1337 582 2096 663">Green Annual forums are held for employers and Trade Unions</p> <p data-bbox="1337 670 2096 751">Green The annual report and accounts are published on the Peninsula Pensions website</p> <p data-bbox="1337 758 2112 863">Amber The Peninsula Pensions Senior Management team are in the process of reviewing our communication strategy and requirements to take the service forward.</p> |
| <p data-bbox="114 882 629 909">PP 7 - Non Payment of Pension Benefits</p> <p data-bbox="114 957 826 1062">Cause<br/>Systems Failures<br/>Lack of information from employers<br/>Poor internal processes</p> <p data-bbox="114 1069 826 1174">Event<br/>Pension benefits are not paid.</p> <p data-bbox="114 1181 826 1286">Impact<br/>Damage to Reputation.<br/>Financial loss arising from compensation claims.</p>                                                                                                                                                                | <p data-bbox="831 882 1211 909">Inherent status : 12 Medium</p> <p data-bbox="831 916 1317 943">Current status : 8 Low (Unchanged)</p> <p data-bbox="831 949 1182 976">Risk owner: Daniel Harris</p> <p data-bbox="831 983 1285 1010">Accountable officer: Martin Oram</p> <p data-bbox="831 1016 1128 1043">Category: Operational</p> <p data-bbox="831 1050 1173 1077">Last review: 13 July 2021</p> <p data-bbox="831 1083 1099 1110">Latest review details</p> <p data-bbox="831 1117 1332 1254">Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p data-bbox="1337 882 2058 951">Green The payroll system is set up to pay pensioners monthly.</p> <p data-bbox="1337 957 2069 1075">Green Disaster recovery plan in place with Heywoods which will restore data within 7 days in the event of system failure</p> <p data-bbox="1337 1082 2112 1200">Green The payroll manual has been revised and updated following the introduction of RTI (Real Time Information) and new administration systems.</p> <p data-bbox="1337 1206 2096 1287">Amber Fully updated Pensioner Payroll Manual is now in place. An online training resource is being developed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Risk details                                                                                                                                                                                                                                                                                                                                                     | Status and Risk owner                                                                                                                                                                                                                                                                                                                 | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <p>PP 8 - Payment to deceased pensioners</p> <p>Cause<br/>LGPS Information is not updated as circumstances change.<br/>Poor internal processes.</p> <p>Event<br/>Pension benefits continue to be paid to deceased pensioners.</p> <p>Impact<br/>Damage to Reputation.<br/>Financial loss arising from overpayments.<br/>Additional resource to recover funds</p> | <p>Inherent status : 8 Low<br/>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details</p> <p>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p>Green All pensioners are contacted annually.<br/>Green Pension suspended if post is returned<br/>Green Pensioners are incorporated into National Fraud Initiative<br/>Green Further targeted checks are conducted with credit reference agencies as appropriate<br/>Green Monthly mortality screening is undertaken and any positive matches are ceased immediately<br/>Green Western Union overseas existence service undertaken bi annually<br/>Green 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> |
| <p>PP10 - Data and System Security</p> <p>Cause<br/>Insecure pensions and administration data.</p> <p>Event<br/>Loss/disclosure of Sensitive Data/Information.</p> <p>Impact<br/>Financial costs from legal action.<br/>Fines from ICO.</p>                                                                                                                      | <p>Inherent status : 9 Low<br/>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details</p> <p>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p>Green Access and security controls exist and the system is tested regularly by Heywoods and PP.<br/>Green The system is subject to regular checks by internal audit.<br/>Green 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>                                                                                                                  |

| Risk details                                                                                                                                                                                                                                                                                                                          | Status and Risk owner                                                                                                                                                                                                                                                                                                                  | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p>PP11 - Personal Member Data</p> <p>Cause<br/>Error when printing/sorting/compiling data.<br/>Poor internal processes.</p> <p>Event<br/>Information issued to the wrong person/organisation.</p> <p>Impact<br/>Financial Costs from legal action.<br/>Fines from ICO.</p>                                                           | <p>Inherent status : 9 Low<br/>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</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</p> |
| <p>PP12 - Knowledge Management</p> <p>Cause<br/>Departure or non-availability of staff who hold key knowledge.</p> <p>Event<br/>Breakdown in internal processes and service delivery.</p> <p>Impact<br/>Financial Loss due to costs of obtaining resource, or delays/inefficiencies in existing processes.<br/>Reputation Damage.</p> | <p>Inherent status : 16 High<br/>Current status : 12 Medium (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Strategic<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p><b>Green</b> Knowledge of all tasks are 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.</p> <p><b>Amber</b> The Training and Technical are in the process of creating procedure notes for the team. These will help to ensure consistency across the teams and will assist with the training of new recruits.</p>                                                                                                                                                                             |

| Risk details                                                                                                                                                                                                                                                                                                                               | Status and Risk owner                                                                                                                                                                                                                                                                                                                                                                        | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p data-bbox="114 161 548 193">PP13 - Scheme Membership Data</p> <p data-bbox="114 236 645 600">Cause<br/>Incorrect information from employers.<br/>Fraudulent provision of data.<br/>System errors<br/>Poor internal processes.<br/>Event<br/>Unauthorised or invalid payments.<br/>Impact<br/>Financial loss<br/>Reputational Damage</p> | <p data-bbox="831 161 1317 229">Inherent status : 9 Low<br/>Current status : 6 Low (Unchanged)</p> <p data-bbox="831 236 1285 533">Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p data-bbox="1337 161 2069 229"><b>Green</b> Information and instructions are only accepted from authorised sources.</p> <p data-bbox="1337 244 2092 312"><b>Green</b> Employers and scheme members are required to review and confirm membership records annually</p> <p data-bbox="1337 327 2101 395"><b>Green</b> Benefit calculations are checked by senior colleagues and are subject to independent authorisation</p> <p data-bbox="1337 410 2007 520"><b>Green</b> All transactions comply with DCC financial regulations and are subject to independent authorisation</p> <p data-bbox="1337 534 2063 603"><b>Green</b> All staff are covered by fidelity insurance up to £15 million</p> <p data-bbox="1337 617 1977 686"><b>Green</b> Members approaching 75 are separately identified monthly</p> <p data-bbox="1337 700 2092 769"><b>Green</b> Data accuracy checks undertaken by the systems team including address / NINO checks</p> <p data-bbox="1337 783 1955 826"><b>Completed</b> Employer Self Service introduced.</p> <p data-bbox="1337 841 2107 1021"><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 2022.</p> |



| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                           | Status and Risk owner                                                                                                                                                                                                                                                                                                                  | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <p>PP14 - Compliance with Disclosure Regulations</p> <p>Cause<br/>Requirement to issue information within a certain timescale after a request/event.</p> <p>Event<br/>Failure to comply with disclosure regulations and to process accurate pension benefit payments in a timely manner.</p> <p>Impact<br/>Complaints which take up time to resolve.<br/>Additional Time spent chasing data<br/>Regulator Fines<br/>Compensation costs for members</p> | <p>Inherent status : 9 Low<br/>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p>     | <p>Green Robust workflow management system in place.<br/>Green Payroll deadline procedures in place<br/>Green Item in Business Continuity/Disaster Recovery Plan<br/>Green Participate in National Fraud Initiative (NFI)<br/>Green Life Certificates exercise carried out /mortality checks<br/>Amber Full review of performance within PP being conducted to incorporate Employer performance and Admin strategies</p>                                          |
| <p>PP15 - Fraud, Corruption and Error</p> <p>Cause<br/>Poorly designed or implemented management practices/processes.<br/>Staff deliberately updating or providing fraudulent data.</p> <p>Event<br/>Fraud, corruption or error.</p> <p>Impact<br/>Financial Loss<br/>Reputational Damage</p>                                                                                                                                                          | <p>Inherent status : 12 Medium<br/>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p>Green Transactions are authorised by senior staff<br/>Green All staff are covered by fidelity insurance up to £15 million<br/>Green Sufficient members in the team to cover absence and leave<br/>Green Heywoods Audit trace report<br/>Green Appropriate separation of duties exists<br/>Green Up to date regulations and practices<br/>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>PP16 - Loss of Shared Service Partner</p> <p>Cause<br/>Shared service partner choosing to use a different pensions administrator.</p> <p>Event<br/>Peninsula pensions no longer operates on the same scale.</p> <p>Impact<br/>Reputational Damage.<br/>Loss of staff / redundancies.</p>                                                              | <p>Inherent status : 9 Low<br/>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Strategic<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p>       | <p>Green Constant assessment of Performance</p> <p>Green Quarterly Shared Service meetings with key Fund colleagues</p> <p>Green Regular meetings between Peninsula Pensions and Employers</p> <p>Green Employer Newsletters</p> <p>Amber Full review of performance within PP being conducted to incorporate Employer performance and Admin strategies</p> |
| <p>PP17 - Pensions System Failure</p> <p>Cause<br/>Connection issues.<br/>Supplier fault<br/>Cyber Attack.</p> <p>Event<br/>The hosted Altair pensions system fails.</p> <p>Impact<br/> <ul style="list-style-type: none"> <li>• Loss of sensitive data.</li> <li>• Reputation risk.</li> <li>• Financial loss arising from legal action</li> </ul> </p> | <p>Inherent status : 15 High<br/>Current status : 15 High (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p>Green The system is backed-up daily. System is hosted by Heywoods</p> <p>Green A full disaster recovery plan and Business Continuity Plan is in place and tested/updated annually.</p>                                                                                                                                                                   |

| Risk details                                                                                                                                                                                                                                                                                                                                                   | Status and Risk owner                                                                                                                                                                                                                                                                                                                        | Mitigating controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>PP18 - Cyber Attack</p> <p>Cause<br/>Cyber-attack on the Pensions ICT systems and or host systems.</p> <p>Event<br/>Loss of system access.<br/>Theft of confidential/personal data.</p> <p>Impact<br/>Inability to make payments to members.<br/>Fines from the ICO.<br/>Financial loss.<br/>Loss of membership data.<br/>Disclosure of sensitive data.</p> | <p>Inherent status : 15 High<br/>Current status : 10 Medium<br/>(Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p> | <p>Green 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>Green A full disaster recovery plan and Business Continuity Plan is in place and tested/updated annually</p> <p>Green 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>PP19 - Member Self Service</p> <p>Cause<br/>Member Self Service access is compromised due to insecurity or lack of maintenance.</p> <p>Event<br/>Data is accessed and or obtained inappropriately.</p> <p>Impact<br/>Damage to reputation<br/>Loss of data<br/>Fines from ICO.</p>                                                                          | <p>Inherent status : 9 Low<br/>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Daniel Harris<br/>Accountable officer: Martin Oram<br/>Category: Operational<br/>Last review: 13 July 2021<br/>Latest review details<br/>Risks and mitigating controls remain appropriate. Risks reviewed by the Devon Pension 13/07/2021</p>           | <p>Green Information and Instructions are only accepted from authorised sources</p> <p>Green 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>Green Regular penetration testing</p> <p>Green Secure website (annual license renewal)</p>                                                                                                                                                                                                                                                                  |

01 September 2021