

## PENSION FUND RISK REGISTER Q3 2025/26

### Administration Risks (A)

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
A 1	Inaccurate and/or incomplete data retained by the Pension Fund. Legislation specifies the records that must be kept and failure to comply is a breach of the law.	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>1. Pay incorrect pension amounts.</li> <li>2. Impact on investment decisions.</li> <li>3. Additional time and cost within the team and with external advisers.</li> <li>4. Fined by the Pension regulator or fined by the Information Commissioner.</li> <li>5. Actuary impaired in making an assessment of an employers liabilities due to quality of data (and through to their contribution rates).</li> <li>6. Members make decisions based on incorrect or incomplete information.</li> <li>7. Adverse publicity, reputational damage.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>• All employers are provided with Administration and Employer Guides setting out their roles and responsibilities whilst participating in the Scheme.</li> <li>• Escalation in place where employers fail to supply the correct data.</li> <li>• Internal auditors undertake work on systems and processes.</li> <li>• Review procedures and controls and implement changes where appropriate.</li> <li>• Maintain and implement a Data Improvement Plan.</li> <li>• End of year returns from employers provides a control whereby data is checked annually.</li> <li>• Meetings are held with employers who are rated red for the end of year process and where data quality concerns have been raised.</li> </ul>	Impact - 3 Likelihood - 2 Total - 6	Impact - 3 Likelihood - 2 Total - 6 Status - GREEN	<b>Meetings being held between Fund, administration partner and employers rated red for data quality at end of year.</b>  <b>Officers are considering a data improvement plan following the submission of valuation data to the Fund Actuary.</b>
A 2	Increase in number of employers admitted to Fund	Head of Pensions	<ol style="list-style-type: none"> <li>1. Increase in the workload across the team.</li> <li>2. Delays resulting in impact on members and benefit payments.</li> <li>3. Additional complexity to be managed for BAU processes.</li> </ol>	Tolerate	<ul style="list-style-type: none"> <li>• Work planning to ensure new admissions are anticipated and communicated appropriately.</li> <li>• Clear processes in place for the monitoring of contributions.</li> <li>• Liaising with Actuary regularly to ensure employers are admitted appropriately.</li> <li>• Guidance published and reviewed relating to the Scheme requirements.</li> <li>• Work underway to improve communications with all employers to ensure are aware of their pensions obligations.</li> </ul>	Impact - 3 Likelihood - 3 Total - 9	Impact - 3 Likelihood - 3 Total - 9 Status - AMBER	<b>Change strategy from treat to tolerate.</b>  <b>Impact of LGPS Scheme Improvements (Access and Protections) proposed changes to employer admission approach and scope to be determined.</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
A 3	Employers do not pay contributions, pay incorrect amount, pay contributions late or do not provide required information	Pension Fund Finance Manager	<ol style="list-style-type: none"> <li>Default by employers increasing obligation on the remaining employers in the Fund.</li> <li>Reporting to the Pensions Regulator.</li> <li>Income received by the Fund not in line with accrual of pension fund benefits, leading to a cost pressure in the future i.e. increased liabilities which are not funded.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Clear employer guide in place setting out responsibility of employers regarding provision of information and contributions.</li> <li>Clear admin strategy that can be reported on so that issues can be dealt with at an early stage.</li> <li>Clear process including regular monitoring and reconciliation of contribution payments received with quality assurance and clear escalation process.</li> <li>Identify issues to relevant parties including the Fund Actuary.</li> <li>Review of controls in place to ensure issues are identified early with a clear action plan for non-compliance.</li> <li><b>Team is proactively communicating with employers to ensure deadlines are met.</b></li> </ul>	Impact – 2 Likelihood – 1 Total – 2	Impact – 2 Likelihood – 2 Total – 4 Status – GREEN	<b>Risk Control/Action updated</b>
A 4	Reliance by employers on external payrolls (including outsourced providers)	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Incorrect or insufficient information is provided by employers payroll providers.</li> <li>Contribution income and remittances are not received.</li> <li>Missing historical data due to changes in payroll providers/systems.</li> <li>Employers perceive they have outsourced responsibility.</li> <li>Employers may not have the knowledge to engage with their payroll provider.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Provide clear guidance regarding what the requirements are for a payroll provider/system.</li> <li>Provide clear guidance regarding what the employers responsibilities are.</li> <li>Known change to two major employer systems being monitored.</li> <li>Work to be undertaken to model cashflow impact of late contribution receipt at a time of payroll change.</li> <li>Working with administration partners to ensure changes in payroll are identified and communicated between the teams.</li> <li><b>Administration team are working with employers to ensure they have the required information to maintain records.</b></li> </ul>	Impact – 3 Likelihood – 2 Total – 6	Impact – 4 Likelihood – 3 Total – 12 Status – AMBER	<b>Risk Control/Action updated</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
A 5	Changes to employer circumstances	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Delays in implementing changes.</li> <li>Reduced opportunity to manage the employers circumstances or exit.</li> <li>Wrong contact information is held.</li> <li>Additional work required to review application of funding strategy and implement changes</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Liaise with employers regularly.</li> <li>Monitor active membership of all employers.</li> <li>Where circumstances have changed significantly between valuations the Fund will work with the employer and the Actuary to understand the position and the impact on the employer funding strategy.</li> <li>Regular meetings at both operational and strategic level in place between HPS and Fund to identify changes in circumstances.</li> </ul>	Impact – 2 Likelihood – 2 Total – 4	Impact – 3 Likelihood – 2 Total – 6 Status – GREEN	<b>No change</b>
A 6	Delay to admissions of employers to the Fund	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Members not admitted to the Fund in a timely manner impacting their eligibility for member benefits.</li> <li>Contributions not received on time resulting in increased workload to recover.</li> <li>Inability to complete processes in a timely manner.</li> <li>Delays resulting in impact on members and benefit payments.</li> </ol>	Tolerate	<ul style="list-style-type: none"> <li>Work planning to identify new admissions.</li> <li>Clear processes in place for the admittance of new employers.</li> <li>Liaising with Actuary regularly to ensure employers are admitted appropriately.</li> <li>The team is included within the Council Academy meetings to ensure early sight of new admissions.</li> <li>Review of communications with employers to ensure awareness of duties and requirements.</li> </ul>	Impact – 3 Likelihood – 2 Total – 6	Impact – 3 Likelihood – 2 Total – 6 Status – GREEN	<b>Impact reduced from 4 to 3 reflecting the proactive work of the team to engage with employers and therefore reducing the impact of retrospective admissions.</b>
A 7	Fund not able to implement changes required as a result of McCloud judgement	Head of Pensions	<ol style="list-style-type: none"> <li>Not calculating members benefits in line with regulations.</li> <li>Impact on funding.</li> <li>Investigation by tPR.</li> <li>Reputational damage.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Project team set up by admin team.</li> <li>Data has been collected from employers and pension administration software provider has adapted system.</li> </ul>	Impact – 3 Likelihood – 3 Total – 9	Impact – 3 Likelihood – 2 Total – 6 Status – GREEN	<b>There are three cohort of members (pension sharing order, club transfers, beneficiaries) where a determination to extend the deadline for applying the McCloud remedy to 31 August 2026 was required.</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
A 8	Employers do not hold required information for the Fund to be able to complete the changes required as a result of the McCloud Judgement	Head of Pensions	<ol style="list-style-type: none"> <li>Not calculating members benefits in line with regulations.</li> <li>Impact on funding.</li> <li>Investigation by tPR.</li> <li>Reputational damage.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Project team set up by admin team.</li> <li>Communication with employers letting them know requirements and to flag any issues.</li> </ul>	Impact - 3 Likelihood - 3 Total - 9	Impact - 3 Likelihood - 2 Total - 6 Status - GREEN	<b>No change</b>

## Governance Risks (G)

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
G 1	Failure to comply with changes to Regulations and/or Guidance	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>This could potentially create additional liabilities and administration difficulties for employers and the administering authority.</li> <li>The Pensions Regulator can fine the administering authority for breach of regulations.</li> <li>Actuary impaired in making an assessment of an employers liabilities.</li> <li>Adverse publicity, reputational damage.</li> <li><b>Need to adjust processes, resource and systems to keep pace with the changes required.</b></li> </ol>	Treat	<ul style="list-style-type: none"> <li>All consultation papers issued by the Ministry for Housing, Communities and Local Government (MHCLG), His Majesty's Revenue &amp; Customs (HMRC), and other bodies are considered and commented on where appropriate.</li> <li>Officers to review all relevant regulation changes.</li> <li>Input from Actuary and other advisors as needed.</li> <li><b>Prioritisation of work to ensure that regulations and guidance are complied with.</b></li> </ul>	Impact - 4 Likelihood - 2 Total - 8	Impact - 4 Likelihood - 3 Total - 12 Status - AMBER	<b>Further consultation on proposed changes issued October 2025. Pensions Bill and subsequent guidance is outstanding.</b>  <b>Likelihood score reduced from 4 to 3 reflecting prioritisation of tasks across the team to ensure regulations and guidance are complied with.</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
G 2	Pensions team not resourced appropriately	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Key work deliverables are not completed or completed at a lower standard than expected.</li> <li>Limited opportunity to develop service and improve.</li> <li>Key staff leaving due to workload.</li> <li>Lack of continuity and knowledge transfer.</li> <li>Impact on wellbeing.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Develop succession plan to manage key person risk &amp; develop business continuity plan.</li> <li>Document tasks and develop process notes where required.</li> <li>Review of Pensions Team work plan and resources by whole team.</li> <li>Regular team meetings to understand workload pressures and transfer knowledge.</li> <li>Develop training plan for officers.</li> <li><b>Prioritisation of work to ensure key tasks are completed.</b></li> </ul>	Impact – 3 Likelihood – 3 Total – 9	Impact – 4 Likelihood – 4 Total – 16 Status – RED	<b>Risk Control/Action updated</b>
G 3	County Council not resourced appropriately to support Pensions functions	Head of Pensions	<ol style="list-style-type: none"> <li>Key work deliverables are not completed.</li> <li>Key staff leaving due to workload.</li> <li>Lack of continuity and knowledge transfer.</li> <li>Accuracy of data within Fund accounts, membership record etc.</li> <li>Services not being provided to the pension fund in line with expected deliverables.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Document tasks and develop process notes where required.</li> <li>Understanding of single point of failure.</li> <li>Communication between County Council teams.</li> <li>Monitor service delivery across the range of services e.g. Finance, Procurement, Legal. Agree escalation route with managers.</li> <li>Reviewing practices and processes to maximise efficiency.</li> <li><b>Review of pension team processes and practices to align to new ways of working following Oracle's implementation, including how services to the pension fund are delivered by the County Council.</b></li> </ul>	Impact – 3 Likelihood – 2 Total – 6	Impact – 3 Likelihood – 3 Total – 9 Status – AMBER	<b>Risk Control/Action updated</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
G 4	County Council not resourced appropriately to carry out role as employer in Fund	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Major employer in the Fund not complying with obligations.</li> <li>Reputational risk due to impact staff members etc.</li> <li>Accuracy of data within County Council accounts, membership records etc.</li> <li>Council breaches regulations in not protecting staff (or former staff) in transfer.</li> <li>Lack of understanding of impact of letting or reletting contracts across authority.</li> <li>Maintained schools letting contracts not in line with standing orders</li> <li>Increased work pressure on pension team</li> </ol>	Treat	<ul style="list-style-type: none"> <li>To work with WSCC colleagues to ensure they comply with employer responsibilities.</li> <li>To work with WSCC colleagues to ensure roles and responsibilities are clear.</li> <li>Pension Fund, through its administration partner, working with WSCC teams.</li> <li>WSCC has started to take ownership of employer tasks that were previously undertaken by the team.</li> </ul>	Impact - 3 Likelihood - 2 Total - 6	Impact - 3 Likelihood - 3 Total - 9 Status - AMBER	<b>No change</b>
G 5	New County Council financial system does not meet Pension Fund requirements	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Potential loss of historical information (payroll and contributions).</li> <li>Replacement system does not meet Fund requirements.</li> </ol>	Tolerate	<ul style="list-style-type: none"> <li>Consider alternative archiving of key information.</li> <li>Be clear in requirements of the Fund with regards to reporting standards required.</li> <li>Reviewing ways of working to ensure that the new system works for the Fund needs and the team adapt to the solution.</li> <li><b>Team working with wider Finance Subject Matter Experts to ensure Pension Fund interests are represented.</b></li> </ul>	Impact - 3 Likelihood - 2 Total - 6	Impact - 5 Likelihood - 3 Total - 15 Status - AMBER	<b>Risk Control/Action updated</b>



Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
G 6	New County Council financial system implementation impacts workload and resources	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Delay to implementation of financial system conflicts with actuarial valuation and/or end of year work.</li> <li>New system doesn't meet the Pension Fund needs due to lack of resource to fully test.</li> </ol>	Tolerate	<ul style="list-style-type: none"> <li>Engagement with team working to implement new system to ensure Pension Fund needs are understood which will reduce workload later in the programme.</li> <li>Document processes so that non Pension Team member can test.</li> <li>Workload and resource planning to cover whole team including a review of the team ways of working to ensure that the new system works for the Fund needs and the team adapt to the solution.</li> <li><b>Team working with wider Finance SME's to ensure Pension Fund interests are represented whilst managing resource requirements from the team.</b></li> </ul>	Impact - 3 Likelihood - 3 Total - 9	Impact - 4 Likelihood - 4 Total - 16 Status - RED	<b>Members of the team have been involved in User Acceptance Testing for all Pension Fund functions within Oracle.</b>
G 7	Freedom of Information requests not dealt with appropriately	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Breach of contract with providers where information considered to be commercially sensitive is provided.</li> <li>Challenge against statutory obligations if information is not provided.</li> <li>Referral to Information Commissioners Office.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Liaise regularly with providers regarding requests.</li> <li>Liaise with legal advisers.</li> <li>Ownership of process within the team to ensure compliance.</li> <li>Keep accurate records of what has been responded to and reasons why information is provided/withheld.</li> <li>Freedom of Information requirements included within all agreements.</li> </ul>	Impact - 3 Likelihood - 2 Total - 6	Impact - 3 Likelihood - 1 Total - 3 Status - GREEN	<b>No change</b>
G 8	Policies are not updated in adherence to new guidance issued	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Policies are not compliant.</li> <li>Challenge from stakeholders.</li> <li>Referral to the Pensions Regulator.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Register of policy documents maintained with clear timetable of review schedule for planning purposes.</li> <li>Policy documents compliance review included as a standing item of the Pension Advisory Board agendas.</li> <li>Constitution update to reflect lines of responsibility for policy documents.</li> <li>Monitor and review guidance issued and best practice elsewhere.</li> </ul>	Impact - 2 Likelihood - 2 Total - 4	Impact - 3 Likelihood - 2 Total - 6 Status - GREEN	<b>No change</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
G 9	Level of expertise and ongoing development of the Pensions Committee and Pension Advisory Board does not comply with guidance.	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Poor decision making.</li> <li>Fined by The Pension Regulator.</li> <li>Non engagement of Committee and Board members.</li> <li>Inability to invest due to loss of Professional Investor status.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Maintain and implement Training Strategy which draws on guidance.</li> <li>Monitoring Pensions Committee and Pension Advisory Board completion of LGPS Online Learning Academy (LOLA) and Toolkit.</li> <li>Training provision reviewed and amended to reflect membership of Committee and Board.</li> <li>Attendance at external conferences and associated costs met from the Pension Fund.</li> </ul>	Impact – 3 Likelihood – 1 Total – 3	Impact – 4 Likelihood – 3 Total – 12 Status – AMBER	<b>Pension Committee has no vacancies and there is one employer vacancy on the Pension Advisory Board.</b>  <b>Completion of LOLA training remains outstanding for some Committee and Board members.</b>
G 10	Pension Board Members and Pensions Committee Members do not declare conflicts of interest.	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Breach of regulations.</li> <li>Fined by The Pension Regulator.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Clear conflict of interest and disclosure requirements are maintained for the Pension Fund and the Pension Board in line with WSCC overriding policies.</li> <li>Members of the Pension Board and Pensions Committee are asked to make declarations at the start of and during each meeting as appropriate.</li> <li><b>Fund specific Conflict of Interest policy in place and implemented.</b></li> </ul>	Impact – 2 Likelihood – 1 Total – 2	Impact – 4 Likelihood – 1 Total – 4 Status – GREEN	<b>Risk Control/Action updated</b>
G 11	Knowledge and understanding of Officers may not comply with the requirement to have the appropriate knowledge and understanding.	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>Poor decision making/recommendations.</li> <li>Fined by The Pension Regulator.</li> <li>Non-compliance with County Council e.g., Standing Orders, Procurement Requirements.</li> <li>Inability to invest due to loss of Professional Investor status.</li> <li>Non engagement of officers in required decision making.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Maintain and implement Training Strategy which draws on guidance.</li> <li>Training requirements identified at yearly appraisals.</li> <li>Regular meetings between line managers and team members.</li> <li>Monitoring Officer completion of LOLA and Toolkit.</li> <li>Officers proactively seek advice as appropriate.</li> </ul>	Impact – 3 Likelihood – 2 Total – 6	Impact – 3 Likelihood – 2 Total – 6 Status – GREEN	<b>No change</b>
G 12	Contracts expiring or becoming invalid	Pension Fund Governance Manager	<ol style="list-style-type: none"> <li>No valid legal agreement in place with suppliers.</li> <li>Breach in legislation.</li> <li>Breach of County Council Standing Orders.</li> <li>Potential challenge from suppliers.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Maintain and manage contract register.</li> <li>Engaging with procurement and legal to ensure compliance.</li> <li>Compliance with procurement requirement and standing orders for provision of services to the Fund.</li> </ul>	Impact – 3 Likelihood – 2 Total – 6	Impact – 3 Likelihood – 2 Total – 6 Status – GREEN	<b>No change</b>



Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
G 13	Partnership expectations not met in delivery of administration	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>1. Failure to deliver high quality admin service to all stakeholders.</li> <li>2. Processes and procedures do not ensure that the Fund receives income due, and payments are made correctly.</li> <li>3. Casework is not progressed by the team in line with SLA.</li> <li>4. Failure to account appropriately.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>• Regular review through partnership meetings.</li> <li>• Close working between teams.</li> <li>• Engagement with administration team to understand business priorities and development of service.</li> </ul>	Impact – 4 Likelihood – 2 Total – 8	Impact – 4 Likelihood – 2 Total – 8 Status – AMBER	<b>Likelihood moved 3&gt;2 reflecting that the administration team continues to deliver a consistently high standard of service.</b>
G 14	Conflict of interest between the County Council and the Fund	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>1. Advice and decisions taken in best interests of Council or Fund which may differ.</li> <li>2. Employers do not understand the difference between the Council and the Fund.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>• Be clear in requirements of the Fund and roles and responsibilities of all entities.</li> <li>• Be clear in requirements of the County Council and roles and responsibilities of all entities.</li> <li>• <b>Fund specific Conflict of Interest policy in place and implemented.</b></li> </ul>	Impact – 3 Likelihood – 2 Total – 6	Impact – 3 Likelihood – 2 Total – 6 Status – GREEN	<b>Combined Mayoral Authority and Local Government Review may place further pressure on the responsibilities of the Administering Authority and that of the County Council.</b>
G 15	Risk of a successful cyber incident. This could be in the form of a cyber attack directly from external threats; or indirectly as a consequence of members or staff falling prey to social engineering or phishing attacks. It may also be a result of software failure.	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>1. The Fund suffers significant financial loss or cost.</li> <li>2. The Fund's reputation is damaged.</li> <li>3. The Fund suffers data loss</li> <li>4. Member's and employer's trust in the Council is undermined.</li> <li>5. Partners will not share data or information with the Fund.</li> <li>6. Punitive penalties are made on the Fund.</li> <li>7. The Fund suffers service disruption and/ or failure to deliver services.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>• Staff awareness of personal and business information security practices and identification of cyber-security issues including evolving threats.</li> <li>• Have processes in place which assist with identifying cyber-attack early, that it is reporting &amp; monitoring is effective, and recovery can be prompt.</li> <li>• Robust arrangements in place with all data processors of the Fund's data.</li> <li>• Cyber security is one of the risks on the County Council Pension Fund and applies to the Pension Fund.</li> <li>• Officers are taking appropriate advice in considering how risk can be managed/mitigated.</li> <li>• Team is developing business continuity plan.</li> </ul>	Impact – 3 Likelihood – 3 Total – 9	Impact – 5 Likelihood – 5 Total – 25 Status – RED	<b>Initial data flow mapping has been completed by Cyber Specialist, further assessment of key suppliers being undertaken.</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
G 16	Failure to comply with Government expectations on asset pooling or arrangements agreed via ACCESS	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>The Secretary of State takes over investment functions of the Fund and directs its investment strategy and to invest in specific assets.</li> <li>Impairment of the Fund's ability to meet its pension obligations.</li> <li>Adverse publicity, reputational damage.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Continued strong involvement in the work of the ACCESS Group at officer and at Fund Chairman level.</li> <li>Engagement with external advisers.</li> <li><b>Meetings with Border to Coast and with partner funds to understand requirements to be 'safe and legal' by Government deadline.</b></li> <li><b>Meetings with Border to Coast and partner funds to understand ways of working and requirements following 1 April 2026.</b></li> <li><b>Prioritisation of work to ensure key tasks are completed.</b></li> </ul>	Impact – 5 Likelihood – 1 Total – 5	Impact – 5 Likelihood – 3 Total – 15 Status – AMBER	<p><b>Officers are working with Border to Coast, partner funds, advisors and colleagues to be compliant ahead of the 31 March 2026 deadline.</b></p> <p><b>All 18 partner funds have completed appropriate governance process to expand the partnership and notified Government.</b></p> <p><b>Likelihood moved from 4 to 3 reflecting progress made towards new asset pool arrangements which comply with Government expectations.</b></p>
G 17	Role of government policy on the management and benefits of the Scheme.	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Changes in legislation.</li> <li>Changes to benefit structure.</li> <li>Changes to Investment Strategy due to requirements of Government.</li> <li>Restrictions placed on what asset classes the Fund can invest in.</li> <li>Funds required to invest to in asset classes specified by Government.</li> <li>Dilution of fiduciary duty responsibility.</li> </ol>	Tolerate	<ul style="list-style-type: none"> <li>Keeping up to date with Government progress.</li> <li>Representatives on the Pensions Committee are not appointed to represent the body appointing them or of which they are a member nor any political or personal interest.</li> <li>Maintain links with experts and advisers.</li> <li>Attending briefings and events to keep up to date with latest events.</li> </ul>	Impact – 3 Likelihood – 4 Total – 12	Impact – 4 Likelihood – 4 Total – 16 Status – RED	<p><b>Awaiting further information and guidance on a number of items within the Pensions Bill.</b></p> <p><b>Impact reduced from 5 to 4 reflecting that while uncertainty regarding details remains, work with advisors and chosen asset pool has provided a level of clarity relating to future implementation of the investment strategy and oversight.</b></p>

## Investment and Funding Risks (I&F)

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
I&F 1	Insufficient assets attributed to an employer to meet their pension obligations	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Employers unable to meet Pension obligations on exit.</li> <li>Default by Employers resulting in liabilities being funded by remaining active employers in the Scheme.</li> <li>Affordability of the scheme is beyond employers.</li> <li>Increase in employer contribution rates.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Prudent assumptions used by the Fund Actuary when setting employer contribution rates based on real returns on assets and bespoke mortality assumptions.</li> <li>Modelling work undertaken to understand the impact of contribution rate strategy.</li> <li>Regularly review investment performance and funding levels.</li> <li>Monitor, maintain and review the Investment Strategy Statement and Funding Strategy Statement.</li> <li>Engagement with employers during valuation year to provide feedback on the Funding Strategy Statement, how it applies to their position and to understand any impact.</li> <li>Fund default approach to admission bodies mitigates some of the risk.</li> <li><b>Funding Strategy Statement clearly sets out the approach determined by the Committee on advice of the Fund Actuary.</b></li> </ul>	Impact - 2 Likelihood - 2 Total - 4	Impact - 3 Likelihood - 2 Total - 6 Status - GREEN	<b>Risk Control/Action updated</b>
I&F 2	Funding level falls below 90% funded resulting in the Fund considering changing its funding strategy	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Higher volatility of investments returns or changes to financial assumptions leading to adjustments in employer contribution rates at future valuation.</li> <li>Adverse publicity, reputational damage.</li> <li>Employers unable to plan and budget in the medium term.</li> <li>Default by employers resulting in liabilities being funded by remaining active employers in the Scheme.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Prudent assumptions adopted by the Fund Actuary when setting employer contribution rates based on real returns on assets, future expectations of inflation and other financial factors and bespoke mortality assumptions.</li> <li>Modelling work undertaken to understand risk of the investment strategy not delivering the performance required to support the funding strategy.</li> <li>Monitor, maintain and review the investment strategy including parameters for any re-risking.</li> <li>Monitor and review the investment providers performance and processes.</li> <li>Regularly review investment performance and funding levels for individuals employers.</li> <li>Understand the link between the funding strategy and the investment strategy and its implementation.</li> </ul>	Impact - 4 Likelihood - 1 Total - 4	Impact - 4 Likelihood - 1 Total - 4 Status - GREEN	<b>No change</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
I&F 3	Employer contribution rates fluctuate between actuarial valuations.	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Default by employers resulting in liabilities being funded by remaining active employers in the Scheme.</li> <li>Employers unable to meet Pension obligations.</li> <li>Employers are unable to plan and budget in the medium term.</li> <li>Adverse publicity, reputational damage.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Prudent assumptions adopted by the Fund Actuary when setting employer contribution rates based on real returns on assets, future expectations of inflation and other financial factors and bespoke mortality assumptions.</li> <li>The Pension Fund pools certain employers (Academies and Town, City and Parish Councils) to help manage fluctuations in contribution rates.</li> <li>Funding Strategy Statement (FSS) sets out how the Fund will manage contribution rates to reduce risk of rate fluctuation. This includes a policy of stabilisation for the majority of employers and a target contribution rate which provides some more certainty to relevant employers when budgeting.</li> <li>Strain costs are charged for unpredictable, but potentially costly, events such as early retirement. Ill health insurance is offered to all employers to protect against specific risk.</li> <li>Where membership has changed significantly between valuations, contribution rates may be amended.</li> <li><b>Funding Strategy Statement clearly sets out the approach determined by the Committee on advice of the Fund Actuary.</b></li> </ul>	Impact - 3 Likelihood - 1 Total - 3	Impact - 3 Likelihood - 1 Total - 3 Status - GREEN	<b>Risk Control/Action updated</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
I&F 4	Employer no longer actively participating in the Scheme due to insolvency, but deficit/surplus exists	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Employers unable to meet pension obligations.</li> <li>Surplus determined on exit which causes cashflow pressure on the pension fund</li> <li>Default by employers resulting in liabilities being funded by the remaining active employers in the Scheme.</li> <li>Adverse publicity, reputational damage.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Prudent assumptions adopted by the Fund Actuary when determining funding level at each valuation.</li> <li>Covenant review at least every three years and contributions set on the basis of an employers ongoing participation in the fund and their security.</li> <li>Exit responsibilities are set out at the admission stage to ensure clarity. Admission Agreements are regularly reviewed and enhanced by external advisers to reflect best practice and current Regulations and set out the employer obligations clearly.</li> <li>Bond / Guarantee Agreements in place which clearly set out level of a funding guarantee from another scheme employer, external body or government agency.</li> <li>Monitor, maintain and review the Investment Strategy Statement and Funding Strategy Statement. Clear approach to exiting employers set out in Funding Strategy Statement including options for payment plan arrangements to manage any deficit requirement.</li> <li>Where there are circumstances to indicate that an employer may become an exiting employer their funding position will be reviewed and there is provision to agree a contribution rate adjustment if appropriate.</li> <li>Membership changes are monitored regularly and employer costs, such as early retirement and ill health early retirement, are charged to an employer as appropriate.</li> </ul>	Impact - 4 Likelihood - 1 Total - 4	Impact - 3 Likelihood - 2 Total - 6 Status - GREEN	<p>Processes have been put in place to ensure that the exit responsibilities are set out at the admission stage to ensure clarity.</p> <p>The Funding Strategy Statement has been updated to reflect the default approach for admission bodies and the guarantees in place for academies and colleges.</p> <p><b>No change</b></p>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
I&F 5	Declining membership numbers or large single employer leaves the Scheme.	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Benefit payments are higher than contribution income.</li> <li>Employers unable to meet Pension obligations.</li> <li>Funding assumptions relating to ongoing membership not realised in practice.</li> <li>Default by employers resulting in liabilities being funded by remaining active employers in the Scheme.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Prudent assumptions adopted by the fund Actuary.</li> <li>Membership numbers are monitored regularly and employers with low or changing membership are contacted.</li> <li>Monitor, maintain and review the Investment Strategy Statement and Funding Strategy Statement.</li> <li>Engagement with employers to ensure workforce changes are identified at an early stage. Employer costs, such as early retirement and ill health early retirement, are charged to an employer as appropriate.</li> <li>Communication with employees of employers in the Fund setting out the benefits of the Scheme. The Scheme has a 50/50 option for members to support continued membership.</li> <li>Monitor and review the cash flow of the fund.</li> </ul>	Impact - 4 Likelihood - 3 Total - 12	Impact - 3 Likelihood - 3 Total - 9 Status - AMBER	<b>Combined Mayoral Authority and Local Government Reorganisation will affect underlying employer base and appropriate administering authority for some eligible employees of current employers.</b>
I&F 6	The Pension Fund does not provide a clear and suitable investment strategy for selection of investments / providers	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Volatility of investment returns and/or net performance impacting the funding level.</li> <li>The fund is unable to implement its investment strategy or choose best in class or appropriate managers.</li> <li>The fund takes on more risk than appropriate.</li> <li>Negative impact on officer time and resources.</li> <li>The investment strategy does not support the funding strategy as required.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Monitor, maintain and review the Investment Strategy Statement.</li> <li>Investment performance is monitored quarterly against the performance of the fund-specific benchmark and the returns assumed in the actuarial valuation.</li> <li>Engagement with providers at Committee meetings.</li> <li>Investment documentation clearly set out the required benchmark and targets.</li> <li>The Fund takes appropriate advice from professional advisors.</li> </ul>	Impact - 5 Likelihood - 1 Total - 5	Impact - 5 Likelihood - 2 Total - 10 Status - AMBER	<b>The Fit for the Future consultation requires that the Fund's investment strategy is defined using the Strategic Asset Allocation (SAA) template provided by Government. Officers have engaged with Border to Coast to inform the definition of the Investment Strategy Statement and the SAA. Progress is dependent on formal regulation and guidance.</b>  <b>Work is also underway to establish a dedicated working group, which will explore the Fund's approach to 'local' investment.</b>



Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
I&F 7	The benefits payable each month are more than the income received each month	Head of Pensions	<ol style="list-style-type: none"> <li>On a short-term basis, the Fund is not able to pay benefits or has to borrow money.</li> <li>Inability to meet liabilities.</li> <li>Need to recall monies from Investment Managers resulting in a loss of investment returns or sale of assets.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>The Fund has worked with the Fund Actuary to model the exposure of the Fund to the cashflow negativity and tools have been developed to support the team monitoring and managing cashflow changes.</li> <li>Investment strategy includes changing cash flow requirements and specific allocation to income generating assets.</li> <li>The Pensions Committee have agreed a liquidity ladder setting out the management of cashflow should it be required.</li> <li>Regular meetings with Treasury Management team to discuss cash balances.</li> <li>Cashflow monitoring is being undertaken by the team.</li> </ul>	Impact - 3 Likelihood - 2 Total - 6	Impact - 3 Likelihood - 4 Total - 12 Status - AMBER	<p><b>The Fund became cashflow negative in 2024/25 (when benefits v contributions are considered). The balance of payments is therefore supported by investment income.</b></p> <p><b>How investment income will be managed following change of pool is being explored with Border to Coast based on Fund requirements.</b></p>
I&F 8	Pension Fund accounts not accurately maintained	Pension Fund Finance Manager	<ol style="list-style-type: none"> <li>Adverse Audit opinion.</li> <li>Under/overstatement of investments.</li> <li>Investment decisions made on incorrect information resulting in higher risk.</li> <li>Adverse publicity, reputational damage.</li> <li>Negative impact on officer time and resources.</li> <li>Pension information within employers accounts needing to be restated which could impact on their own funding position and funding requirements.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Detailed reconciliations to support quarterly closedown are carried out on a regular basis.</li> <li>Plan to close down accounts with timetable including robust quality assurance on a quarterly basis.</li> <li>Ensure staff are trained appropriately.</li> <li>Maintain a good working relationship with the Actuary and auditors.</li> <li>Involvement with CIPFA resulting in best practice being adopted.</li> <li>Engagement with employers to ensure requirements are met.</li> </ul>	Impact - 4 Likelihood - 2 Total - 8	Impact - 4 Likelihood - 2 Total - 8 Status - AMBER	<p><b>2024/25 accounts were completed ahead of the 30 June deadline. External audit completed and report considered by Regulation, Audit and Accounts Committee in September. No issues were identified that required attention.</b></p> <p><b>Likelihood maintained due to implementation of new financial system.</b></p>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
I&F 9	Investment requirements, objectives and guidelines not met by investment providers	Head of Pensions	<ol style="list-style-type: none"> <li>1. Impairment of investment outcomes.</li> <li>2. Breach in legislation.</li> <li>3. Poor provision of financial data provided to Pension Fund Team resulting in poor audit opinion.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>• Regular communication with all managers and foster good working relationships.</li> <li>• Service levels set out clearly in contract and monitored.</li> <li>• Continued strong involvement in the work of the ACCESS Group at officer and at Fund Chairman level.</li> <li>• Compliance with procurement requirement and standing orders for provision of services to the Fund.</li> <li>• Maintain and manage contract register.</li> <li>• Clear monitoring process with ACS Operator.</li> <li>• Defined requirements set out within the Sub-fund prospectus.</li> </ul>	Impact - 4 Likelihood - 2 Total - 8	Impact - 4 Likelihood - 2 Total - 8 Status - AMBER	<b>Officers are working with Border to Coast, partner funds, advisors and colleagues to understand requirements ahead of asset pool change.</b>
I&F 10	Arrangements agreed via LGPS Asset Pool do not meet the needs of West Sussex Pension Fund	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>1. The fund is unable to implement its ISS or choose best in class or appropriate managers.</li> <li>2. The fund takes on more risk than necessary.</li> <li>3. The funding level of the fund reduces.</li> <li>4. Negative impact on officer time and resources.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>• Continued strong involvement in the work of the ACCESS Group at officer and at Fund Chairman level.</li> <li>• Involvement in the procurement work and the Pool's governance work.</li> <li>• Engagement with external advisers.</li> <li>• Regular review of the fund's investment strategy.</li> <li>• <b>Meetings with Border to Coast and with partner funds to understand requirements to be 'safe and legal' by Government deadline.</b></li> <li>• <b>Meetings with Border to Coast and partner funds to understand ways of working and requirements following 1 April 2026.</b></li> </ul>	Impact - 5 Likelihood - 2 Total - 10	Impact - 5 Likelihood - 2 Total - 10 Status - AMBER	<b>Officers are working with Border to Coast, partner funds, advisors and colleagues to understand requirements ahead of asset pool change.</b>

Risk No	Risk Description	Risk Owner	Risk Impact	Risk Strategy	Risk Control/Action	Target Score	Current Score	Risk Update
I&F 11	Pressure from stakeholders and/or changes in Regulation or guidance results in change to investment strategy due to potential Environmental, Social or Governance factors.	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Investment providers restricted resulting in impaired investment outcomes.</li> <li>Fund challenged regarding fiduciary duty.</li> <li>Influence of other Authorities ESG strategies may impact on the discretions of the Pensions Committee as a result of LGPS asset pooling.</li> </ol>	Tolerate	<ul style="list-style-type: none"> <li>Requirement for active engagement with providers and regular dialogue regarding rationale behind investment decisions.</li> <li>Investment Strategy Statement clearly sets out approach to responsible investment available to stakeholders and report on Fund progress to improve communication and transparency.</li> <li>Training for all decision makers regarding obligations and responsibilities.</li> <li>Keep up to date with Scheme Advisory Board and Government guidance.</li> </ul>	Impact - 3 Likelihood - 4 Total - 12	Impact - 4 Likelihood - 3 Total - 12 Status - AMBER	<p><b><i>Scheme Advisory Board have provided statement and have written to the Local Government Minister regarding recent communication received by all Funds from the Palestine Solidarity Campaign.</i></b></p> <p><b><i>Likelihood reduced 4&gt;3 reflecting West Sussex Pension Fund Investment Strategy Statement but also taking into consideration wider sector actions.</i></b></p>
I&F 12	<del>Reliance on one contract for majority of investment management through the pool.</del>	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li><del>Impairment of investment outcomes.</del></li> <li><del>Breach in legislation.</del></li> </ol>	Treat	<ul style="list-style-type: none"> <li><del>Engagement with legal and investment advisors to understand risks and options.</del></li> <li><del>Engagement with ACCESS Funds and Support Unit to plan and prepare for scenarios.</del></li> <li><del>Clear monitoring process with AGS Operator.</del></li> <li><del>Defined requirements set out within the Sub-fund prospectus.</del></li> <li><del>New contract in place following procurement.</del></li> </ul>	<del>Impact - 2 Likelihood - 4 Total - 8</del>	<del>Impact - 4 Likelihood - 3 Total - 12 Status - AMBER</del>	<p><b><i>Risk closed as the impacts described are covered through risks G16 &amp; IF10 and the changes in requirements of pooling through regulations.</i></b></p>
I&F 13	Climate risk has the potential to impact Pension Fund investment returns, inflation and life expectancies.	Executive Director of Finance and Support Services	<ol style="list-style-type: none"> <li>Inability to implement investment strategy requirements.</li> <li>Fund manager investments restricted resulting in impaired investment outcomes and reduced funding level.</li> <li>Loss of value to the Fund.</li> </ol>	Treat	<ul style="list-style-type: none"> <li>Review the Investment Strategy Statement at least every three years or as required.</li> <li>Investment managers are required to take account of both financial and nonfinancial factors in their investment decisions.</li> <li>Managers are challenged on their engagement activities in connection with environmental, social and governance (ESG) issues including climate risk.</li> <li>Scenario analysis performed with regards to Investment Strategy and Funding Strategy.</li> </ul>	Impact - 2 Likelihood - 2 Total - 4	Impact - 4 Likelihood - 3 Total - 12 Status - AMBER	<p><b><i>No change</i></b></p>