

All Fund Risk Heat Map and Summary of Governance Risks

		Governance Risks					Impact	Funding & Investment Risks (includes accounting and audit)						
			3				Insignificant							
							Minor							
			4	6 5 2	1		Moderate				7			
							Major		1 2	5 6				
							Catastrophic			3 4				
							#N/A							
Likelihood	#N/A	Rare	Unlikely	Possible	Likely	Almost certain		Almost certain	Likely	Possible	Unlikely	Rare	#N/A	Likelihood
							#N/A	<p>Key</p> <ul style="list-style-type: none"> 1 Each risk is represented in the chart by a number in a square. <ul style="list-style-type: none"> - The number denotes the risk number on the risk register. - The location of the square denotes the current risk exposure. 1 The background colour within the square denotes the target risk exposure. 2 New risks since the last reporting date are denoted with a blue and white border. ---> An arrow denotes a change in the risk exposure since the previous reporting date, with the arrow coming from the previous risk exposure. 						
							Catastrophic							
							Major							
							Moderate							
							Minor							
							Insignificant							
	Administration & Communication Risks						Impact							

Hackney Pension Fund - Control Risk Register

Governance Risks

Objectives extracted from Governance Policy

- G1 All staff, Pensions Committee and Pension Board Members charged with financial administration, decision-making or oversight with regards to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them
- G2 The Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties
- G3 All relevant legislation is understood and complied with
- G4 The Fund aims to be at the forefront of best practice for LGPS funds
- G5 The Fund manages Conflicts of Interest appropriately

Risk no.	Risk Overview (this will happen)	Risk Description (if this happens)	Strategic objectives at risk (see key)	Current Impact (see key)	Current Likelihood (see key)	Current Risk Status	Internal controls in place	Target Impact (see key)	Target Likelihood (see key)	Target Risk Status	Meets target?	Date Not Met Target From	Expected Back on Target	Further Action and Owner	Risk Manager	Next review date	Last Updated
1	Recruitment and Retention - Insufficient experienced staff to meet Fund objectives	Restrictions on local authority salaries make it challenging for the fund to recruit and retain suitably qualified and experienced staff.	G1, G3, G4	Moderate	Likely	High	1 - Salaries benchmarked, supplements paid where appropriate 2 - Policies and procedures in place 3 - Staff able to cover other roles where possible 4 - Develop robust succession planning approach	Moderate	Unlikely	Low	☺ Current likelihood 2 too high	01/12/2018	Dec 2019	1 - Develop succession planning approach (MH/RC/JS) 2 - Further development of training programme - increase focus on mid level staff (RC/JS)	Julie Stacey/Rachel Cowburn	30/09/2019	31/03/2019
2	Knowledge and Skills - insufficient knowledge and skills amongst those charged with Fund Management	Failure to provide to suitable training and to ensure that all Committee Members are able to attend with sufficient regularity could result in the Fund failing to meet its objectives as a result of insufficient knowledge and skills amongst those charged with its management	G1, G3, G4	Moderate	Possible	High	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	Moderate	Unlikely	Low	☺ Current likelihood 1 too high	01/12/2018	Dec 2019	1 - Review of training programme and requirements underway (MH/RC)	Rachel Cowburn	30/06/2019	31/03/2019
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	G5	Insignificant	Unlikely	Low	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	Low	☺				Rachel Cowburn	30/09/2019	31/03/2019
4	Internal Fraud - financial loss resulting from actions of employee	Pensions team involved with the management of significant financial resources - potential for internal fraud	G4	Moderate	Unlikely	Low	1 - Segregation of duties for key roles 2 - Regular scrutiny from internal audit 3 - Annual external audit of the Pension Fund	Moderate	Unlikely	Low	☺				Rachel Cowburn	30/09/2019	31/03/2019
5	Data Protection - failure to adequately protect member details	Non-compliance with the GDPR results in a failure to adequately protect member details, with a potential financial impact on members	G4	Moderate	Possible	High	1 - Compliance with the Council's ICT policy 2 - Use of encrypted email 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	Low	☺ Current likelihood 1 too high	01/12/2018	Dec 2019	1 - Ensure all pensions team staff fully trained on GDPR 2 - Ensure TLS links in place with third party suppliers where possible 3 - Roll out employer portal to ensure more user friendly secure data transmission 4 - explore further secure email options as current offer not user friendly	Julie Stacey/Rachel Cowburn	30/06/2019	31/03/2019
6	Reliance on external systems - potential for system failure (including cybercrime)	Heavy reliance on external systems including following systems: Cedar (accounting), HSBCnet (custodian), LloydsLink, Compendia results in crucial action not being taken in the event of system failure	G4	Moderate	Possible	High	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	Moderate	Unlikely	Low	☺ Current likelihood 1 too high	01/12/2018	Aug 2019	1 - Internal training required on cybercrime risk 2 - Check cybercrime insurance 3 - Receive written assurances from all suppliers re: management of cybercrime	Julie Stacey/Rachel Cowburn	30/06/2019	31/03/2019