

Ref	Risk Description	Current Risk		Proposed Risk		Proposed Improvement Actions	Risk Reduction Target Date	Owner	Status
		Impact	Priority	Impact	Priority				
P1	That the Pension Fund's investment strategy is not managed with reference to the long-term growth in the Fund's liabilities	High	High	Medium	Low	Continuing engagement with Fund actuaries to understand impact of financial and demographic factors on the Fund's liabilities. Also have included a provision in the 2023 annual valuation calculations to cover the 10% CPI inflation at September 2022	21-Mar-23	Mark Falzoner	Ongoing
P2	Inadequate medium term performance from selecting inappropriate asset managers or asset allocation	High	High	Medium	Low	Maintain relationships with managers both directly appointed by the Fund and WPP Funds, ensure forward impact of liabilities on the WPP pool will be limited to Private Market Assets. Continue to review any impact of Brexit especially any that will have a long term impact on the investment performance of the Fund. Monitor any impact of the Fund following the Russian invasion of Ukraine in Feb 2022 and the subsequent decision to dis-invest in Russian equities. Monitor impact on Fund following Ukraine fall in UK Govt's call rates.	Ongoing	Mark Falzoner	Ongoing
P3	Additional risks and costs to the Fund from poorly structured investment arrangements including with WPP sub-funds	Medium	High	Medium	Low	All listed assets now invested in WPP sub-funds bringing the benefits of diversification with a multi manager approach across the board compared to the Fund's legacy assets single manager approach. Monitor and review processes to assess impact of WPP sub-fund incorporation on the regular investment flow through, as well as being standard terms on the specific for the existing WPP SIC and OTC contracts. Fund investments to be further diversified by incorporating investments into the new WPP Private Credit and (open-ended) Infrastructure sub-funds as well as the Sustainable Active Equity Fund.	Ongoing	Mark Falzoner	Ongoing
P4	Collapse of an Investment Manager involving our portfolio	Medium	High	Medium	Low	The Fund Operator is regulated by FCA and the Pool Operator is regulated by FCA and the Pool Operator will ensure segregation of assets. Consideration to be given for the collateral risk to be retained to cover Property and Private Equity assets. The diversification benefits of the multi-manager approach adopted by WPP Funds has been highlighted. PFA's WPP EM Fund has 2 sub-managers operating in parallel. Fund assets in the legacy fund was a single manager. Introduction of change of ownership of Link. Consider historical asset management of Link by FCA to be kept under review.	Ongoing	Mark Falzoner	Ongoing
P5	MFO D leads to restrictions on the investment portfolio available to the Fund	High	High	Medium	Low	Training will be the subject of review attention when the completion of the Pension Committee to confirm following the 2022 election. Focus will be across the board with consideration on provision of training to Officers, Committee and board members as appropriate. Quarterly training provided to ensure well integrated into training routine available. Appropriate Training Records to be maintained. Officers have been invited to attend conferences. Enhanced focus on in-house Training for Pension Committee (see Board) members during 2023.	Ongoing	Mark Falzoner	Ongoing
P7	Pension Fund Annual Accounts and Report are not produced in compliance with statutory requirements, or in line with accounting standards or in line with audit standards	High	High	Low	Low	Regular meetings during the financial year between Accountancy and pension staff to ensure any issues are identified and resolved before year end.	Ongoing	Mark Falzoner	Ongoing
P8	Failure to adhere to LGPS Regulations	High	High	Medium	Low	Investment regulations are considered when setting the SIC. Senior Technical Officer undertake Asset system checks to ensure compliance with LGPS regulations. Team leaders/supervisors ensure legislative awareness of compliance. Compliance Officer responsible for the update of website and other guidance. Inform employees of any changes in regulations.	Ongoing	Mark Falzoner / Karen O'Donnoghue	Ongoing
P9	Failure to communicate with stakeholders	Medium	High	Low	Low	Contract for employees updated regularly. Annual Employee Forum held in person (Dec 2022). Focus on: Member newsletters. Detailed Communication and Training Officer post established. Links to all available communication channels. Completed list of member self service facilities for Active Members for Employees using Connect.	Ongoing	Mark Falzoner / Karen O'Donnoghue	Ongoing
P10	Withdrawal/default of an employer	High	High	Medium	Low	Review engagement with active/defunct when withdrawal is a possibility. Review new pension contract where there is an obligation to protect rights of employees transferred under LGPS. New PFA includes drafting to the use of Defined Data arrangements and other Employee Facilities where set from Pension Fund in being completed. Dec 22 includes PFA route arrangements for Employees with long Pension surplus.	Ongoing	Mark Falzoner	Ongoing
P11	Timeliness and accuracy of pension payments including risks arising from maintaining back separate data recording systems	High	High	Medium	Low	Review configuration of systems. Reassessment purchasing Active Payroll.	Ongoing	Karen O'Donnoghue	Ongoing
P12	Pensioners continue to be paid to deceased pensioners	High	High	Low	Low	Keep current controls under review and adjust if change is required.	Ongoing	Karen O'Donnoghue	Ongoing
P13	Membership data is not recorded accurately	High	High	Medium	Low	Discussion in place with the less remaining employees to go live on Connect.	Ongoing	Karen O'Donnoghue	Ongoing
P14	Breach of GDPR legislation	High	High	Medium	Low	Monitoring and supervision of staff regular communications to Fund employees.	Ongoing	Karen O'Donnoghue	Ongoing
P15	Failure to complete GMP Reconciliation resulting in inaccurate payments to pensioners	High	High	Medium	Low	Closely monitor the key tasks that need to be completed. As any GMP adjustments are implemented, ensure data is a reconciliation between Active and SAP. Member have provided a draft Project Plan and a combined group, taking into account the actions that are required if it has been decided to complete the reconciliation. Following the April 2022 Pensioners increase December there is not a clear line between core and March 2022 to complete all the tasks without introducing a higher risk. Officers contacted Member following the concerns raised over the delay in completing this reconciliation. Member have agreed that activity in the core and Active Pensioners is split with a target completion date of October 23.	31-Oct-23	Karen O'Donnoghue	Ongoing
P16	Failure to deliver Annual Benefit Statements by statutory deadline of 31 August	High	High	Medium	Low	For 2022 Statements MDS to be used to enhance the service provided to Scheme members. MDS to be used for Active Members to update statements ensuring higher compliance with MDS. Savings on printing and postage costs.	Ongoing	Karen O'Donnoghue	Ongoing
P17	Cyber security	High	High	High	High	Continue to follow advice from ICT and update procedures as required. SAP continues to complete relevant new security modules as well as considering relevant information from external organisations such as PFA.	Ongoing	Karen O'Donnoghue	Ongoing
P18	End Payment Cap	Medium	High	Low	Low	If new regulations are below contribution will be given at that time appropriate controls.	Ongoing	Karen O'Donnoghue	Ongoing
P19	McCloud - huge administrative burden, failure to have correct responses to deal with the additional work	High	High	Medium	Low	Use third party to assist with project management with external advice provision now included in Business Plan. New staffing structure approval and recruitment process underway. All employees with outstanding cases, or all employees completed case working on Caspiff Court.	Ongoing	Karen O'Donnoghue	Ongoing
P20	Resource Implications - Pension Section has insufficient resources to respond to the multiple workload pressures facing the section e.g. McCloud, Call Cap, Disinflation, etc and recruitment and retention of staff	Medium	High	High	High	Continual monitoring of Pension section workload and options to resource planning including business plan and budget. Recruitment process for 6 positions and has commenced with a senior officer appointment in November 21 and the remaining 5 being recruited in April 22. All of the recruitment is successful to all posts in November 21. Following 2 rounds of unsuccessful recruitment a senior member of recruitment is being deployed. Officers plan on looking at alternate recruitment opportunities for the vacant posts (DCI DCI). Further recruitment now was unsuccessful on the basis of alternative approaches. Senior staff to be made available to support to start on 24 Jan. A bus move applicable to be implemented. Grade 5 "CV" approach with Indeed being discussed with HR.	Ongoing	Karen O'Donnoghue	Ongoing
P21	The Fund fails to adequately account for climate change, climate risk and ESG factors with financial loss to assets and potential for 'stranded assets'	High	High	Medium	Low	Continued evolution of WPP sub-funds that allow climate risk and other ESG factors to be managed e.g. proposals to introduce a divestment overlay by UK Companies Fund were implemented from June 2022. WPP Sustainable equity which had target launch date of March 2023. Continued engagement and challenge to investment Managers, especially the WPP (Private) to have their climate and ESG data - reporting of suitable climate change and ESG data. Continued having focus including with the WPP being and Engagement Director. WPP re-evaluation of the FIC Stewardship code has been submitted (21/22) with updates of application expected to be known early in 2023. The Fund to consider whether it should have a net zero target.	Ongoing	Mark Falzoner	Ongoing