

No	Aim	Risk Event, to include: - the area of uncertainty in terms of the threat	Current Mitigating Actions / Controls	Post-mitigation assessment			Owner
				Likelihood	Impact	Rating	
1	Governance - robust and well based governance framework	That decision making and control of the Pension Fund is lacking or inappropriate or undertaken by persons without suitable knowledge or experience. Could result from turnover in Pension Fund Panel and Board Members and/or senior officers; or lack of training and development. A failure of governance arrangements to meet statutory requirements and recommended best practice could lead to ineffective working relationships, financial loss and reputational damage.	Documented Terms of Reference for the Pension Fund Panel and Board. Reporting of the Business Plan, Risk Register and Training Plan to the Panel and Board. Knowledge and Skills checklist completed by Panel and Board members and used to identify training needs. Induction information and training needs analysis sent to all new members of the Panel and Board. Progress against training plan reported as part of the Pension Fund's Annual Report. Advice taken from advisors.	1	4	4	CFO to the Pension Fund
2	Governance - act with integrity and be accountable for decisions made	Failure to disclose material facts, or the disclosure of incorrect or incomplete information in the Annual Report and Accounts or during the audit, leads to incorrect or incomplete information published in the Annual Report and Accounts, leading to reputational damage and financial loss	Hampshire Pension Fund follows the Chartered Institute of Public Finance & Accountancy (CIPFA) guidance and Code of Practice for the Annual Report and Accounts content. Programme of works from internal and external audit.	2	2	4	Head of Pensions
3	Governance - a well based governance framework which considers risk management, compliance and appropriate resourcing.	The failure of officers to maintain sufficient levels of competence and/or resource to discharge their duties could lead to retention of inefficient staff, therefore, relying on key officers impacting on the wellbeing of staff and a reduced work rate for the Pension Fund.	Confirmation each year from the Head of Pensions that the budget contains sufficient resources. Pension Services follow the County Council's process for staff development and training. Officer scheme of delegation in place to ensure appropriate decision making. Budget is available that if specialist resource is required for consultancy and advice it can be procured.	1	3	3	Head of Pensions
4	Governance - act with integrity and be accountable for decisions made	Failure to recognise, disclose, monitor and prevent conflicts would lead to conflicts of interest resulting in ineffective governance processes, reputational damage and financial loss	The Pension Fund ensures that interests are recorded in the Conflicts Register. Advice is provided to Members to enable them to recognise potential conflicts. Members adhere to Hampshire County Council's code of conduct and Conflict of Interest Policy.	1	3	3	Head of Pensions
5	Governance - a well based governance framework which considers risk management, compliance and appropriate resourcing.	Due to insufficient knowledge, there could be a failure of effectively letting or managing contracts for the supply of services to the Pension Fund, leading to reputational damage, potential legal challenge, disruption of services and financial loss	The Pension Fund follows Hampshire County Council's Contract Standing Orders. Where appropriate advice is taken from Hampshire legal and procurement officers and external legal support. The Pension Fund monitors all contracts via performance measures and contract fulfilment checks.	1	3	3	Head of Pensions
6	Governance - a well based governance framework which considers risk management, compliance and appropriate resourcing.	Failure to implement a policy to identify risks and arranged for these to be managed or mitigated and have sufficient internal controls	Both Internal Audit and External Audit carry out work to assess the internal controls and this is reported to the Panel & Board.	1	3	3	Head of Pensions
7	Governance - to put stakeholders at the centre of everything we do, act with integrity and be accountable for decisions made.	Non-compliance with regulations caused by lack of knowledge by staff, changes in government policy/Local Government Pension Scheme (LGPS) reforms and systems not kept up-to-date, leading to reputational damage and financial loss.	The Pension Fund monitor the current and new regulations and correspondence from the Ministry of Housing, Communities and Local Government (MHCLG) and Local Government Association (LGA). Systems are monitored and kept up to date. Officers keep up to date through participation in various scheme and industry groups and collaboration with other funds. The Pension Fund makes use of its Independent Advisor and external consultants to keep abreast of changes. The Pension Fund Panel and Board receive reports on regulatory developments and applicable consultations as appropriate.	1	4	4	Head of Pensions
8	Governance - to put stakeholders at the centre of everything we do	Failure to undertake business as usual service due to events outside of the Pension Fund's control resulting in loss of service provision	The Pension Fund follows Hampshire County Council's Disaster Recovery policy that ensures that processes are in place to manage in the event of the loss of key resources. This includes the ability continue to deliver key services remotely, should this be necessary. Part of the selection process for the Pension Fund's key suppliers includes an assessment of their own disaster recovery capabilities. The Pension Fund's IT systems are hosted by Hampshire County Council who have a Cyber Security policy in place, which includes mandatory training for staff.	3	2	6	Head of Pensions
9	Governance - to put stakeholders at the centre of everything we do, act with integrity and be accountable for decisions made	Due to cybercrime activities impacting on integrity, there is a risk of inability to carry out day-to-day business functions, which would result in reputational damage and financial loss	The Pension Fund has a Cyber Compliance statement and improvement plan, and training has been provided to the Pension Fund Panel and Board. The Pension Administration's key supplier, CIVICA mitigations for Cyber Crime have been incorporated within their Business Continuity Response Plan and have a Cyber liability clause within their contract with Hampshire Pension Fund.	1	4	4	Head of Pensions
10	Investments and Funding - an investment strategy that balances risk and return	Investment management underperformance – from the Fund's investment managers failing to outperform their benchmark returns for prolonged periods of time resulting in a decrease in the Pension Fund's funding level	The Fund's investment managers' performance is reviewed regularly by the Fund's officers and reported regularly to the Panel and Board. All of the Fund's contracts for investment management contain the provision that the Fund can cancel the contract with 1 month's notice in the event of poor investment performance.	3	2	6	Head of Investments & Borrowing

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11	Investments and Funding- to make the best use of resources	Ineffective monitoring of 3rd party service providers could lead to their failure to maintain their obligations in respect of investments which could result in potential loss of return or liquidity or ability to access or control investment	The Pension Fund's assets are not included on Custodian's Balance Sheet. The Panel and Board and the Fund's officers regularly monitor the performance of the Fund's custodian and have the power to replace the provider should serious concerns exist. Within the ACCESS Pool environment the Depository has liability for safekeeping of Pool investments. The Panel and Board have set a diversified asset allocation, based on specialist advice, which limits exposure to any one particular market. The Fund contracts with specialist external investment managers and as a general principle aims to invest globally and set mandates for investment managers that give them as much freedom as possible, in order to manage risk as they see fit.	2	3	6	Head of Investments & Borrowing
12	Investments and Funding - an investment strategy that balances risk and return	Assets do not grow sufficiently to meet pensions liabilities as a result of: - fluctuations in market prices (which is particularly relevant for investments in equities) - Interest rates (which can affect the prices of investments that pay a fixed interest rate) - fluctuations in prices of financial instruments that are denominated in any currency other than the functional currency of the Fund (GB pounds) - as a result of the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. This includes the risk of loss in the Stock Lending programme.	As a UK Pension Fund the Panel and Board consider that the Pension Fund should have a significant proportion of its assets denominated in Sterling, thereby removing the currency risk. The Panel and Board keep their view of the long term nature of currency movements under review and will seek specialist advice if they believe that this might change or there is likely to be an event that might crystallise the effect of particular currency movements. Where investment returns in particular asset classes are at risk of disproportionate currency effects (such as Multi-asset Credit and Private Debt) the investments are hedged back to Sterling. In addition having taken advice to mitigate the overall currency impact on the Pension Fund, the passive global equity investments is hedged back to Sterling.	3	2	6	Head of Investments & Borrowing
13	Investments and Funding - an investment strategy that balances risk and return	Due to delays in the implementation of decisions and the availability of suitable solutions within the ACCESS Pool, there is a risk of reduction in the effectiveness of the decision, which would result in loss of potential return.	The Chairman of the Panel and Board supported by the Pension Fund's officers take an active part in the operation of the ACCESS pool to ensure its continued effectiveness. The Panel and Board and officers will continue to monitor the suitability of the Pension Fund's investments and where necessary consider appropriate alternatives available via ACCESS.	1	3	3	Head of Investments & Borrowing
14	Investments and Funding - an investment strategy that balances risk and return	Due to insufficient knowledge and/or resources could lead to a lack of consideration of all financial and non-financial risks relating to Environmental, Social and Governance (ESG) issues, including the risk of Climate Change, resulting in poor investment returns, increased employer contribution rates and reputational damage.	The Pension Fund has a Responsible Investment Policy, which includes setting out how external investment managers are required to consider ESG factors in their investment decisions, including any negative contribution to Climate Change and the overall risk from the impact of Climate Change, and to exercise the Fund's responsibility to vote on company resolutions wherever possible. They have also been instructed to intervene in companies that are failing, thus jeopardising the Fund's interests, by voting or by contacting company management directly. The Pension Fund takes advice on the appointment and monitoring of its investment managers, which includes their ability to assess ESG issues and act as steward of investments on the Pension Fund's behalf. The Pension Fund is a signatory to the UK Stewardship Code, UN PRI and reports based on the	2	3	6	Head of Investments & Borrowing
15	Investments and Funding - minimise the long-term cash contributions which employers need to pay to the Fund	Due to a Failure to set and collect contributions, there is a risk of there not being sufficient to achieve a fully funded ongoing position in the timescales determined by the Funding Strategy Statement, which could cause financial loss or reputational damage	At each triennial valuation, assess funding position and progress made to full funding. Quarterly interim updates to enable consideration of the position. Work with Employers to ensure they understand their responsibilities. Year-end reconciliations of Member data.	2	3	6	Head of Pensions
16	Investments and Funding - minimise the long-term cash contributions which employers need to pay to the Fund	Due to continually improving Mortality rates, there is a risk they will exceed the allowances built into the evidence-based actuarial assumptions, resulting in increased liabilities, reduced solvency levels and increased employer contributions	Longevity analysis is conducted by the Actuary at each triennial valuation.	2	3	6	Head of Pensions Administration
17	Investments and Funding - minimise the long-term cash contributions which employers need to pay to the Fund	Failure to monitor the demographic experience of Fund's population is not in line with actuarial assumptions as in the Funding Strategy Statement and could result in increases required in Employer contributions which could cause complaints and damage to reputation	The Pension Fund ensures Employers pay the rates set at each valuation. The Actuary provides a prudent assessment to allow for ill-health cases within the calculations. Employer Ill Health and Death in Service Policy is in place and contained within the Funding Strategy Statement (FSS), which is kept under regular review. Any change in demographics are reviewed at subsequent valuations, and any underfunding will be addressed. The Pension Fund's Funding Strategy Statement reflects that most of the employers in the Fund have a degree of Central Government support. Where this is not the case the Funding Strategy Statement sets out how this will be taken into account to manage the risk. The Employer Policy requires new employers to have a guarantor who would be called on in the event of an insolvency, and all charitable admission bodies now have a subsumption commitment from their associated local authority which helps to reduce any exit debt. The Administering Authority has a written policy on how it would exercise its discretion to defer pension contributions in exceptional circumstances.	1	3	3	Head of Pensions Administration
18	Investments and Funding - minimise the long-term cash contributions which employers need to pay to the Fund	Due to failure to apply or lack of accurate information, and demonstrate fairness in the differentiated treatment of different fund employers by reference to their own circumstances and covenant could lead to underpayments or employers unable to meet their obligations and, therefore, financial loss and under-investment	Discussions with employers over affordability and pay policy are held. Employer Flexibilities Policies have been developed and are in place, and are kept under regular review. Discretions Policy to control discretionary costs.	3	3	9	Head of Pensions Administration
19	Investments and Funding - minimise the long-term cash contributions which employers need to pay to the Fund	Due to the nature of actuarial assumptions, there is a risk that pay and price inflation are significantly different, which would result in increases due from to employers' contributions		2	3	6	Head of Pension Administration

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20	Investments and Funding - recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return	There is a risk that failure to monitor and align the Funding strategy with the Investment strategy could lead to over or underfunding, resulting in reputational damage or financial loss	An Asset Liability Study is undertaken on a triennial basis as part of reviewing the Fund's Investment Strategy. The Funding Strategy and Investment Strategy are reviewed on at least an annual basis.	2	3	6	Head of Investments & Borrowing
21	Investments and Funding -to make the best use of our resources	Due to ineffective monitoring of the Fund's cashflow, resulting in the failure to set aside sufficient funds each month to pay pensioners, which could lead to extreme hardship for pensioners and reputational damage to the Fund	The Fund maintains a cashflow forecast to ensure that it can plan suitably in advance to ensure that it has sufficient cash available. The Fund's asset allocation is set to achieve a balance between liquid and illiquid investments.	2	2	4	Head of Investments & Borrowing
22	Investments and Funding - minimise the long-term cash contributions which employers need to pay to the Fund	As a result of failing to adopt or implement a funding strategy, there is a risk that this results in the Fund failing any of the Government Actuary's Department (GAD) s13 tests or be named in the GAD s13 report would cause reputational damage	In consultation with the Actuary, the Pension Fund determines an appropriate funding strategy that meets s13 requirements. Any relevant measures and scores from GAD will be regularly reported to the Pension Fund Panel and Board. Appropriate financial assumptions were agreed with the Fund Actuary for the 2019 valuation. The Section 13 report will be reviewed and amber or red flags will be reviewed with the Fund's actuary and reported to the Pension Fund Panel and Board with proposed mitigations.	2	3	6	Head of Pensions
23	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Due to failure to administer scheme correctly in line with all relevant Regulations and policies owing to circumstances such as, but not limited to: - lack of regulatory clarity; - system issues; - insufficient resources would result in reputational damage and the possible risk that pensions are not paid at the right time to the right people	The Administration Strategy is the agreement between the Hampshire Pension Fund and all participating Bodies, in which all parties commit to certain principles, including: - to provide a high quality pension service to members - to take responsibility to provide accurate and timely information - that the results are reported to the Panel & Board twice a year. The annual returns exercise is completed each year and employer performance is monitored with processes in place to help improve this where necessary. The Compliance and Delivery Manager is responsible for ensuring that data is complete and accurate in line with TPR requirements and that any actions on the data improvement plan are implemented. The Administering Authority has implemented a data analysis tool which provides daily management information on potential data issues.	2	3	6	Head of Pension Administration
24	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Due to human error and/or system failure, there is a risk of failing to collect pension contributions in line with regulatory guidelines leading to loss of income to the Pension Fund	All contributing Employers are provided with deadlines for payments and clear guidelines for providing associated information. The Pension Fund monitors receipt of contributions to ensure compliance. The Pension Fund follows its Administration Strategy in relation to late payments	1	2	2	Head of Pension Administration
25	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Due to lack of training and/or experience, there is a risk of failing to deal with concerns, complaints and Internal Dispute Resolution Procedures (IDRPs) appropriately, resulting in poor customer satisfaction, further time spent resolving issues, potential compensation payments and reputational impact, particularly if escalated to the Pensions Ombudsman	A process is in place to ensure concerns and complaints are dealt with promptly. Complaint levels and reasons are monitored, and process issues are identified and corrected. Complaint levels and IDRPs are reported twice a year as part of Administration updates to the Pension Fund Panel and Board.	1	2	2	Head of Pension Administration
26	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Failure to administer the scheme correctly due to circumstances such as, but not limited to: - Poor employer data; - Unable to clearly articulate what is required from employers; and - Unable to clearly articulate what is required from the Fund itself in order to deliver the Fund's administrative functions could cause the fund reputational damage and financial loss	There is a Communications Policy and Customer Charter on the Pension Services website, which details the service our scheme members can expect. The Pension Fund communicates to Employers regularly on all aspects of provision, which includes training sessions and guidance notes. The Pension Fund ensure all staff adheres to the training requirements set for their posts through regular performance monitoring.	1	3	3	Head of Pensions Administration
27	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Due to the ever-changing mix of employers, from short-term and ceasing employers, and the potential for a shortfall in payments and/or orphaned liabilities. These events could cause the risk of unexpected structural changes in the Fund's membership and the related risk of an employer failing to notify the administering authority promptly.	The Administering Authority requires the other participating employers to communicate regularly with it on such matters. The Pension Fund Panel and Board have approved a Funding Strategy Statement that details how funding risk is mitigated for different employer types. The Administering Authority maintains a knowledge base on scheme employers, their basis of participation and their legal status (e.g. charities, companies limited by guarantee, group/subsidiary arrangements) and uses this information to inform the Funding Strategy Statement. The Fund's Employer Policy outlines how the Administering Authority will deal with any situation resulting from a change in any Fund employer's circumstances or new employers entering the Fund. The Administering Authority monitors the status of the employers in the Fund and discusses any changes, including any necessary changes to the Funding Strategy Statement, with the Fund's Actuary.	1	2	2	Head of Pensions Administration
28	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Failure to meet the statutory deadlines for connectivity to the Pensions Dashboard and unable to provide required information to members.	Attendance at the Pension Dashboard Programme (PDP) webinars, liaison with system supplier and keeping abreast of other professional body information on the PDP requirements.	3	3	9	Head of Pension Administration

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29	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Failure to correctly implement the McCloud remedy due to circumstances such as, but not limited to: - delayed or incomplete legislation - system limitations - lack of knowledge	Engagement with DLUC/ LGA through attendance at technical meetings and keeping up to date with published information. Engagement with system provider to ensure system is developed in line with legislation and delivered to time/budget.	2	3	6	Head of Pension Administration
30	Administration and Communication - to continue to deliver a high-quality administration service to all stakeholders.	Inability to complete the GMP reconciliation and rectification project leading to reputational damage and potential ongoing under and over payment of pension amounts.	Ongoing project with a third party provider through existing system to reconcile and rectify GMP over and under payments. Project governance in place with project plan and regular meetings to check progress.	2	3	6	Head of Pension Administration

Define pre-mitigation

Definitions

Likelihood	Impact
1	1
2	2
3	3
4	4
5	5

Strategic/Operational