

Governance Risks

December 2025

Risk no:	Risk Overview (this will happen)	Risk Description (if this happens)	Strategic objectives at risk	Current Impact	Current Likelihood	Internal controls in place	Target Impact	Target Likelihood	Date Not Met Target From	Expected Back on Target	Further Action and Owner	Risk Manager	Next review date	Last Update
1	Recruitment and Retention - Insufficient experienced staff both within the Fund and within the third party administrator	Lack of knowledge within those charged with Fund management leading to failure to make appropriate decisions Potential to impact on member and stakeholder experience.	G1-G8	Moderate	Likely	1 - Salaries benchmarked, supplements paid where appropriate 2 - Internal Controls as General Code of Practice (GCOP) 3 - Staff able to cover other roles where possible 4 - Increase reliance on advisors in short term where required 5 - Implementation of good governance recommendations particularly around knowledge assessments and the Fund's training strategy	Moderate	Unlikely	1/12/2018	1/3/2024	1 - Develop succession planning approach (MA) 2 - Further development of training programme - increase focus on mid level staff (MA/LP/MW) 3 - ensure all vacancies are filled as soon as possible (MA)	Miriam Adams/Morgan Williams/Lucy Patchell	31/3/2026	5/6/2025
2	Knowledge and Skills - insufficient knowledge and skills amongst those charged with Fund Management (including Committee, Board members and officers)	Potential to make inappropriate decisions (impacted by continuity of members and officers)	G1-G8	Moderate	Possible	1 - Improvements being made to both induction and ongoing training 2 - Regular review of training offered and its effectiveness 3 - Knowledge and Skills Policy/training plan in place 4 - Training needs analysis carried out periodically 5. Ensure training requirements contained in Good Governance Guidance and Draft 2026 Funding and Good Governance Guidance.	Moderate	Unlikely	1/12/2018	1/3/2024	1 - Review training programme and requirements (JM/MA) 2 - Ensure timely induction training elections for new Committee members (MA) 3 - Training needs analysis to be carried out in 2026 (MA) 4 - Update with Fit for Future governance requirements	Miriam Adams	31/3/2026	11/9/2025
3	Conflicts of Interest - actual conflicts of interest permitted to materialise	Failure to adequately monitor and disclose conflicts of interest results in potential conflicts not being managed	G2, G3, G4	Minor	Likely	1 - Conflicts of interest policy and register maintained 2 - Standing item requesting disclosure at all Committee/Board meetings 3 - Annual update to declarations required	Insignificant	Unlikely	16/7/2020	1/3/2024	1 - Further training for committee and board members (MA) 2 - Broaden register of conflicts (MA) 3 - Consider management of advisor conflicts (MA) 4 - Update Conflicts of Interest Policy and review conflicts around the London CIV	Miriam Adams	31/3/2026	11/1/2026
4	Fraud - financial loss resulting from actions of employee or third party	Pensions team or third party involved with the management of significant financial resources	G1, G4, G6, G8	Moderate	Unlikely	1 - Segregation of duties for key roles 2 - Regular scrutiny from internal audit 3 - Annual external audit of the Pension Fund 4 - Regular review of third parties' internal controls	Moderate	Unlikely	1/6/2024	14/3/2024	1. Reconciliations reviewed and signed off 2. Identification of reconciliations which cover all areas of work	Morgan Williams/Miriam Adams	27/2/2026	31/3/2025
5	Data Protection - failure to adequately protect data	Non-compliance with the GDPR results in potential financial or personal impact on members	G8	Moderate	Possible	1 - Compliance with the Council's ICT policy 2 - Use of encrypted email and/or TLS links for sensitive data 3 - Use of confidential waste disposal 4 - Use of secure courier to transmit sensitive hard copy files 5 - Appropriate access control measures 6 - Redaction of personal information where required 7 - Tailored training to be provided to Financial Services staff, Pensions Committee and Pension Board Members Contracts with third party suppliers acting as joint data processors must ensure that: 1 - Third parties are GDPR compliant 2 - Secure methods of transfer for sensitive data transmission/storage built into contract 3 - Appropriate risk sharing between the Council and the third party supplier is in place.	Moderate	Unlikely	1/12/2018	1/3/2024	1 - Ensure all pensions team staff fully trained on GDPR and that this is regularly updated (MA) 2 - Roll out employer portal to ensure more user friendly secure data transmission (LP) 3 - Obtain regular third party reassurance on GDPR measures (MA/LP) 4 - Ensure other cyber strategy elements are delivered (MA) 5 - Update privacy statements for the Fund and employers in line with	Lucy Patchell / Miriam Adams	1/9/2026	11/9/2025
6	Failure of external systems	Potential impact on accessibility of Fund's assets, systems or data Insufficient security controls and heavy reliance on Host Authority and external systems including Cedar (accounting), NT (custodian), LloydsLink, and Compendia could result in a) failure to take appropriate action in the event of system failure and	G8	Major	Possible	1 - All teams complete a Business Impact Analysis to assess timescales/impact of system failure etc. 2 - The Pension Investments and Pensions Administration Business Continuity Plans detail actions to take in the event of system failure 3 - Assurances of system security from third parties 4 - Internal Council controls and firewalls 5 - Internal training on cybercrime risk	Major	Unlikely	1/12/2018	1/3/2024	1 - Understand Council's approach to cybercrime prevention (MA) 2 - Receive written assurances from all suppliers re: management of cybercrime (MA/LP) 3 - Implement pension fund cybercrime strategy requirements (MA) 4 - Update business continuity report 5 - Review of LPPA systems and controls	Lucy Patchell /Morgan Williams/ Miriam Adams	12/1/2026	31/1/2025

7	Business continuity failure	Fund or third parties unable to carry out business as usual	G6, G8	Moderate	Unlikely	1 - Business continuity plans in place 2 - Ability to homework 3 - Reassurances from third parties on their business continuity measures	Minor	Unlikely	16/7/2020	1/3/2024	1 -Regular Review of business continuity procedures	Miriam Adams	30/1/2026	31/1/2025
8	External factors including regulatory changes impact the governance of the Fund (e.g. changes introduced by TPR and SAB Good Governance review)	Fund or third parties unable to implement the changes in a timely manner resulting in poor practices and governance	G6	Moderate	Possible	1 - Advice and guidance from professional advisors 2 - Attendance at regular LGPS national events/groups	Moderate	Possible	14/3/2024	1/6/2024	1. Implement Fit for Future consultation response 2. Review Conflict of Interest Policy	Morgan Williams/Lucy Patchell / Miriam Adams	30/9/2026	11/09/2025
9	Incorrect advice/guidance received from third parties	The Fund relies on external advisors in many areas so could be at risk if incorrect or no advice/guidance is provided.	G1 - G6	Moderate	Rare	1 - Retendering exercises to ensure that contracts remain appropriate and that the advisors are appropriately qualified and experienced 2 - Regular meetings with external advisors discussing current pensions landscape	Moderate	Rare	1/6/2024	14/3/2024	1. Ensure proper scrutiny of procurement responses and appointment of adviser 2. Appointments panel for appointment of advisers to include experienced and diverse officers and Members 3 - Ensure contracts are all up to date and signed	Miriam Adams	30/9/2026	14/3/2025
10	Cybercrime attack	The Fund's assets or data become compromised	G8	Major	Likely	1 - Cyber security policy in place 2 - Cyber training as part of Committee and Board member induction 3 - Regular cyber assessments of key Fund suppliers 4 - Periodic social engineering exercises to test the Fund's internal response plans	Major	Possible	1/10/2022	1/3/2024	1. Continual training and monitoring against internal controls (MA)	Miriam Adams	1/6/2026	14/3/2024
11	Material breaches requiring reporting to the Pensions Regulator	Reputational damage, loss of confidence from stakeholders and potential requirement to put in place improvement plans	G5, G6	Major	Possible	1 - Breaches reporting in place and taken to each Committee and Board meeting 2 - Breaches training as part of Committee and Board member induction	Major	Possible	1/6/2024	14/3/2024	1. Breaches reporting in place and taken to Committee and Board meeting 2. Breaches training as part of Committee and Board induction 3 - Ensuring the Breaches Policy is updated and published 4. Ensuring that officers are fully trained and aware of the Breaches Policy and reporting requirements 5. Factoring processes into the business planning exercise will mitigate the risk of breaches arising from missed deadlines	Morgan Williams/ Miriam Adams	30/6/2026	11/1/2026