

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Gov 1 2. Pensions Committee	Failure of Pensions Committee to manage the fund effectively, particularly as a result of insufficient knowledge and skills	Policies and procedures adopted by pensions committee, specifically the committee training policy	3	4	12 Amber	Undertake a review of Committee Knowledge and Skills  Ensure Pension Board vacancies are filled and regular meetings take place to provide additional review of Committee decisions	2	4	8 Green		on-going with quarterly review		Current score is influenced by the collective experience and consistency of the Pensions Committee, which has had a number of changes over the last 4 years.
1. PF - Gov 2 2. Pensions Committee	Risk of Regulatory change: - Implementation of change risks - Consequences of change risks	Continuous engagement with MHCLG and other interested stakeholders	4	3	12 Amber		4	3	12 Amber		on-going with quarterly review		The dictated change to pooling of investment arrangements and implementation of this presents a significant risk to the scheme.  The frequency of new regulation and the relatively new role of the Pensions Regulator are also factors.
1. PF - Inv1 2. Anton Sweet	The pension fund has insufficient available cash to meet its immediate (next 6 months) liabilities.	Cash flow forecasting of TM function  Monthly review of asset allocation and cash levels	2	4	8 Green		2	4	8 Green		on-going with quarterly review		
1. PF - Inv2 2. Pensions Committee	The pension fund has insufficient available assets to meet its long term liabilities.	Funding Strategy Statement  Investment Strategy Statement  Regular reporting of current position to Committee	3	5	15 Red	The triennial valuation includes provision for restoring the fund to full funding over 19 years  The current risk score partly reflects that the fund was 86% funded at the last valuation. An improvement in the funding level will reduce the likelihood of the risk occurring at some point in the future	2	5	10 Amber		Review again at next Valuation - 2022		This risk encapsulates the purpose of the fund in trying to always have sufficient assets to meet uncertain future liabilities with a pool of assets with uncertain future investment performance  There is also the need to balance the funding needs of the fund with the desire to keep contributions as low and constant as possible

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1. PF - Inv3 2. Pensions Committee	Under performance of pension investments due to ESG factors, including climate change.	ESG Policy within Investment Strategy Statement requiring ESG factors to be considered in all investment decisions.	2	4	8		2	4	8		on-going with quarterly review		Moving all assets to the management of Brunel, which has a greater focus on ESG and climate change than the majority of our legacy investment managers, has considerably improved our management of these risks.  Additional provision is within the draft of the new ISS .
					Green				Green				
1. PF - Inv4 2. Pensions Committee	Failure of Brunel to deliver either Fee savings or investment performance	Representation on the Brunel Client Group and Oversight Board	2	4	8		2	4	8		on-going with quarterly review	There was a proposal at April Pension Fund Board meeting to increase the score of this but due to subsequent developments this is no longer necessary	
					Green				Green				
1. PF - Inv5 2. Anton Sweet	Insolvency of the fund's Global Custodian	Fund's assets held in client accounts not as assets of the custodian  Additional oversight of custodian provided by Brunel for the assets they manage  Review of credit worthiness and inherent business risk of custodian at tender phase	2	4	8		2	4	8		on-going with quarterly review		The designation of the fund's assets as client assets ensures that they cannot be appropriated by creditors of the Custodian bank in the case of that entity going into administration. As a result we should be able to recover substantially all of the assets of the fund held in custody but there would be considerable administrative and liquidity disruption.
					Green				Green				

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1. PF - Admin1 2. Stephen Morton	Failure of Benefits Administration to perform their tasks, specifically leading to incorrect or untimely benefits payment.	Regular reporting to Committee  Internal processes and procedures  Regular review by Internal and External audit	2	3	6 Green		2	3	6 Green		on-going with quarterly review		The greater resilience gained from the Peninsula Pensions shared service has been balanced by greater complexity coming into the scheme benefits.
1. PF - Admin2 2. Stephen Morton	Legal challenge to fund, particularly in respect of the payment of pension benefits	Internal processes and procedures  Regular review by Internal and External audit	3	3	9 Amber	Receipt of revised regulations in respect of the exit cap, McCloud and Goodwin	2	3	6 Green		on-going with quarterly review		The introduction and then revocation of the exit payment regulations has significantly increased the short term risk of legal challenge
1. PF - Admin3 2. Stephen Morton	Fraud, corruption, or error either within investment assets or benefits administration	Internal controls and processes  Regular review of controls, processes and outputs by internal and external audit	2	4	8 Green		2	4	8 Green		on-going with quarterly review		Brunel provides an extra layer of scrutiny and control with respect to the activities of external fund managers and related third parties
1. PF - Admin4 2. Stephen Morton	The insolvency of an employer places additional liabilities on the fund and ultimately the remaining employers.	Admission agreements  Guarantee bonds or other similar security	2	3	6 Green		2	3	6 Green		on-going with quarterly review		To ensure the on-going suitability of the guarantees in place a review should be undertaken after each formal valuation.  Review of guarantee bonds currently underway, September 2020

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1. PF - Admin5 2. SCC Section 151 Officer	Vulnerability to long-term staff sickness and/or retention and recruitment issues, especially for higher graded posts, within Somerset Council and Peninsula Pensions.	None, other than experience of other staff within the sections	3	3	9 Amber		2	3	6 Green		on-going with quarterly review	Risk clarified and likelihood score increased following discussion at April Pension Fund Board meeting.	Size and depth of staff resources at Peninsula Pensions helps to mitigate the risk  Brunel provides some extra mitigation with respect to investment asset management  Additional use of consultants and advisors could be used to manage loss of internal staff
1. PF - Admin6 2. SCC Section 151 Officer	Resilience of IT including a breach of cyber security	SCC and DCC internal IT security measures  Additional cyber security and resilience provided by hosting of benefits administration database and investment accounting database by outside parties	2	4	8 Green		2	4	8 Green		on-going with quarterly review		
1. PF - Admin7 2. SCC Section 151 Officer	Civil Contingency Event	SCC and Peninsula would follow their established business continuity plans	3	2	6 Green		3	2	6 Green		on-going with quarterly review		Amended from COVID risk December 2022 at Board's request.