

Ref	Risk Description (Consider Risk Cause & Risk Consequences)	Inherent Risk			Current Controls	Residual Risk			Proposed Improvement Actions	Risk Reduction Target Date	Owner
		Likelihood	Consequence	Priority		Likelihood	Consequence	Priority			
Pensions											
P1	That the Pension Fund's investment strategy is not managed with reference to the long-term growth in the Fund's liabilities	B	1	High - Red	<p>Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. Employer contributions are set in response to this. An asset-liability study may be commissioned if there is evidence of a clear shift in the balance between assets and liabilities.</p> <p>The Investment Panel considers whether any changes are required to strategic asset allocation. The investment strategy is summarised in the Investment Strategy Statement</p> <p>The liabilities of admitted bodies are monitored to ensure that large deficits do not accrue, which would be unaffordable should the employer leave the Fund</p>	C	2	Medium - Red / Amber	Continuing engagement with Fund actuaries to understand impact of financial and demographic factors on the Fund's liabilities.	31-Mar-20	Gareth Henson
P2	Inadequate medium term performance from selecting inappropriate fund managers or asset allocation	B	2	High - Red	<p>◦Fund managers have been appointed through open tender and management agreements include clear performance targets. All managers are interviewed by the panel at least once a year and are assessed over 3 year rolling periods.</p> <p>◦The Investment Panel advise target ranges for strategic asset allocations.</p> <p>◦Although the Fund's main objective is long-term growth, the diversification provided by adopting a range of asset classes and fund managers should help to mitigate the impact of poor performance from any particular account.</p>	C	2	Medium - Red / Amber	Maintain relationships with managers during period of transition to pooling	Ongoing	Gareth Henson
P3	Additional risks and costs to the Fund from poorly structured investment arrangements	B	3	Medium - Red / Amber	<p>The Fund attempts to ensure best value in the following ways:</p> <ul style="list-style-type: none"> • Reports to the Investment Panel on manager performance and costs • Considering IMA disclosure tables to ensure best execution by managers • Where possible, managers are asked to invoice for fees • Use of specialist services considered to reduce costs where appropriate (e.g. for transitions and currency transfers). • Custodian arrangements are reviewed or re-tendered when appropriate. 	C	3	Medium - Amber / Green	Continue to develop annual, quarterly and monthly monitoring processes.	Ongoing	Gareth Henson
P4	Collapse of an Investment Manager involving our portfolio	C	1	Medium - Red / Amber	<ul style="list-style-type: none"> • The Fund considers the financial stability of managers during the tender process and at regular meetings. • All assets are managed through the Fund's custodian to ensure they remain segregated from the manager. • The risk that a manager cannot provide a service during windup has been mitigated by the appointment of a Transition Manager to transfer assets efficiently to a new manager. 	C	3	Medium - Amber / Green	The Pool Operator is regulated by FCA and the Pool Custodian will ensure segregation of assets. Transition Managers will be appointed for the Pool.	Ongoing	Gareth Henson

P5	MIFID II leads to restrictions on the investment products available to the Fund	A	1	High - Red	Collaboration with investment managers, the Pool Operator, other LGPS funds and the LGA to ensure that the Fund is classified as a Professional Investor by all its managers and the Pool.	C	2	Medium - Red / Amber				Gareth Henson
P6	Pooling arrangements lead to increased costs, lower performance, misalignment with the Fund's investment strategy or conflicts within the Pool	B	2	High - Red	Attendance at working group meetings and conference calls to ensure Cardiff's views are taken account of. Reporting of progress to Pension Committee, Investment Panel and Local Pension Board.	C	2	Medium - Red / Amber	Continuing engagement and scrutiny of detailed plans for pool structures and transition timetables.	Ongoing		Gareth Henson
P7	Pension Fund Annual Accounts and Report are not produced in compliance with statutory requirements, in line with accounting standards or in line with audit timetable.	B	2	High - Red	The Fund's Custodian provides assurance on the accuracy of investment records (except for property and private equity). Records of benefits paid, contributions received and other expenses are held on SAP. The Group Accountant liaises with external audit and manages the closure process.	C	4	Low - Green	Regular meetings during the financial year between accountancy and pensions staff to ensure any issues are identified and resolved before year end.	31-Mar-20		Gareth Henson
P8	Failure to adhere to LGPS Regulations	B	2	High - Red	<ul style="list-style-type: none"> Investment regulations are considered when setting the ISS Altair system ensures benefit calculations comply with scheme regulations Other regulations concerning membership, communication etc are published in the scheme guide and monitored by the Pensions section. 	C	2	Medium - Red / Amber	Engagement with Local Pension Board to develop reporting processes	Ongoing		Gareth Henson
P9	Failure to communicate with stakeholders	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Contact list for employers updated regularly Annual Employers' Forum Annual Trade Union Forum Annual report and accounts Member newsletters 	C	3	Medium - Amber / Green	Develop Fund website and member self service facilities. Engagement with employers through site visits and promotion of Employers' Forum.	31-Mar-20		Gareth Henson
P10	Withdrawal/default of an employer	B	2	High - Red	<ul style="list-style-type: none"> Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers. Actuarial valuation aims to balance recovery period with risk of withdrawal Applications for admission to the Fund are considered carefully and guarantees put in place if required 	B	3	Medium - Red / Amber	Improve engagement with admitted bodies where withdrawal is a possibility. Refuse new applications for admission except where there is an obligation to protect rights of employees transferred under TUPE	Ongoing		Gareth Henson
P11	Pensioners not paid	B	2	High - Red	Monthly Pensions are paid by the Council's Pay Centre	C	3	Medium - Amber / Green	Develop processes to minimise delays in payment of lump sums and first monthly pension	30-Sep-19		Gareth Henson
P12	Pensions continue to be paid to deceased pensioners	B	2	High - Red	<ul style="list-style-type: none"> Monthly ATMOS reviews and Tell Us Once data exchanges match pensioner details with national deaths register Pensioners incorporated into National Fraud Initiative Annual life certificates required from pensioners living overseas Further targeted checks with credit reference agencies as appropriate 	D	4	Low - Green	Tell Us Once database is being updated monthly via the LGPS NI database.			Gareth Henson
P13	Membership data is not recorded accurately	A	2	High - Red	Service history and salary details must be supplied by employers. Monthly returns via iConnect are now required.	B	3	Medium - Red / Amber	iConnect is live and being used monthly by almost all employers. Remaining 2 employers to go live in 1st half of 2019/20.	30-Sep-19		Gareth Henson
P14	Breach of GDPR legislation	A	1	High - Red	Information issued to Fund members and published on website; Pensions staff trained on handling personal data; Memo of Understanding issued to Fund employers; contracts with service providers	B	3	Medium - Red / Amber	Monitoring and supervision of staff, regular communications to Fund employers	Ongoing		Gareth Henson
P15	Failure to complete GMP Reconciliation by HMRC deadline of 31 December 2018	A	2	High - Red	JLT engaged to carry out reconciliation, submit queries to HMRC and report back to Fund on results.	C	3	Medium - Amber / Green	Regular update meetings with JLT. Prompt resolution of cases referred back to Fund.	31-Dec-19		Gareth Henson
P16	Failure to deliver Annual Benefit Statements by statutory deadline of 31 August 2019	A	2	High - Red	Employers notified of data return deadlines; printing timetable agreed with external printer	B	3	Medium - Red / Amber	Monthly data submitted via iConnect; Member tracing via ATMOS	31-Aug-19		Gareth Henson
P17	Cyber security	A	1	High - Red	Access to all systems is password protected, additional password protection for access to Altair	B	3	Medium - Red / Amber	Staff must complete mandatory modules on cyber security	Ongoing		Gareth Henson