

RISK REGISTER

APPENDIX B

Summary of Risks with Strategic or Operational classifications	Strategic	Operational	Post Mitigation							
			Red B/1	Amber B/2 C/2		Green D/2 D/3		Green E/3 E/4		
			Very Likely/ Major	Very Likely/ Serious	Likely/ Serious	Possible/ Serious	Possible/ Moderate	Unlikely/ Moderate	Unlikely/ Negible	
Risk 1 Inaccuarate 3 yearly actuarial valuation										
1.1 Inappropriate assumptions used by actuary in calculations for valuation.	✓								✓	
1.2 Poor Governance of Actuary		✓							✓	
1.3 Poor Quality Data		✓							✓	
Risk 2 Incorrect/ Inappropriate Investment Strategy										
2.1 Lack of or poor professional investment advice given or not taken.	✓								✓	
2.2 Concentration risk by asset, region and sector/Lack of clear risk appetite.	✓								✓	
2.3 Based upon inaccurate actuarial valuation.	✓								✓	
2.4 Poor Governance of Investment Advisor		✓							✓	
2.5 Lack of understanding and awareness					✓					
Risk 3 Failure of Investments to Perform In-Line with Growth Expectations										
3.1 Poor Fund Manager selection.	✓								✓	
3.2 Underperformance by Fund Manager.	✓							✓		
3.3 Underperformance of LCIV Fund manager. Failure to achieve Asset Under Management (AUM) Target	✓							✓		
3.4 financial market impacts/external factors/increased market volatility	✓							✓		
3.5 Climate Risk /ESG Considerations	✓						✓	✓		
3.6 Fund Managers –noncompliance to the Code of Transparency	✓							✓		
3.7 Delays in the implementation of the strategy		✓						✓		
3.8 Delays in compliance with capital calls/FX Hedges mandates could result in penalty payments.		✓							✓	
3.9 Existing MATS Consolidation with Funds external to Havering Fund.	✓			✓						
Risk 4 Failure to comply with Legislation										
4.1 Lack of appropriate skills/knowledge.Unaware of Legslative changes/poor/inaccurate intreprétation of regulations		✓							✓	
4.2 Key person dependency		✓			✓					
4.3 Failure/inability to administer the pension scheme in accordance with regulations.		✓							✓	

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			Red	Amber		Green				
			B/1	B/2	C/2	D/2	D/3	E/3	E/4	
			Very Likely/Major	Very Likely/Serious	Likely/Serious	Possible/Serious	Possible/Moderate	Unlikely/Moderate	Unlikely/Negible	
Risk 5 Inability to Manage/Govern the Pension Fund and Associated Services										
5.1 Staffing issues: Loss of corporate knowledge/Long-term sickness/staff turnover/lack of resources		✓					✓			
5.2 LCIV resourcing – LCIV staff turnover.		✓						✓		
5.3 ICT failure/Disaster Recovery.		✓				✓				
5.4 Cyber Security Risk.		✓				✓				
5.5 Poor Pension fund administration by the outsourced service LPPA.		✓								✓
5.6 Poor administration by the employers/payroll providers in the fund		✓						✓		
5.7 Failure/inability to undertake the accounting of the pension scheme appropriately.		✓								✓
5.8 Poor communications with stakeholders.		✓								✓
5.9 Excessive charges by suppliers		✓								✓
5.10 Employers ability to meet contribution rates determined by the Actuary due to budget pressures		✓					✓			
Risk 6 Failure to onboard or exit Employers/Members effectively										
6.1 Delays in internal processing of documentation/ admission agreements.		✓								✓
6.2 Member data incomplete or incorrect		✓								✓
Risk 7 Pension Fund payment Fraud										
7.1 Pension overpayments arising because of non-notification in change of circumstances.		✓								✓
7.2 Internal staff fraud/ Staffacting outside of levels of authorisation		✓								✓
7.3 Conflict of interest.		✓								✓
Total = 35 individual Risks	11	24	1	1	2	4	7	19	1	35