

No	Objective/strategic risk	Risk Description	Cause of risk	Consequence	Inherent Risk Score		Rating Score	Current controls in place to manage risk	Further actions to mitigate risks	Residual Risk Score		Risk rating following mitigation	Trend	Target Date	Risk Owner
1	<b>Strategy &amp; Finance, People</b> To grow membership and a robust pension scheme administration.	Loss of data by administrator.Cyber risk.	Fire; increased risk of fraud and data loss specially from laptops if home working. Cyber attack.	Loss of sensitive data. Timely pension payments not made to members and third parties.	4	2	8	Business continuity plan. Daily & weekly backups kept onsite. Scheme manager to keep up to date with information and guidance on threats.	Disaster Recovery Plan. Moving servers to the Cloud. Any supplier to be checked for having a business continuity plan in place.	4	1	4	↓	Oct-23	Pensions Manager/Deputy Manager/IT Manager
2		Conflicts of Interest.	Incomplete/inaccurate data provided by payroll or third party agents incl. details as required re McCloud	Errors in producing pension statements/benefits to members. Complaints may lead to fines.	2	5	10	Pro-active engagement with internal and external employers, school Business Managers and payroll providers.	Regular data Quality Auditing.	2	4	8	↔	Aug-23	Pensions Manager/Deputy Manager
3		Poor administration of pension fund leads to complaints.	Resourcing/inadequate training of staff and poor service efficiency	Strong dependency on key staff and failure to recruit to improve service.	2	4	8	Invest in staff, their development, workloads and review compensation.	Review complaints register and establish corrective actions	2	3	6	↔	Ongoing	Head of Treasury & Pension Fund
4		Internal Fraud.	Inadequate internal fraud controls	Fraudulent activity resulting in loss of benefits to fund members. Adverse impact on the Pension Fund.	4	1	4	Cross checking of work and the segregation of duties.	Internal & External Audits. National Fraud Initiative Exercise, NI Database check. Life certificates.	3	1	3	↔	Ongoing	Head of Treasury & Pension Fund
5		Failure to deduct accurate employee/employer contributions (Corporate Payroll).	Payroll calculation failure and service impairment; financial failure of third party.	Additional work to request and correct data. Financial Loss. Reputational damage.	4	1	4	Monthly reconciliations.	Regular Data Contributions Audit.	3	1	3	↔	Oct-23	Head of Treasury & Pension Fund
6		The late provision of payroll reports (Corporate Payroll).	Lack of resources/time	Late issue of pension statements & govt. statutory returns. Possible complaints.	4	3	12	Pro-active engagement with Payroll Manager and other relevant stakeholders. Use of External Consultant.	Establish self-service running reports.	4	2	8	↓	Sep-23	Pensions Manager/Deputy Manager
7		Failure to apply correct Pensions Increase (Corporate Payroll).	Software design fault/training required	Inaccurate pension benefit calculations and reputational damage.	4	4	16	Pro-active engagement with Payroll Manager and other relevant stakeholders.	Early engagement with software suppliers to find a solution & test.	4	3	12	↑	Nov-23	Pensions Manager/Deputy Manager
8		Failure to deduct accurate employee/employer contributions (External Payroll Providers).	Payroll calculation failure	Additional work to request and correct data. Reputational damage and loss of confidence.	4	3	12	Monthly reconciliations.	Data Contributions Audit.	4	2	8	↔	Oct-23	Head of Treasury & Pension Fund
9		The late provision of payroll reports (External Payroll Providers).	Ineffective planning	Late issue of pension statements & govt. statutory returns.	4	3	12	Pro-active engagement with external payroll provider and other relevant stakeholders.	Early engagement with external payroll providers	3	3	9	↔	Oct-23	Pensions Manager/Deputy Manager
10		Low take-up of pension scheme membership.	Cost/Retirement Age/Personal Pension	Increased employer costs.	4	2	8	Comms. & website on the benefits of scheme membership. Pension surgeries.	Further promotion of the pension scheme. Auto-enrolment.	4	1	4	↔	Ongoing	Pensions Manager/Deputy Manager
11		Remedies in relation to the Mccloud judgement	Unlawful age discrimination.	Increased employer costs.	4	3	12	To ensure the accurate re-calculation of pension benefits.	Report the final outcome to Actuary.	3	3	9	↔	Oct-23	Pensions Manager/Deputy Manager
12		Lack of understanding among scheme members of scheme issues/options.	Limited awareness/Comms Deficit	Complaints/Opt-outs.	2	3	6	Comms & website on the benefits of scheme membership 50/50 & AVCs. Pension surgeries on AA & LTA.	Work with HR to run surgeries on Wellbeing & pension planning. The annual pension statements will direct members to LBI's pension website for guidance notes and other information in relation to pension planning.	2	2	4	↓	Sep-23	Pensions Manager/Deputy Manager
13	<b>Contract Management</b> To establish robust data security and to avoid system failure	Pension database may not be secure and appropriately maintained; pensioners living longer.	Poor management/inadequate training	Service impairment and financial lost to the Pension Fund. Life expectancy increases would increase liabilities.	5	2	10	Electronic access control systems are deployed on Islington's network that rely on user credentials and authentication. Passwords are regularly changed and there are robust user administration procedures to access the pension's database. The system is regularly updated to ensure regulatory compliance with the LGPS and is protected against viruses and other types of malware.	Moving servers to the Cloud.	4	2	8	↔	Nov-23	Pensions Manager/Digital Services
14	<b>Finance</b> Strong Financial and contract Management	Loss of Investment returns; bond yields fall.	Market turbulence/Inflation; bond prices falling often due to falling interest rates and market caution.	Reduction in asset market values; increase value of liabilities. Discount rate falls will increase liability valuations.	5	3	15	Clear investment strategy,quarterly monitoring of managers' performance and a diversified portfolio	Managers are set 3 year + targets as long term investors. On appointment a terms of reference is agreed as a tool to monitor and identify scrutiny level.	5	2	10	↑	Ongoing	Director of Finance/Pension Sub-Ctee
15		Failure of non-public sector employers.	Poor Management/Market Adjustments	Additional cost to the Pension Fund.	4	3	12	Use of bonds and guarantees. Governance monitoring.	Triennial valuation process of determining contributions consults with employers to agree affordability and sustainability of the Fund	4	2	8	↔	Ongoing	Head of Legal/Head of Treasury & Pension Fund
16		AVC Providers failure to produce year-end SOA.	Resourcing issues with AVC Providers	Late reporting of AVC funds, delay in year end fund closure.	4	3	12	Early engagement with AVC Providers.	Reporting any breach to the Pensions Regulator.	5	2	10	↓	Jul-23	Pensions Manager/Deputy Manager
17		Failure to sign off annual accounts and reports on time.	Late information from 3rd parties	Qualified audit opinion.	3	1	3	Early dialogue with external auditor.	Ensure external audit work is complete.	1	1	1	↓	Ongoing	Director of Finance/Head of Treasury & Pensions
18		Employer failure to pay monthly contributions into scheme.	Poor staff oversight by external body	Late receipt of contributions.	2	3	6	Monthly monitoring of contribution payments by Treasury & Pension Admin Staff.	Regular quarterly Audits reviews.	2	2	4	↓	Ongoing	Pensions Manager/Deputy Manager

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20  21  22	<b>Governance &amp; Compliance</b> Compliance with statutory regulations and guidance issued by TPR and LGA	Failure to interpret rules or legislation correctly.	Poor management/inadequate training.	Financial and reputational damage.	4	2	8	Networking with key partners, Actuaries, Govt. LGA and TPR. Guidance taken from all statutory and regulatory literatures and websites.	The Fund's Investment Advisors and Actuary provide briefings on new legislation and guidance on implementation. Auditors also test our process to ensure best practice. Staff training courses taken at the LGA.	2	2	4	↓	Ongoing	Pensions Manager/Deputy Manager
		Conflicts of Interest.	None disclosure/lack of transparency	Inability for Board member to participate.	2	2	4	All pension board members have completed educational material and training is ongoing.	Conflicts of interest declaration is signed by all pension board members, recorded in conflicts register. Reminder, and any changes or additional conflicts, will be minuted at each pension board meeting.	2	1	2	↓	Ongoing	Pension Board Chair/Democratic Services
		Insufficient knowledge and understanding by Pensions Board Members.	Lack of knowledge and understanding by Pension Board Members.	Poorly informed for decision making.	3	2	6	Members to adopt a training plan, including Regulator's and CIPFA's 2021 Code of Practice on Knowledge and Skills;officers and investment advice when needed.	Re-appraisal of members skill set.	2	2	4	↓	Jul-23	Pension Board Chair/Head of Treasury & Pension Fund
		Non-compliance with GDPR/data protection requirements.	Poor data protection processes/inadequate staff training	Data protection breach and reputational damage.	3	3	9	Review letters/internal processes and procedures, Privacy statements, data share agreements, contracts with 3rd parties. Use of secure portals to share information with key stakeholders, mandatory data protection training for staff.	Regular review of data protection policies.	2	3	6	↔	Ongoing	Pensions Manager/Deputy Manager
23	<b>Strategy &amp; Finance</b> Sustainable investment and climate actions	Non-compliance with Investment Strategy Statement; London CIV fail to achieve performance targets over the longer term.	Investment managers fail to take adequate note of ESG risks	Investment in stranded assets.Increases in ER contributions. Pressure on liabilities and funding level perhaps impacting on ER contributions.	4	2	8	Regular monitoring of Investment managers performance.	The fund will monitor ESG risks annually and set targets to mitigate these risks.	3	2	6	↔	Ongoing	Pension Sub-Ctte.
24	<b>Customer Outcomes &amp; Quality</b> Incorrect information in public domain including pension fund website	Non accurate information on information platforms.	Failure to update information platforms.	Adverse media coverage. Complaints which take up time to resolve. Compensation payments.	4	2	8	Prompt action to ensure data quality.	Quarterly review of data on information platforms.	3	2	6	↔	Aug-23	Pensions Manager/Deputy Manager