

## PENSION FUND RISK REGISTER

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

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

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#### **1) Recommendation**

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

#### **2) Introduction**

- 2.1 Effective risk management is an essential part of any governance framework as it identifies risks and the actions required to mitigate their potential impact. For a pension fund, those risks will come from a range of sources including the funding position, investment performance, membership changes, benefits administration, costs, communications and financial systems. Good information is important to help ensure the complete and effective identification of significant risks and the ability to monitor those risks. The risks that have been identified are incorporated into the Fund's Risk Register.
- 2.2 The Pension Board monitors the Risk Register as part of its scrutiny role in relation to risk and compliance and will raise any specific concerns to the Investment and Pension Fund Committee, as necessary. The Board previously considered the Risk Register at its meeting on 13<sup>th</sup> October 2023, and comments made at board meetings have been taken on board in updating the register.
- 2.3 The Risk Register is attached at Appendix 1 to this report. It highlights the key risks in relation to the Pension Fund, the current processes in place to mitigate the risk, and the planned improvements in place to provide further assurance. It incorporates the risk register of both the Investments Team and Peninsula Pensions.
- 2.4 The Investment and Pension Fund Committee is the ultimate risk owner for the Pension Fund and last reviewed the Risk Register in September 2023.

### 3) Assessment of Risk

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

### 4) Revisions to the Risk Register

- 4.1 For the Pension Fund the following amendments have been made
- F13 (Climate) control updated to completed following the move of all passive equities into the Paris aligned Benchmark fund.
  - I1 and F6 A new mitigating control has been added regarding internal audits due to be undertaken shortly.
  - B3 Brunel Governance. A mitigating control has been updated from amber to green now that the people strategy is in place and posts filled.
  - Risk P5 has been removed following the successful implementation of an internal solution to the employer self service system
- 4.2 There are now 42 risks recorded in the Risk Register, 23 of which relate to Devon Pension Fund management and 19 to Peninsula Pensions. The following table summarises the number of risks assigned to low, medium and high-risk scores, before and after mitigation.

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

<b>Peninsula Pensions</b>		
High	3	0
Medium	8	4
Low	8	15

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

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

## **5) Conclusion**

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

### **Angie Sinclair**

Director of Finance and Public Value

**Electoral Divisions:** All

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

Nil

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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																																
<p><b>Risk:</b> an event or action that will have affect our ability to achieve our <b>objectives</b>                      Opportunities <b>and</b> Threats                      Event leads to Impact                      Identify in groups - by those responsible for delivery of the objectives</p> <p><b>When:</b>                      Setting strategic aims                      Setting business objectives                      Early stages of project planning &amp; key stages                      Entering partnerships</p> <p><b>Categories can help:</b>                      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="633 635 1104 938"> <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?                      Can we reduce impact?                      Can we change the consequences?</p> <p>Treat                      Transfer                      Tolerate                      Terminate</p> <p>Devise Contingencies                      Business Continuity Planning</p>	<p>Risk Registers:                      Baseline data to be prepared and monitored regularly; these should clearly indicate impacts, responses and contingencies as well as the risk owner.                      Use early warning indicators.                      Review Top Risks regularly as agenda item.                      Report progress to senior management.</p> 
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																																		


## Risks: Devon Pension Fund


Risk status (score)	Overdue (0 - 0)	Low (1 - 9)	Medium (10 - 14)	High (15 - 23)	Very high (24 - 30)
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Mitigating controls	Not started	Green	Amber	Red	Completed
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Risk details	Status and Risk owner	Mitigating controls
<p><b>A1: Accounting</b></p> <p>Cause: Lack of training/awareness around pension fund accounting regulations.</p> <p>Event: Non compliance with accounting regulations and fin regs.</p> <p>Impact: Reputational damage. Qualified accounts.</p> <p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 9 Low ( <input type="checkbox"/> Unchanged)</p> <p>Risk owner: <a href="#">Mark Gayler</a></p> <p>Accountable officer: <a href="#">Philip Edwards</a></p> <p>Category: Compliance</p> <p>Last review: 15<sup>th</sup> January 2024</p> <p>Latest review details Controls reviewed and confirmed.</p>	<p><b>Green</b> Staff are kept up to date with changes to legislative requirements via network meetings, professional press, training and internal communication procedures.</p> <p><b>Green</b> Pension Fund financial management and administration processes are maintained in accordance with the CIPFA Code of Practice, International Financial Reporting Standards (IFRS), and the DCC Financial Regulations.</p> <p><b>Green</b> Regular reconciliations are carried out between in-house records and those maintained by the custodian and investment managers.</p> <p><b>Green</b> Internal Audits are carried out on an annual basis.</p> <p><b>Green</b> External Audit review the Pension Fund's accounts annually.</p>


Risk details	Status and Risk owner	Mitigating controls
<p><b>B3: Brunel Pension Partnership</b></p> <p>Cause: Ineffective governance of Brunel or departure of key people from Brunel</p> <p>Event: Ineffective management of the Fund's investments or at the extreme breakup of the partnership.</p> <p>Impact: Significant costs to the Fund and financial loss. Reputational damage.</p>	<p><b>Inherent status : 16 High</b></p> <p><b>Current status : 12 Medium (Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Operational</p> <p>Last review: 15 January 2024</p> <p>Latest review details</p> <p>Review of mitigating actions and updated</p>	<p><b>Green</b> Shareholder agreement in place sets out governance framework and is regularly reviewed</p> <p><b>Green</b> Strong team now in place at Brunel, so not dependent on one or two key individuals.</p> <p><b>Green</b> Brunel have their own risk register which is regularly monitored both by the Brunel Board and the Oversight Board and Client Group.</p> <p><b>Green</b> Brunel have put in place a revised People Strategy to support recruitment and retention of key staff though some key posts are still to be filled</p>
<p><b>Cm1: Communication</b></p> <p>Cause: Inadequate communications plan and/or insufficient resource to action.</p> <p>Event: Insufficient communication and engagement with pension fund stakeholders.</p> <p>Impact: Damage to reputation. Uniformed policy decisions. Non compliance with legislation/best practice.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 9 Low (Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Operational</p> <p>Last review: 15<sup>th</sup> January 2024</p> <p>Latest review details</p> <p>Controls reviewed and updated. Risk score reviewed</p>	<p><b>Amber</b> A communications strategy is in place and is currently being reviewed. Due March 2024.</p> <p><b>Green</b> The Devon Investment Services and Peninsula Pensions websites are kept up to date.</p> <p><b>Green</b> Fund Performance is reported to the Investment &amp; Pension Fund Committee on a regular basis.</p> <p><b>Green</b> Meetings are held regularly with the Fund's Employing Authorities.</p> <p><b>Green</b> Benefit illustrations are sent annually to contributing and deferred Fund members.</p> <p><b>Green</b> The contact list for employers is updated regularly.</p> <p><b>Green</b> Annual forums are held for employers and scheme members.</p>

Risk details	Status and Risk owner	Mitigating controls
		<p><b>Green</b> The annual report and accounts are published on the Devon Pension Fund website.</p> <p><b>Green</b> Quarterly investment update is published on the Fund's website</p>
<p><b>Cu1: Custody</b></p> <p>Cause: Changing economic climate, fraud or changing financial position of the Custodian.</p> <p>Event: Failure of Pensions custodian.</p> <p>Impact: Financial loss. Failure to decrease deficit. Adverse media interest/damage to reputation.</p>	<p>Inherent status : 9 Low</p> <p>Current status : 6 Low</p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Operational</p> <p>Last review: 15<sup>th</sup> January 2024</p> <p>Latest review details</p> <p>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>Green</b> The custodian must adhere to FCA and PRA financial regulations.</p> <p><b>Green</b> Fund assets are protected in the event of insolvency of the custodian</p>
<p>Notes</p> <p>13/08/2019 - Risk wording updated and category added.</p> <p>29/08/2019 - Risk wording updated.</p>		
<p><b>D1: Data Protection</b></p> <p>Cause: Failure to secure and maintain pension fund systems.</p> <p>Event: Loss of sensitive data.</p> <p>Impact:</p>	<p>Inherent status : 9 Low</p> <p>Current status : 6 Low (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Operational</p> <p>Last review: 15<sup>th</sup> January 2024</p> <p>Latest review details</p> <p>Review of controls and risk score</p>	<p><b>Green</b> It is a mandatory requirement for all DCC employees to undertake Data Protection training and to adhere to DCC's data protection policy.</p>


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



Risk details	Status and Risk owner	Mitigating controls
<p>updated to reflect delay in producing handbook due to delay in new website</p>		<p><b>Green</b> Members and Officers are encouraged to challenge advice and guidance received when necessary.</p> <p><b>Green</b> Sharepoint site dedicated to training and knowledge in development is in place</p> <p><b>Green</b> An induction session and pack will be provided for new members of the Committee and Board.</p>
<p><b>F 2: Funding and Investments</b></p> <p>Cause: The Pension Fund's investment strategy / strategic asset allocation fails to produce the required returns.</p> <p>Event: Volatility in the global and/or UK economy due to e.g. geo-political instability, changes to interest rates, Brexit, etc.</p> <p>Impact: Financial loss. Insufficient funds available to meet future obligations.</p> <p>Notes 13/08/2019 - Wording of risk updated and category added.</p>	<p>Inherent status : 20 High</p> <p>Current status : 15 High (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Financial</p> <p>Last review: 15<sup>th</sup> January 2024</p> <p>Latest review details</p> <p>Mitigations remain in place</p>	<p><b>Green</b> Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. Employer contribution rates are set in response to this. The 2022 actuarial valuation includes provision for the fund to achieve full funding over 15 years.</p> <p><b>Green</b> The funding level is updated on a quarterly basis, based on roll forward of the Triennial valuation data and subsequent investment returns, pension and salary increases and reported to the Committee.</p> <p><b>Green</b> The investment strategy is reviewed annually by the Pension Fund Committee with advice from the External Investment Advisor to determine whether any action needs to be taken to amend the fund's asset allocation strategy.</p> <p><b>Green</b> The Fund's investments are diversified across a range of different types of assets and globally to minimise the impact of losses in individual markets.</p> <p><b>Green</b> Fund-specific benchmarks and targets are set. Assets are under regular review as</p>

Risk details	Status and Risk owner	Mitigating controls
		<p>part of the fund's performance management framework</p> <p><b>Green</b> Long term nature of the Fund provides some mitigation as the volatility caused by issues such as Brexit will reduce over time.</p> <p><b>Green</b> External review of the Fund's investment strategy is commissioned at minimum every three years. The last review was undertaken by Mercers who presented their review to the Investment and Pension Fund committee in February 2022.</p> <p><b>Green</b> Investment and Pension Fund Committee review and monitor the performance of Brunel and the underlying fund managers quarterly</p>
<p><b>F 3: Funding and Investments</b></p> <p>Cause: Collapse of Fund manager, investment arrangements are structured poorly, fraud.</p> <p>Event: The fund is exposed to unnecessary risks and avoidable costs.</p> <p>Impact: Financial loss.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p><b>Inherent status : 10 Medium</b></p> <p><b>Current status : 8 Low (  Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Operational</p> <p>Last review: 15<sup>th</sup> January 2024</p> <p>Latest review details</p> <p>Controls reviewed and confirmed</p>	<p><b>Green</b> The Fund's investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets.</p> <p><b>Green</b> The new cost transparency initiative should ensure full transparency of costs</p> <p><b>Green</b> Specialist services (e.g. transitions, currency transfers) are considered where appropriate in order to reduce costs.</p> <p><b>Green</b> The Investment and Pension Fund Committee will monitor investment arrangements under Brunel to ensure they provide for effective risk management and risk adjusted returns across the portfolios.</p>

Risk details	Status and Risk owner	Mitigating controls
		<p><b>Green</b> Fund managers are required to be fully compliant with FCA, PRA and other regulatory requirements.</p> <p><b>Green</b> The risk that a fund manager cannot provide a service during windup is mitigated by the availability of transition management arrangements put in place by the Brunel Pension Partnership.</p>
<p><b>F 4: Funding and Investments</b></p> <p>Cause: Inadequate risk management policies on Environmental, Social and Governance Issues. Lack of awareness/training. Event: The fund fails to manage environmental, social and governance risks. Impact: Financial loss. Damage to reputation.</p> <hr/> <p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated</p>	<p><b>Inherent status : 15 High</b></p> <p><b>Current status : 8 Low (Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Operational Last review: 15<sup>th</sup> January 2024 Latest review details Controls reviewed and confirmed</p>	<p><b>Green</b> The Fund requires the Brunel Pension Partnership, and its other fund managers, to monitor and manage the risks associated with ESG issues, and will review with managers on a regular basis how they are managing those risks. Brunel has a leading reputation for responsible investment.</p> <p><b>Green</b> The Fund will engage (through Brunel, its asset managers, the Local Authority Pension Fund Forum or other resources) with investee companies to ensure they can deliver sustainable financial returns over the long term.</p> <p><b>Green</b> The Fund holds annual meetings for both employers and scheme members to provide the opportunity for discussion of investment strategy and consideration of non-financial factors.</p> <p><b>Green</b> The Fund is accredited by the FRC as a signatory to the UK Stewardship Code</p>
<p><b>F 5: Funding and Investments</b></p> <p>Cause:</p>	<p><b>Inherent status : 20 High</b></p> <p><b>Current status : 16 High (Unchanged)</b></p>	<p><b>Green</b> The fund is well diversified and consists of a wide range of asset classes which aims to mitigate the impact of poor</p>


Risk details	Status and Risk owner	Mitigating controls
<p>Global financial crisis. Substantial political changes. Event: The market crashes, reducing the value of investments. Impact: The deficit increases, or there is a failure to reduce the deficit. Financial loss. Increased employer contribution costs.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Risk owner: <a href="#">Charlotte. Thompson</a> Accountable officer: <a href="#">Mark Gayler</a> Category: Financial Last review: 15<sup>th</sup> January 2024 Latest review details (F6) Controls reviewed and confirmed</p>	<p>performance from an individual market segment.</p> <p><b>Green</b> Investment performance reporting and monitoring arrangements exist which provide the committee and investment officers with the flexibility to rebalance the portfolio in a timely manner.</p> <p><b>Green</b> The long term nature of the liabilities provides some mitigation, in that markets tend to bounce back after crashes, such that the impact is significantly reduced.</p>
<p><b>F 6: Funding and Investments</b></p> <p>Cause: Substantial changes to UK or global economies. Event: Pay and price inflation are higher than anticipated. Impact: There is an increase in liabilities which exceeds the previous valuation estimate.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p><b>Inherent status : 16 High</b> <b>Current status : 12 Medium (Unchanged)</b> </p> <p>Risk owner: <a href="#">Charlotte. Thompson</a> Accountable officer: <a href="#">Mark Gayler</a> Category: Strategic Last review: 15<sup>th</sup> January 2024 Latest review details (F7) Controls reviewed and updated</p>	<p><b>Green</b> The triennial actuarial valuation review focuses on the real returns on assets, net price and pay increases.</p> <p><b>Green</b> Employers pay for their own salary awards and are reminded of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer serving employees.</p> <p><b>Green</b> The Fund is increasing its target allocation to investments in infrastructure funds with inflation linked returns, to act as a hedge against inflation increases.</p> <p><b>Green</b> Inflation risk was addressed in the strategic reviewed undertaken by Mercer which was presented to the Investment and Pension Fund committee in February 2022.</p> <p><b>Amber</b> Audit on inflation risk due Q1 2024</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>F 7: Funding and Investments</b></p> <p>Cause: Public services are cut and ill health increases.</p> <p>Event: There is an increase in the number of early retirements.</p> <p>Impact: There is an increase in liabilities which exceeds the previous valuation estimate.</p> <hr/> <p>Notes 13/08/2019 - Risk wording changed and category added.</p>	<p><b>Inherent status : 9 Low</b></p> <p><b>Current status : 6 Low</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: 15<sup>th</sup> January 2024</p> <p>Latest review details (F8) 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 8: Funding and Investments</b></p> <p>Cause: The average life expectancy of pensioners is greater than assumed.</p> <p>Event: The actuarial assumptions are incorrect.</p> <p>Impact: There is an increase in liabilities which exceeds the previous valuation estimate.</p> <hr/> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 9 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: 15<sup>th</sup> January 2024</p> <p>Latest review details (F9) Controls reviewed and confirmed.</p>	<p><b>Green</b> Life expectancy assumptions are reviewed at each triennial valuation. For the 2022 Valuation this included a review of the impact of COVID19 on mortality.</p> <p><b>Green</b> Mortality assumptions include an allowance for future increases in life expectancy.</p> <p><b>Green</b> Data used for the 2022 valuation suggest that life expectancy improvements are slowing down</p>
<p><b>F9: Funding and Investments</b></p> <p>Cause: Inadequate training.</p>	<p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 9 Low (Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p>	<p><b>Green</b> The team has procedures in place to monitor the receipt of contributions to the fund.</p>

Risk details	Status and Risk owner	Mitigating controls
<p>Availability of staff. Cashflow issues for employers Event: Scheme employers' contributions to the Fund are not received, processed and recorded completely and accurately. Impact: There are increased costs across all remaining scheme employers.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p>Category: Operational Last review: 15<sup>th</sup> January 2024 Latest review details (F10) Review of controls</p>	<p><b>Green</b> The team communicates regularly with scheme employers to ensure that contributions are made in a timely manner and are recorded accurately.</p> <p><b>Green</b> Details of any outstanding and overdue contributions are recorded and appropriate action is taken in order to recover payments.</p> <p><b>Green</b> Contribution monitoring report is presented to the Pensions Board at each meeting for review</p>
<p><b>F10: Funding and Investments</b></p> <p>Cause: An employer ceases to exist with insufficient funding available to settle any outstanding debts, or refuses to pay the cessation value. Event: Departing employer does not fully meet their liabilities. Impact: Increased costs across the remaining scheme employers.</p> <p>Notes 13/08/2019 - Risk wording updated 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> Accountable officer: <b>Mark Gayler</b> Category: Financial Last review: 15<sup>th</sup> January 2024 Latest review details (F11) Controls reviewed</p>	<p><b>Green</b> Vetting prospective employers before admission and ensuring that they fully understand their obligations. Applications for admission to the Fund are considered carefully and a bond or guarantee is put into place if required.</p> <p><b>Green</b> The Actuary has an objective of keeping contributions as stable as possible whilst ensuring the long term solvency of the Fund.</p> <p><b>Green</b> Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers.</p> <p><b>Green</b> The actuarial valuation attempts to balance recovery period with risk of withdrawal.</p> <p><b>Green</b> If necessary, appropriate legal action will be taken.</p>

Risk details	Status and Risk owner	Mitigating controls
		<p><b>Green</b> Bond levels for each relevant employer and Employer covenant risks are re-assessed following each triennial actuarial valuation.</p> <p><b>Green</b> Following changes to regulations, new policies have been put into place with regard to Deferred Debt and Debt Spreading Agreements. These will assist in managing exiting employer deficits.</p>
<p><b>F11: Funding and Investments</b></p> <p>Cause: Failure to meet regulatory requirements</p> <p>Event: Updated Legislative and regulatory requirements.</p> <p>Impact: Additional work to ensure compliance. Fines for noncompliance. Damage to reputation. Loss of members.</p> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 8 Low (Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Compliance</p> <p>Last review: 15<sup>th</sup> January 2024</p> <p>Latest review details (F14) Controls reviewed</p>	<p><b>Amber</b> Currently much of the EU regulation has been retained in UK law following Brexit although this could change</p> <p><b>Green</b> Officers receive regular briefing material on regulatory changes and attend training seminars and conferences, in order to ensure that any regulatory changes are implemented in the management of the Fund.</p> <p><b>Green</b> All the Fund's current fund managers and financial counterparties have accepted Devon's application for elective professional client status</p> <p><b>Green</b> Robust training plan to ensure committee and officers have required knowledge and experience to meet the qualitative criteria to opt up.</p>
<p><b>F12: Funding and Investments</b></p> <p>Cause: Remedies resulting from McCloud and Sargeant legal cases.</p> <p>Event: Significant additional pension liabilities for</p>	<p><b>Inherent status : 10 Medium</b></p> <p><b>Current status : 10 Medium</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: 15<sup>th</sup> January 2024</p>	<p><b>Green</b> Employer costs from the 2022 valuation has included estimated impact of McCloud</p> <p><b>Green</b> CPI revaluation on CARE benefits currently high which will result in the McCloud guarantee applying to less members</p>



Risk details	Status and Risk owner	Mitigating controls
<p>the Fund. Impact: Increased employer contribution costs.</p> <hr/> <p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated.</p>	<p>Latest review details (F16) Controls reviewed</p>	<p>though actual impact unknown until the member leaves</p>
<p><b>F13: Funding and Investments</b></p> <p>Cause: Climate Change Event: Impact on investee companies of the consequences of climate change and the transition to a low carbon economy Impact: Financial loss and/or failure to meet return expectations Increases employer contribution costs</p>	<p>Inherent status : 16 High Current status : 12 Medium (  Unchanged)</p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Last review: 15<sup>th</sup> January 2024 (F17) updated control following completion of the move of all passive equities to the PAB fund</p>	<p><b>Green</b> 100% of Brunel’s portfolios, across all asset classes, are carbon and climate aware. Consideration of climate change impacts is fully embedded into their manager selection process</p> <p><b>Green</b> Brunel integrates climate change into their risk management process, using carbon footprinting, assessing fossil fuel exposure and challenging managers on physical risks, and seek to reduce unrewarded climate and carbon risk.</p> <p><b>Green</b> The Devon Fund requires its non-Brunel investment managers (Infrastructure and Private Debt) to take climate change risks into account and report back regularly.</p> <p><b>Green</b> The Devon Fund will undertake an annual assessment of the carbon footprint of its investments. The assessment as at 31 December 2022 showed a 45% reduction in the Weighted Average Carbon Intensity of the Fund’s equity investments compared with 31 March 2019</p> <p><b>Green</b> The Investment Strategy Statement contains the Fund’s approach to Climate</p>



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

Risk details	Status and Risk owner	Mitigating controls
		Not Started - Business Continuity Plans include supplier contact details and plan to be tested every 12 months. The plan is reviewed by the Pensions Board.
<p><b>G1: Governance Arrangements</b></p> <p>Cause: The Administering Authority fails to have appropriate governance arrangements, including the requirement for a Pension Board.</p> <p>Event: The administering authority is non compliant with legislation and/or best practice.</p> <p>Impact: There is an inability to determine policy. There is an inability to make effective decisions. There is an inability to deliver service. Negative impact on reputation.</p> <hr/> <p>Notes 13/08/2019 - Wording of risk updated.</p>	<p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 8 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: 15<sup>th</sup> January 2024</p> <p>Latest review details</p> <p>Controls and risk score reviewed</p>	<p><b>Green</b> DCC has produced a Governance Policy and Compliance Statement, as required by regulation 31 of the LGPS Regulations 2008.</p> <p><b>Green</b> The Governance Policy and Compliance Statement is reviewed and updated regularly and scheme employers are consulted to ensure that the policy remains appropriate.</p> <p><b>Green</b> The Statement is published on the Devon Pensions website: <a href="https://www.devonpensionfund.org.uk/fund-policies/important-documents/">https://www.devonpensionfund.org.uk/fund-policies/important-documents/</a></p> <p><b>Green</b> Pension fund stakeholders are made aware of the Statement.</p> <p><b>Green</b> DCC has appointed an Investment and Pension Fund Committee to discharge the duties of the Council as Administering Authority of the Pension Fund.</p> <p><b>Green</b> The Committee review and approve the annual statement of accounts of the Devon Pension Fund, consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from any audit that need to be brought to the attention of the Council.</p>

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

Risk details	Status and Risk owner	Mitigating controls
		<p>being held with the Brunel Pension Partnership.</p> <p><b>Green</b> Committee and Pension Board members are made aware of and adhere to the Governance Compliance Statement, and are encouraged to identify training requirements.</p> <p><b>Green</b> Following a request by the Pension Board, officers have produced a web based handbook to act as a knowledge hub</p>
<p><b>I1: Internal</b></p> <p>Cause: Concentration of knowledge in a small number of staff.</p> <p>Event: Loss of staff leading to a breakdown in internal processes and service delivery.</p> <p>Impact: Financial loss and potential risk to reputation.</p> <p>Notes 13/08/2019 - Risk wording updated and category added. 29/08/2019 - Risk wording updated.</p>	<p><b>Inherent status : 16 High</b></p> <p><b>Current status : 12 Medium (Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b> Accountable officer: <b>Mark Gayler</b> Category: Strategic Last review: 15<sup>th</sup> January 2024 Latest review details Controls and risk score reviewed</p>	<p><b>Green</b> The Investment Manager is able to cover in the absence of the Head of Investments</p> <p><b>Green</b> Knowledge of all tasks shared by at least two team members and can in addition be covered by senior staff.</p> <p><b>Green</b> Training requirements are set out in job descriptions and reviewed annually with team members through the appraisal process.</p> <p><b>Green</b> A formal training record for officers is maintained centrally.</p> <p><b>Green</b> A procedure manual is in place which sets out work instructions for the majority of crucial tasks undertaken.</p> <p><b>Green</b> The Devon Investment Services procedure manual will continue to be refined and updated on an ongoing basis.</p>

Risk details	Status and Risk owner	Mitigating controls
		<p><b>Green</b> The review of CIPFA’s knowledge and skills framework relating to officers should result in key outcomes being delivered.</p> <p>Not Started – Internal audit on succession planning due Q1 2024</p>
<p><b>I2: Internal</b></p> <p>Cause: Inadequate treasury management practices.</p> <p>Event: Fraud, corruption or error.</p> <p>Impact: Risk of financial loss. Damage to reputation.</p> <hr/> <p>Notes 13/08/2019 - Risk wording updated and category added.</p>	<p><b>Inherent status : 12 Medium</b></p> <p><b>Current status : 9 Low ( Unchanged)</b></p> <p>Risk owner: <b>Charlotte. Thompson</b></p> <p>Accountable officer: <b>Mark Gayler</b></p> <p>Category: Operational</p> <p>Last review: 23 August 2023</p> <p>Latest review details</p> <p>Controls reviewed and remain appropriate</p>	<p><b>Green</b> Counterparty transactions are authorised by senior staff outside of the investment team.</p> <p><b>Green</b> All staff are covered by fidelity insurance up to £15 million</p> <p><b>Green</b> Sufficient members in the team to cover absence and leave</p> <p><b>Green</b> Appropriate separation of duties exists.</p> <p><b>Green</b> Treasury Management Practices are reviewed and updated regularly.</p> <p><b>Green</b> Up to date financial regulations and practices.</p> <p><b>Green</b> Processes in place ensure that all elements of the daily treasury management activity can be carried out remotely away from the office.</p> <p><b>Completed</b> Annual internal audit undertaken which achieved substantial assurance level</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP – Readiness for connection to Pensions dashboards</p> <p>Cause(s)- Lack of resource/capacity to fully implement the required changes in a timely way; Delays in receiving national guidance.</p> <p>Event Peninsula Pensions is not fully prepared for connection to Pensions dashboards</p> <p>Impact(s) – Scheme members experience delays in connections to dashboards In the absence of connection to dashboards Members planning for retirement could experience delays in identifying their pensions/understanding the value of their pensions</p> <p>Reputational impact to Peninsula Pensions</p> <p>Possible legal implications (fines/penalties) for Peninsula Pensions</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb</p> <p>Accountable officer: Daniel Harris</p> <p>Category: Compliance</p> <p>Last review: 1 Dec 2023</p> <p>Latest review details</p> <p>Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p>Green</p> <p>Internal project team in place</p> <p>Green</p> <p>Communications to employers and members</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP – Readiness for implementation of changes relating to the McCloud judgment</p> <p>Cause(s) – Lack of resource/capacity to fully implement the required changes in a timely way; Delays in receiving national guidance. Event – Peninsula Pensions is not fully prepared for implementation of the legislative changes (remedy) following the McCloud judgement. Impact(s) – Scheme members experience delays in the ‘remedy’ being applied Financial impact to scheme members Reputational impact to Peninsula Pensions Possible legal implication (fines/penalties) for Peninsula Pensions</p>	<p>Inherent status : 12 Medium Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Compliance Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p>Green</p> <p>Internal project team in place</p> <p>Green</p> <p>Data cleansing activity underway including with employers</p> <p>Green</p> <p>Communications to employers and members</p>

Risk details	Status and Risk owner	Mitigating controls
<p data-bbox="190 172 672 209">PP 1 - Annual Benefit Statements</p> <p data-bbox="190 248 792 834">Cause/s Staffing Absences ICT Failures Poor data quality Event Annual Benefit statements are not sent to active and deferred members by 31st August. Impact Fines from the regulator Damage to reputation Increased complaints from Members Increased demand on resources to rectify the situation Creation of a backlog of other tasks due to diverted resource.</p>	<p data-bbox="792 172 1413 209">Inherent status : 8 Low</p> <p data-bbox="792 209 1413 248">Current status : 6 Low (Unchanged)</p> <p data-bbox="792 248 1413 288">Risk owner: Rachel Lamb</p> <p data-bbox="792 288 1413 328">Accountable officer: Daniel Harris</p> <p data-bbox="792 328 1413 368">Category: Operational</p> <p data-bbox="792 368 1413 408">Last review: 1 Dec 2023</p> <p data-bbox="792 408 1413 448">Latest review details</p> <p data-bbox="792 448 1413 834">Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p data-bbox="1413 172 2036 408"><b>Green</b> • Project management approach • Regular contact with employers to obtain data. • Monthly interfacing to reduce workload at year end • Statements to employers for 31/07 to allow time for distribution to staff prior to 31/08</p> <p data-bbox="1413 408 2036 834"><b>Amber</b> Following the completion of the historic data sign off exercise, employers will move to monthly interfacing which will reduce the number of queries at year-end. Target date for completion is 31st March 2023.</p>



Risk details	Status and Risk owner	Mitigating controls
<p>PP 2 - Failure to provide basic information about the LGPS</p> <p>Cause/s Inability to access basic LGPS information via the website due to IT issues or non publication. Starter Packs not being sent and/or received by members. General scheme literature not being made available to members. LGPS Administration team not informed of new members.</p> <p>Event Failure to make available provide Basic information about the LGPS including: how benefits are worked out; how member and employer contributions are calculated.</p> <p>Impact Negative reporting by or fines from the Pension's regulator. Damage to reputation.</p>	<p>Inherent status : 10 Medium Current status : 8 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate Risk reviewed by the Pension Board on 13<sup>th</sup> Oct 2023</p>	<p>Green Reviews of documentation/letters Green Website regularly updated Completed Links to Pension Funds investment information and LGPS included on website Completed A revised New Starter pack has been designed and is now provided to members Completed Our methods and content of communication will be reviewed to ensure that members and employers are provided with accurate and relevant information.</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP 3 - Non-compliance with legislation and failure to correctly implement new legislation and regulations</p> <p>Cause Lack of structure/process to identify new legislation as it is released.</p> <p>Event Non-compliance with legislation/regulations.</p> <p>Impact Incorrect benefit payments. Damage to reputation. Fines from Regulators.</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb</p> <p>Accountable officer: Daniel Harris</p> <p>Category: Operational</p> <p>Last review: 1 Dec 2023</p> <p>Latest review details</p> <p>Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 13<sup>th</sup> Oct 2023</p>	<p>Green LGA/External training</p> <p>Green Project work approach to implementation of legislative changes.</p> <p>Green In house training for all staff. • Use of Perspective and Bulletins</p> <p>Completed A Training and Technical team is now in place, following the Pension Review. The team has commenced delivering training across the teams.</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP 4 - Failure of employing authority to provide timely and accurate member data</p> <p>Cause Employing authorities not fulfilling their responsibilities.</p> <p>Event Delays in the provision of pensions member data. Inaccuracies in the pension member data.</p> <p>Impact Incorrect benefit calculations. Financial Loss due to compensation to members. Incorrect benefit payments Delays to payments Additional work to request and correct information</p>	<p>Inherent status : 12 Medium Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris Category: Operational Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 13<sup>th</sup> Oct 2023</p>	<p>Green Pension Administration Strategy in place since April 2015 and was revised in 2020. Employer duties are clearly identified in the PAS. Ability to fine employers is provided for in PAS and LGPS regulations.</p> <p>Green Employing authorities are contacted for outstanding information when it is identified that information is missing or contains errors.</p> <p>Green Outstanding data queries are passed to Employer and Communications Team to monitor</p> <p>Completed Guidance available on website</p> <p>Green Individual employer meetings include review of employer performance</p> <p>Completed An Employer and Communications team is now in place. The team will consider employer performance and take action to address any issues, as required.</p>

Risk details	Status and Risk owner	Mitigating controls
<p data-bbox="190 172 734 204">PP 6 - Communication of Entitlements</p> <p data-bbox="190 247 891 359">Cause Insufficient communication and engagement with LGPS scheme members/employers.</p> <p data-bbox="190 359 891 534">Event Employers and or Members are not made aware of their entitlements within LGPS resulting in Non-compliance with legislation and/or best practice.</p> <p data-bbox="190 534 891 726">Impact Inability to determine policy Employees not joining the scheme. Inability to make effective decisions and/or deliver service</p>	<p data-bbox="900 172 1299 204">Inherent status : 12 Medium</p> <p data-bbox="900 212 1397 244">Current status : 9 Low (Unchanged)</p> <p data-bbox="900 252 1272 284">Risk owner: Rachel Lamb</p> <p data-bbox="900 292 1379 323">Accountable officer: Daniel Harris</p> <p data-bbox="900 331 1218 363">Category: Operational</p> <p data-bbox="900 371 1249 403">Last review: 1 Dec 2023</p> <p data-bbox="900 411 1196 443">Latest review details</p> <p data-bbox="900 451 1397 579">Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 13<sup>th</sup> Oct 2023</p>	<p data-bbox="1415 172 2033 244"><b>Green</b> The Peninsula Pensions website is kept up to date</p> <p data-bbox="1415 252 2033 403"><b>Green</b> Meetings between PP managers and Communications team on a regular basis, with a communications plan and strategy for the year ahead</p> <p data-bbox="1415 411 2033 531"><b>Green</b> Meetings are held with the Funds Employing Authorities and on request for training</p> <p data-bbox="1415 539 2033 611"><b>Green</b> Benefit illustrations are sent annually to contributing and deferred Fund members</p> <p data-bbox="1415 619 2033 691"><b>Green</b> The contact list for employers is updated regularly.</p> <p data-bbox="1415 699 2033 770"><b>Green</b> Annual forums are held for employers and Trade Unions</p> <p data-bbox="1415 778 2033 898"><b>Green</b> The annual report and accounts are published on the Peninsula Pensions website</p> <p data-bbox="1415 906 2033 1201"><b>Amber</b> A Communication Policy exists for the Devon Pension Fund, which includes Peninsula Pensions. The Peninsula Pensions Senior Management team are considering creating a separate communication policy for Peninsula Pensions which will be brought to the Board for consideration during 2023</p>

Risk details	Status and Risk owner	Mitigating controls
<p>PP 7 - Non Payment of Pension Benefits</p> <p>Cause</p> <p>Systems Failures</p> <p>Lack of information from employers</p> <p>Poor internal processes</p> <p>Event</p> <p>Pension benefits are not paid.</p> <p>Impact</p> <p>Damage to Reputation.</p> <p>Financial loss arising from compensation claims.</p>	<p>Inherent status : 12 Medium</p> <p>Current status : 8 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb</p> <p>Accountable officer: Daniel Harris</p> <p>Category: Operational</p> <p>Last review: 1 Dec 2023</p> <p>Latest review details</p> <p>Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 13<sup>th</sup> Oct 2023</p>	<p>Green The payroll system is set up to pay pensioners monthly.</p> <p>Green Disaster recovery plan in place with Heywoods which will restore data within 7 days in the event of system failure</p> <p>Green The payroll manual has been revised and updated following the introduction of RTI (Real Time Information) and new administration systems.</p> <p>Amber Fully updated Pensioner Payroll Manual is now in place. An online training resource is being developed and will be completed during 2022.</p>

Risk details	Status and Risk owner	Mitigating controls
<p data-bbox="190 172 763 204">PP 8 - Payment to deceased pensioners</p> <p data-bbox="190 248 701 392">Cause LGPS Information is not updated as circumstances change. Poor internal processes.</p> <p data-bbox="190 397 891 501">Event Pension benefits continue to be paid to deceased pensioners.</p> <p data-bbox="190 505 779 649">Impact Damage to Reputation. Financial loss arising from overpayments. Additional resource to recover funds</p>	<p data-bbox="902 172 1395 244">Inherent status : 8 Low Current status : 6 Low (Unchanged)</p> <p data-bbox="902 248 1379 320">Risk owner: Rachel Lamb Accountable officer: Daniel Harris</p> <p data-bbox="902 325 1245 397">Category: Operational Last review: 1 Dec 2023</p> <p data-bbox="902 402 1395 577">Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Pension Board on 13<sup>th</sup> Oct 2023</p>	<p data-bbox="1417 172 1917 244">Green All pensioners are contacted annually.</p> <p data-bbox="1417 248 1917 320">Green Pension suspended if post is returned</p> <p data-bbox="1417 325 1973 413">Green Pensioners are incorporated into National Fraud Initiative</p> <p data-bbox="1417 418 2040 537">Green Further targeted checks are conducted with credit reference agencies as appropriate</p> <p data-bbox="1417 542 2000 662">Green Monthly mortality screening is undertaken and any positive matches are ceased immediately</p> <p data-bbox="1417 667 2007 738">Green Western Union overseas existence service undertaken bi annually</p> <p data-bbox="1417 743 2022 895">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>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP10 - Data and System Security</b></p> <p>Cause Insecure pensions and administration data.</p> <p>Event Loss/disclosure of Sensitive Data/Information.</p> <p>Impact Financial costs from legal action. Fines from ICO.</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris</p> <p>Category: Operational Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p><b>Green</b> Access and security controls exist and the system is tested regularly by Heywoods and PP. Responsible Officer: Systems Development Officer</p> <p><b>Green</b> System controls in place including systems access controls, approval/workflow controls and audit trail. The system is subject to regular checks by internal audit.</p> <p><b>Green</b> In-house GDPR training is delivered to all new and existing team members on an annual basis to ensure that staff are fully aware of requirements under the data protection legislation. In addition to this, all staff are required to complete DCC's GDPR and DCC's mandatory Cyber Security e-learning assessment annually.</p>
<p><b>PP11 - Personal Member Data</b></p> <p>Cause Error when printing/sorting/compiling data. Poor internal processes.</p> <p>Event Information issued to the wrong person/organisation.</p> <p>Impact Financial Costs from legal action. Fines from ICO.</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Daniel Harris</p> <p>Category: Operational Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p><b>Green</b> It is a mandatory requirement for all DCC employees to undertake Data Protection training and to adhere to DCC's data protection policy.</p> <p><b>Green</b> In-house GDPR training is delivered to all new and existing team members on an annual basis to ensure that staff are fully aware of requirements under the data protection legislation. In addition to this, all staff are required to complete DCC's GDPR e-learning assessment annually.</p> <p><b>Completed</b> Internal e-Learning training 'Sharing personal data' was also undertaken by whole office during March 2018. All staff are required to complete DCC's e-learning assessment annually.</p>

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



Risk details	Status and Risk owner	Mitigating controls
<p data-bbox="190 172 680 209">PP13 - Scheme Membership Data</p> <p data-bbox="190 248 286 280">Cause</p> <p data-bbox="190 285 723 320">Incorrect information from employers.</p> <p data-bbox="190 325 600 357">Fraudulent provision of data.</p> <p data-bbox="190 362 394 394">System errors</p> <p data-bbox="190 399 539 430">Poor internal processes.</p> <p data-bbox="190 435 277 467">Event</p> <p data-bbox="190 472 676 504">Unauthorised or invalid payments.</p> <p data-bbox="190 509 293 541">Impact</p> <p data-bbox="190 545 389 577">Financial loss</p> <p data-bbox="190 582 504 614">Reputational Damage</p>	<p data-bbox="902 172 1234 204">Inherent status : 9 Low</p> <p data-bbox="902 209 1413 240">Current status : 6 Low (Unchanged)</p> <p data-bbox="902 245 1272 277">Risk owner: Rachel Lamb</p> <p data-bbox="902 282 1348 314">Accountable officer: Dan Harris</p> <p data-bbox="902 319 1218 351">Category: Operational</p> <p data-bbox="902 355 1249 387">Last review: 1 Dec 2023</p> <p data-bbox="902 392 1196 424">Latest review details</p> <p data-bbox="902 429 1391 576">Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p data-bbox="1413 172 2045 248"><b>Green</b> Information and instructions are only accepted from authorised sources.</p> <p data-bbox="1413 253 2045 365"><b>Green</b> Employers and scheme members are required to review and confirm membership records annually</p> <p data-bbox="1413 370 2045 481"><b>Green</b> Benefit calculations are checked by senior colleagues and are subject to independent authorisation</p> <p data-bbox="1413 486 2045 598"><b>Green</b> All transactions comply with DCC financial regulations and are subject to independent authorisation</p> <p data-bbox="1413 603 2045 679"><b>Green</b> All staff are covered by fidelity insurance up to £15 million</p> <p data-bbox="1413 684 2045 761"><b>Green</b> Members approaching 75 are separately identified monthly</p> <p data-bbox="1413 766 2045 877"><b>Green</b> Data accuracy checks undertaken by the systems team including address / NINO checks</p> <p data-bbox="1413 882 2045 959"><b>Completed</b> Employer Self Service introduced.</p> <p data-bbox="1413 963 2045 1222"><b>Amber</b> Employers are currently in the process of undertaking a historic data sign off exercise. Once an employer has been signed off, they will move to monthly data submissions. Target date for completion is 31st March 2023.</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP14 - Compliance with Disclosure Regulations</b></p> <p>Cause Requirement to issue information within a certain timescale after a request/event.</p> <p>Event Failure to comply with disclosure regulations and to process accurate pension benefit payments in a timely manner.</p> <p>Impact Complaints which take up time to resolve. Additional Time spent chasing data Regulator Fines Compensation costs for members</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p>Green Robust workflow management system in place.</p> <p>Green Payroll deadline procedures in place</p> <p>Green Item in Business Continuity/Disaster Recovery Plan</p> <p>Green Participate in National Fraud Initiative (NFI)</p> <p>Green Life Certificates exercise carried out /mortality checks</p> <p>Amber Full review of performance within PP being conducted to incorporate Employer performance and Admin strategies. Target date for completion 31/12/22 (with ongoing reviews and development after this date).</p>
<p><b>PP15 - Fraud, Corruption and Error</b></p> <p>Cause Poorly designed or implemented management practices/processes. Staff deliberately updating or providing fraudulent data.</p> <p>Event Fraud, corruption or error.</p> <p>Impact Financial Loss Reputational Damage</p>	<p>Inherent status : 12 Medium Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p>Green Transactions are authorised by senior staff</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</p> <p>Green Heywoods Audit trace report</p> <p>Green Appropriate separation of duties exists</p> <p>Green Up to date regulations and practices</p> <p>Green Internal and external audit checks performed to ensure that appropriate and effective controls are in place</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP16 - Loss of Shared Service Partner</b></p> <p>Cause Shared service partner choosing to use a different pensions administrator.</p> <p>Event Peninsula pensions no longer operates on the same scale.</p> <p>Impact Reputational Damage. Loss of staff / redundancies.</p>	<p>Inherent status : 9 Low Current status : 9 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris</p> <p>Category: Strategic Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</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. Target date for completion 31/12/22 (with ongoing reviews and development after this date).</p>
<p><b>PP17 - Pensions System Failure</b></p> <p>Cause Connection issues. Supplier fault Cyber Attack.</p> <p>Event The hosted Altair pensions system fails.</p> <p>Impact  <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 Current status : 10 Medium (-5)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris</p> <p>Category: Operational Last review: 18 May 2023 Latest review details Review by Rachel Lamb and enhancements made to the risk mitigating controls and new control added.</p>	<p>Green The system is backed-up daily. System is hosted by Heywoods</p> <p>Green A full disaster recovery plan and Business Continuity Plan is in place and tested/updated annually.</p> <p>Green Supplier management – Business Continuity Plan in place, along with incidence response plans, penetration testing and an annual disaster recovery test. In addition other documentation is provided with assurances of most recent UKAS certified body ISO (currently 27001) / cyber essentials / SOC2 compliance</p>

Risk details	Status and Risk owner	Mitigating controls
<p><b>PP18 - Cyber Attack</b></p> <p>Cause Cyber-attack on the Pensions ICT systems and or host systems.</p> <p>Event Loss of system access. Theft of confidential/personal data.</p> <p>Impact Inability to make payments to members. Fines from the ICO. Financial loss. Loss of membership data. Disclosure of sensitive data.</p>	<p>Inherent status : 15 High Current status : 10 Medium (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 18 May 2023 Latest review details Risks score and controls reviewed by Rachel Lamb</p>	<p><b>Green</b> Ensure that the relevant people are suitably vetted and trained, that administrators and service providers have measures in place to avoid security breaches</p> <p><b>Green</b> A full disaster recovery plan and Business Continuity Plan is in place and tested/updated annually</p> <p><b>Green</b> Information from The Pensions Regulator: You can assess how secure your scheme is and find out more about protecting yourself on the government's Cyber Essentials website. And for more information about protecting against cyber threats, visit the National Cyber Security Centre's website.</p>
<p><b>PP19 - Member Self Service</b></p> <p>Cause Member Self Service access is compromised due to insecurity or lack of maintenance.</p> <p>Event Data is accessed and or obtained inappropriately.</p> <p>Impact Damage to reputation Loss of data Fines from ICO.</p>	<p>Inherent status : 9 Low Current status : 6 Low (Unchanged)</p> <p>Risk owner: Rachel Lamb Accountable officer: Dan Harris Category: Operational Last review: 1 Dec 2023 Latest review details Risks and mitigating controls remain appropriate. Risk reviewed by the Devon Pension Board 13/10/23</p>	<p><b>Green</b> Information and Instructions are only accepted from authorised sources</p> <p><b>Green</b> It is a mandatory requirement for all DCC employees to undertake Data Protection training and to adhere to DCC's Data Protection Policy</p> <p><b>Green</b> Regular penetration testing</p> <p><b>Green</b> Secure website (annual license renewal)</p>