

Risk Ref	Risk Description	Risk Cause	Risk Consequence	Inherent Risk Score	Controls	Residual Risk Score	Change
ADMINISTRATION RISKS							
AD1	Regulatory non-compliance and maladministration due to incorrect interpretation or application of regulatory changes.	Regulatory changes with minimal implementation phases Staff shortages Complexity of transitional protections Poor audit of manual calculations Limited training	Incorrect benefit calculations Inability to pay pension benefits in a timely manner Member complaints Regulatory breaches and/or fines Reputational damage	20	1) Use of Heywood's Altair Systems and other automated calculation methods like Excel (e.g. for transitional protections). 2) Officers attend and enrol in professional forums and events to keep up to date with legislative or regulatory changes and communicate with peers on changes to achieved "Best Practice" 3) Support is provided by LGA and the actuary where necessary and is sought when officers require. 4) Pension Committee and Board and Officer training logs are maintained to ensure training is relevant to roles.	15	▲
AD2	Inaccurate or incomplete scheme data due to employer, user or historic errors.	Poor quality employer submissions Inconsistent/ incomplete historical records Manual input errors Poor/ lack of employer training Poor record keeping	Incorrect benefit calculations Delays in member retirements, transfers and benefit payments Breaches of statutory and regulatory requirements Increased complaints, disputes and appeals Additional resource pressures Reputational damage Reduced confidence from members and employers	16	1) I-Connect onboarding for employers and payroll providers, which contain data validations and exceptions reporting 2) Monthly reconciliation of employer and employee contributions 3) Monthly return file with validations 4) Late contribution monitoring and breaches are reported on internal breach log 5) Fortnightly monitoring of officer work volumes to ensure work pressures are alleviated where possible. 6) Employer engagement following admission to the Pension Fund outlining responsibilities 7) The Fund also undertakes frequent data cleansing exercises with the most recent due exercise due to be completed in end of 2026.	12	—
AD3	Loss, corruption or unavailability of scheme data due to system failure or material event (i.e. cyber incident, physical disasters etc.)	System outages Cyber attacks Software failures Human error impacting systems Material event (fire, terrorist attack etc) Failure of cyber security measures	Service disruption and inability to pay benefits as and when they fall due. Administrative inefficiencies Conservative actuarial assumptions Reputational damage Loss, disruption or damage to the scheme or its members Inability to pay suppliers Inability to perform Fund accounting.	12	1. The Fund's data is held securely through a hosted arrangement provided by the Fund's administration software provider. The system's integrity is routinely assessed by Heywood. 2. The Pension Fund is developing a data recovery plan in which will ensures data is stored securely and regularly backed up. 3. The Pension Fund is developing its Business Continuity Plan and will to ensure is robust and relevant. 4. Officers are required to complete mandatory Cyber Security Awareness training as part of their Induction and every 18 months as refresher training. 5) The Fund's data quality is regularly reviewed and updated, at least once every three years as part of the actuarial valuation.	9	—

[illegible]

FL1	There is insufficient cash available in the Fund to meet pension payments as they fall due.	Government funding level affecting the Council's spending decisions (FL2) Poor cashflow management Economic and political decisions on the Pension Fund's employer workforce. (FL2) resulting in less contributions in and more payments out. Negative cash flow Poor investment strategy Unexpected increase in pension payments or transfer outs Inadequate monitoring of contributions and investment income (ACC8)	investment assets being sold at sub-optimal prices to meet pension payments Reputational damage Increased operational pressure Late or missed payments to beneficiaries Negative cash flow	15	1) The Pension Fund's Cash Management Policy requires a minimum operational cash balance of £15m, derived through cash flow modelling, to meet short and medium-term liquidity requirements. 2) Investment income is directed to the operational cash account and regularly reviewed to ensure sufficient liquidity is maintained without holding excessive cash balances. 3) The Pension Fund maintains a detailed cash flow forecast which is updated regularly with actual transactions and reviewed through ongoing monitoring of daily cash requirements, monthly reporting and quarterly discussions with the LCIV as part of the investment implementation plan. 4) The Pensions Team monitors employer contributions monthly and performs reconciliations between expected and actual receipts. Late payments are identified and pursued promptly. 5) The Fund maintains investment liquidity through appropriate dealing arrangements and reviews these regularly to ensure they remain aligned with the Fund's cash flow and treasury management requirements. 6) The Fund regularly reviews its cash flow management strategy to ensure that projected benefit payments and investment commitments can be met through employer contributions, investment income and available liquidity sources.	8
FL2	Employers inability to pay contribution rates (affordability and cashflows) <i>Valuation reports to be shared with employers by 31 March 2026.</i>	Scheme members live longer than expected leading to higher than expected liabilities. Employee salary increases are significantly more than anticipated for employers participating in the Pension Fund. Persistently high inflation Sudden contribution rate increases Employer financial pressure Poor employer engagement Economic downturn affecting employer finances	Employer contribution arrears Potential cashflow strain Higher funding deficits Increased administration and debt recovery activity Increased employer contribution rates at future valuations Potential employer covenant deterioration	10	1) The Fund Actuary applies a stabilisation mechanism at each actuarial valuation to help manage changes in employer contribution rates and promote contribution stability over time. 2) Officers engage with employers throughout the valuation process, including through employer forums and direct communications, to explain the impact of proposed contribution rates. 3) Employee salary increase assumptions are reviewed by the Fund Actuary every three years as part of the actuarial valuation. 4) Officers meet regularly with the Fund Actuary to review emerging funding risks and assess the impact of material deviations from actuarial assumptions on employer funding positions and contribution requirements. 5) Longevity assumptions are reviewed by the Fund Actuary every three years as part of the actuarial valuation process and updated to reflect emerging demographic trends.	4

					6) Officers monitor employer contribution payments and engage with employers promptly where contributions are late or concerns regarding affordability are identified.		
FL3	Changes relating to participating employers weaken their ability to meet their obligations to the Pension Fund. (covenant, insolvency and structural change)	Structural changes in an employer's membership Transfers out of the Pension Fund Closures to new membership Employer ceases to exist with insufficient funding or bond placement Failure to respond promptly to employer structural changes Economic strain Weakened or weakening of employer covenant Poor budget management at employers Financial pressures Employer mergers, restructures, or outsourcing arrangements.	Weakened funding level due to increase in employer liabilities Orphaned liabilities in case of insolvency/ ceasing without a bond/guarantor Increase in employer contribution rates Deterioration of employer covenants Increased burden on remaining employers Reduced security of members' accrued benefits	9	1) The Fund's admission arrangements require admitted bodies to maintain appropriate security, including a bond, guarantor or pass-through arrangement. Where a bond cannot be secured, a guarantor is required to indemnify the Fund against the risk of employer insolvency. 2) Employers participating in the Fund are regularly monitored, including the review of bonds, guarantees and security arrangements approaching renewal or expiry. 3) The Fund actively monitors changes affecting participating employers, including regular review of the Fund Actuary's Funding Risk Management tool to identify emerging funding and covenant risks 4) At each actuarial valuation, the Fund Actuary reviews employer contribution rates and deficit recovery periods to reflect the strength of the employer covenant. 5) Periodic reviews of employer covenant strength are undertaken and appropriate security arrangements, including bonds, guarantees or indemnities, are applied where necessary. 6) Employers making late payments are reported to the Pensions Committee and Board on a quarterly basis. 7) Officers engage with employers where covenant concerns are identified in order to understand emerging risks and consider appropriate mitigation measures.	6	
FL4	Unexpected deterioration of the Fund's funding level	Inappropriate funding strategy Poor investment returns Misalignment with investment strategy Funding strategy and investment strategy are considered in isolation by the Pension Fund's decision makers and advisors Poor assumption setting Higher than expected salary increases due to higher cost of living awards Members living longer than expected Adverse market conditions / market volatility Deterioration of employer covenants Financial pressures facing public services	Deterioration in the Fund's funding position Cashflow negative position Potential employer deficits Increased contribution rates Longer deficit recovery periods Reduced employer affordability Potential cashflow pressures. Greater reliance on investment returns to achieve funding objectives.	10	1) The Council undertake a robust procurement process to appoint the Fund Actuary, with length of service to the LGPS considered as part of the specification. The Actuarial contract is subject to renewal at 5/3/5/2 year intervals. 2) The Fund Actuary provides advice on employer contribution modelling and the Fund's long-term funding objectives. This advice is presented to the Pensions Committee and Board at least every three years as part of the actuarial valuation process. 3) The Funding Strategy Statement contains explicit links to the Fund's investment strategy. The Fund Actuary takes the Fund's investment strategy into account when setting assumptions for the actuarial valuation. 4) The Fund's Investment Consultant and Fund Actuary provide regular funding and investment advice to the Pensions Committee and Board.	3	

					5) The Pensions Committee and Board review and approve the Funding Strategy Statement following each actuarial valuation. 6) The Fund undertakes a comprehensive review of its investment strategy following each actuarial valuation to ensure it remains appropriate for the Fund's funding objectives. 7) The Fund Actuary applies prudent demographic and financial assumptions as part of the actuarial valuation process. These assumptions are reviewed and approved by the Pensions Committee and Board. 8) The Fund maintains a diversified investment strategy across asset classes, investment managers and markets to reduce the impact of adverse investment performance on the Fund's funding position. 9) The Fund Actuary undertakes scenario testing and risk modelling to assess the resilience of the Fund's funding strategy under a range of economic and investment outcomes.		
ACCOUNTING RISKS							
ACC1	Risk of the Pension Fund's statement of accounts being delayed beyond statutory deadlines.	Poorly co-ordinated closedown timetable Staff absences / over-reliance on key individuals Late receipt of asset valuations, particularly Level 3 investments. Increased audit requirements and scrutiny Internal delays in preparing working papers and supporting evidence Delays in receiving information from third parties Competing organisational priorities and resource constraints.	Breach of statutory deadlines Potential audit qualification for errors Increased audit fees Reputational damage Delays to Council accounts Increased scrutiny for future audits	12	1) The Pensions Committee and Board receive regular updates on the progress of the Pension Fund's Statement of Accounts and the external audit process, including any emerging issues and mitigating actions. 2) Officers engage with the Fund's external auditors throughout the year and agree an audit plan in advance, including key milestones, deliverables and escalation routes. 3) The Pensions Team completes regular reconciliations throughout the year, supported by documented daily, weekly, monthly and quarterly processes, to ensure records remain accurate and audit-ready. 4) A detailed year-end closedown timetable is agreed in advance, setting out responsibilities, key deadlines and reporting requirements. 5) Progress against the year-end closedown timetable is monitored regularly and reported to the Head of Pensions, with issues escalated where necessary.	8	
ACC2	The Pension Fund's Statement of Accounts do not represent a true and fair view of the Pension Fund's financing and assets.	Misinterpretation of the accounting and CIPFA requirements Incorrect accounting treatments Overreliance on 3rd party information or valuations without sufficient challenge Inadequate review and quality assurance processes. Changes to accounting standards not fully embedded into accounting processes Weak governance or oversight of complex and judgemental accounting areas Inaccurate financial information provided by third parties Employer contribution arrears impacting the accuracy of financial reporting	Material misrepresentation of the Funds financial position Qualified audit opinion Restatement of accounts Reputational damage to the Fund Increased audit scrutiny and audit costs Reduced confidence in the Fund's financial reporting	15	1) The Fund's accounts are prepared by qualified accounting officers using the latest CIPFA Code of Practice, disclosure requirements, guidance, training materials and technical publications. 2) The Draft Statement of Accounts and supporting working papers are subject to review by the Head of Pensions and Treasury Management and the Council's Corporate Accounting team. 3) The Pension Fund Statement of Accounts is subject to an annual audit by the Council's appointed external auditor.	10	

					4) Asset valuations are obtained from independent third-party providers and custodians, with valuation data subject to review and reconciliation by officers. 5) Documented accounting treatments are maintained for complex accounting areas to support the consistent application of accounting policies. 6) Significant assumptions and estimates, including actuarial valuations, are reviewed and challenged where appropriate before being incorporated into the Statement of Accounts.		
ACC3	The Pension Fund's Statement of Accounts contain material misstatements, or do not represent a true and fair view of the Pension Fund's financing and assets.	Material uncertainty over year end calculations Market value of assets recorded in the Statement of Accounts figures are incorrect Fund does not have robust internal monitoring and reconciliation process in place Poor reconciliations between custodian, investment manager reports and SAP Manual errors Poor version control and file management Employer contribution arrears affecting financial reporting accuracy	Audit qualification Incorrect figures in the accounts Delays to sign off of accounts Restatement of financial statements. Increased audit scrutiny and costs Reputational damage to the Fund	12	1) Level 3 investment valuations are obtained from Northern Trust and reviewed by officers as part of the year-end accounts process. Material estimation uncertainty is disclosed within the Statement of Accounts where required. 2) Key financial reconciliations are undertaken throughout the year and independently reviewed and approved by a second officer. 3) The Pensions Team undertakes quarterly reconciliations between investment manager valuations, custodian records and the Fund's accounting records to identify and resolve discrepancies promptly. 4) Accounting adjustments are processed through the Fund's financial systems and recorded in SAP, providing an audit trail and reducing the risk of incomplete or inaccurate financial reporting. 5) The draft Statement of Accounts and supporting working papers are subject to independent review prior to submission for audit. 6) Officers review material movements in investment valuations and investigate any significant variances reported by investment managers or custodians. 7) Officers perform analytical reviews of year-on-year movements within the Statement of Accounts and investigate any significant or unexpected variances.	8	
ACC4	Internal controls are not in place to protect against fraud/mismanagement	Poor/ inadequate segregation of duties Overreliance on key individuals (excessive trust) Poor oversight of third parties Weak change controls Lack of whistleblowing procedures Insufficient management review Collusion between officers Inadequate monitoring of financial transactions.	Reputational damage Financial loss Regulatory or governance breaches. Misappropriation of Fund assets Material misstatements within financial records Loss of stakeholder confidence. Increased audit scrutiny and investigation costs	10	1) The Council's Internal Audit Plan includes dedicated reviews of internal controls relating to the management, governance and accounting of the Pension Fund. 2) The Pension Fund is subject to regular internal and external audit reviews covering key administration, accounting and investment processes, with findings reported to management and appropriate governance bodies. 3) Appropriate segregation of duties is maintained across key Pension Fund processes, with delegated authorisation limits in place for financial transactions.	5	

					4) Investment and disinvestment transactions require approval by authorised signatories and are subject to dual authorisation procedures. 5) Changes relating to investment transactions and asset movements are independently verified with the Fund's custodian through established confirmation procedures. 6) Regular reconciliations are undertaken and independently reviewed to identify and investigate discrepancies promptly. 7) The Council maintains a whistleblowing policy which enables concerns regarding fraud, misconduct or control failures to be reported confidentially.		—
GOVERNANCE RISKS							
GOV1	Ineffective engagement and communication with employers and members	Communications aren't outcome focused Lack of clear communications strategy Poorly timed engagement No/ lack of feedback mechanisms	Employers and members do not understand decisions or their implications Reduced accountability for decisions Increased complaints Reputational damage Poor governance	15	1) The Pensions Fund's approach to communicating with all stakeholders is set out in the Communications Strategy. 2) There is employee and employer representation on the Pension Fund's Committee and Board with full voting rights.	10	—
GOV2	Members have insufficient knowledge of regulations, guidance and best practice to make good and informed decisions.	Poor / insufficient induction and onboarding Inadequate / lack of ongoing training Overreliance on officers and advisers Inexperienced Pension Committee and Board High turnover of Members Members have insufficient knowledge of regulations, guidance and best practice	Poor or uninformed decision making Failure to provide effective oversight and challenge Regulatory non compliance Reputational damage Increased reliance on external advisers	16	1) All new members joining the Pensions Committee and Board are required to undertake induction training. A comprehensive training programme is developed in line with the CIPFA guidance and regularly reviewed and updated. 2) The Training Plan 2025/26 outlines the training to be delivered to Pension Committee and Board members, as well as independent/ self-directed training requirements such as TPR toolkit and LOLA to support effective decision making. 3) A training log is maintained by Fund officers and a report of training undertaken by members during the year is included in the Pension Fund's Annual Report. 4) A Training Needs Analysis will be performed to assess the knowledge gaps of the Pension Board and Committee 5) Training Strategy developed in line with Fund Guidance 2026	15	—
GOV3	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	Recruitment and retention pressures Increasing technical complexity Over reliance on key individuals Insufficient succession planning	Poor advice to Board/Committee Reduced resilience Increased errors and delays	12	1) Officer roles and responsibilities specify the relevant knowledge and skills required to undertake their duties effectively. 2) The Pensions Team maintains a mix of experience, skills and technical knowledge, which is monitored through training log and skills matrix 3) Training and development plans are reviewed as part of the Council's performance appraisal process, with individual learning objectives agreed and monitored throughout the year. 4) Officers utilise external advisers, professional bodies and training providers where appropriate to supplement in-house knowledge and expertise.	8	—

					5) Succession planning arrangements are considered as part of performance and development discussions to help ensure continuity of knowledge and key skills within the team. 6) Officers are encouraged to undertake relevant professional qualifications and continuing professional development to maintain and enhance technical knowledge. 6) Knowledge sharing and team discussions take place regularly to promote consistency of approach and reduce reliance on individual officers.		
GOV4	Weak procurement processes	Non compliance with Council's procurement policies Poor preparation of specifications and evaluations Lack of market testing Weak contract monitoring (GOV10)	Legal challenge from tender participants/ existing providers Poor service outcomes Failure to achieve value for money Opportunities not exploited	10	1) All procurement activity is undertaken in accordance with the Council's procurement rules and guidance, with specialist procurement and legal advice obtained where appropriate. Clear specifications, evaluation criteria and scoring methodologies are established as part of the procurement process. 2) The Pension Fund monitors supplier performance and contract delivery through regular contract reviews and the contract monitoring framework, helping to ensure continued value for money and service quality. 3) Pension Fund contracts have defined terms and review dates to ensure services are retendered or reviewed periodically, promoting value for money and compliance with procurement requirements. 4) Contract performance, key deliverables and service levels are reviewed periodically and escalated where performance concerns are identified. 5) Procurement evaluations are undertaken by appropriately skilled officers using documented scoring criteria and approval processes.	8	
GOV5	Poor/ ineffective governance/ management of the Pension Fund	Weak governance framework Lack of accountability Poor implementation of reg changes Frequent and/or extensive turnover of members Inexperienced Pensions Committee and Board. Loss of technical and operational knowledge about the Pension Fund Failure to comply with legislation and regulations Fund objectives are not defined and agreed (GOV7) Members have undisclosed conflicts of interest. Non-compliance with Fund Governance statutory guidance issued in June 2026 Failure to establish new roles required: Senior Officer, Independent Person	Poor decisions Financial sanctions TPR intervention Reputational damage Lack of focus of strategy to facilitate the aims of the LGPS. (GOV7) Poor Independent Governance Review score	10	1) Officers maintain knowledge of relevant LGPS legislation and governance requirements through ongoing training, adviser support and professional development. Significant decisions are supported by documented business cases, delegated authority arrangements and legal review where appropriate. 2) The Fund is supported by specialist advisers, including the Independent Adviser, Fund Actuary, Investment Consultant and legal advisers, providing expert advice on funding, investment, governance and regulatory matters. 3) The Pensions Committee and Board comprise elected members, employer representatives and employee representatives, providing a broad range of perspectives and scrutiny over Fund decisions.	5	

					4) All new Committee and Board members undertake induction training and participate in an ongoing training programme aligned with Fund requirements, CIPFA guidance and regulatory expectations. 5) The Fund maintains and regularly reviews key strategic documents, including the Funding Strategy Statement, Investment Strategy Statement and Administration Strategy. Progress against Fund objectives and key projects is reported regularly to the Pensions Committee and Board through governance and administration reporting. 6) Declaration of conflicts of interest is a standing agenda item for Committee and Board meetings and is managed in accordance with the Fund's Conflicts of Interest Policy. 7) The Fund regularly assesses compliance with The Pensions Regulator's General Code of Practice and undertakes periodic governance reviews, including preparation for the Independent Governance Review programme. 8) The Committee and Board receive regular reporting on stewardship, responsible investment activities and voting outcomes to support effective governance of investment arrangements. 9) Scheme discretions and governance policies are reviewed periodically to ensure they remain compliant with legislation and reflect emerging guidance and consultations. 10) Dry run of IGR planned for execution in December 2026 ahead of the actual IGR.		
GOV6	Known risks not monitored leading to adverse financial, reputational or resource impact.	Inadequate risk identification processes. Failure to regularly review and update the risk register Emerging risks not identified or escalated promptly Insufficient management, Committee or Board oversight Poor quality risk reporting or risk assessments Lack of ownership and accountability for risks Failure to implement agreed mitigating actions Changes in legislation, regulation or market conditions not adequately monitored	Adverse financial impact on the Fund. Reputational damage to the Fund and administering authority Regulatory or governance failures. Ineffective decision-making due to incomplete risk information Increased operational pressures and resource requirements Missed opportunities to mitigate emerging risks Increased likelihood of other strategic and operational risks materialising	12	1) The Pensions Committee and Board receive quarterly risk reporting, including a review of the risk register, high risk items, emerging risks, horizon scanning activities and progress against mitigating actions. 2) The Fund maintains a Risk Management Policy and Risk Management Strategy, setting out arrangements for risk identification, assessment, monitoring and reporting. 3) The Investment and Governance Working Group provides a forum for discussing emerging risks, regulatory developments and strategic issues, supported by training and adviser input where appropriate. 4) Each risk is assigned an owner responsible for monitoring the risk, reviewing controls and implementing mitigating actions.	8	
INVESTMENT RISKS							
INV1	Inappropriate/ ineffective investment strategy in achieving the Fund's long-term funding objectives.	Changes to LGPS pooling requirements limiting investment flexibility. Long-term economic changes, including persistent inflation and higher interest rates. Market volatility, geopolitical	Deterioration in the Fund's funding level. Failure to achieve actuarial funding assumptions. Investment underperformance. Increased employer	12	1) The Fund maintains exposure to inflation-sensitive assets, including property and renewable infrastructure, to provide a degree of protection against sustained inflation.	8	

		risks and economic uncertainty. ESG and climate-related risks not adequately reflected in investment decision-making. Strategic asset allocation no longer aligned with the Fund's objectives and liabilities. Investment managers failing to achieve expected performance over the long term. Investment assumptions becoming outdated. Failure to rebalance the portfolio appropriately. Delays in implementing strategic investment decisions. Poor or inappropriate investment advice. Poor governance or oversight of investment matters. Financial failure of an investment manager or key supplier.	contribution rates. Employer affordability and covenant pressures. Higher costs to the Fund. Increased scrutiny from stakeholders and regulators. Reputational damage.		2) The Fund's Investment Consultant provides regular advice to the Pensions Committee and Board on investment strategy, economic conditions, market developments and the implications for Fund objectives. 3) The Fund Actuary regularly monitors the Fund's funding position and reports on progress towards funding objectives. 4) The Fund maintains a diversified portfolio across a range of asset classes, investment managers and investment styles to reduce concentration risk and improve resilience across different market environments. 5) Officers engage regularly with investment managers and advisers to monitor emerging geopolitical, economic and market risks and assess any implications for the Fund's investments. 6) The Fund undertakes asset liability modelling as part of the actuarial valuation process to assess the suitability of the investment strategy against the Fund's funding objectives. 7) Investment performance is monitored quarterly against agreed benchmarks and objectives through reports provided by the Fund's Custodian and investment managers. 8) The Fund regularly reviews its strategic asset allocation and rebalances investments where necessary in accordance with the Investment Strategy Statement. 9) Significant investment decisions are subject to challenge and scrutiny by the Independent Adviser, Investment Consultant and Pensions Committee and Board. 10) Passive equity portfolios are automatically rebalanced within pre-agreed tolerance ranges. 11) The Responsible Investment Policy and ESG considerations within the Investment Strategy Statement are reviewed periodically by the Pensions Committee, Board and Investment and Governance Working Group. 12) The Investment Strategy Statement is reviewed periodically and following each actuarial valuation to ensure it remains aligned with the Fund's funding objectives. 13. The Fund undertakes scenario analysis and stress testing to assess the resilience of the investment strategy under a range of market and economic conditions.	
INV2	Poor investment governance, oversight or stewardship results in ineffective management of the Fund's investments.	Inadequate scrutiny of London CIV pooling arrangements Insufficient London CIV resources to support manager selection, appointments and ongoing monitoring Poor quality, untimely or	Known risks not identified or acted upon in a timely manner Asset allocation drift left unnoticed or unmanaged. Strategic investment issues persisting longer than necessary	16	1) The Pensions Committee and Board regularly review investment performance, funding progress and investment strategy advice provided by the Fund's Investment Consultant.	12

		insufficient investment reporting Limited understanding of pooled investment structures and arrangements Lack of understanding of investment powers and fiduciary responsibilities Failure to challenge advice or escalate concerns appropriately Insufficient training, knowledge or capacity of Committee, Board members or officers Lack of clarity around roles, responsibilities and accountability Over-reliance on third parties without appropriate oversight Weak stewardship and monitoring of investment managers	Reduced ability to influence pool outcomes and investment decisions Poor investment decisions or delayed decision-making. Investment manager underperformance not identified or addressed promptly Failure to achieve investment objectives. Deterioration in the Fund's funding position Reputational damage Loss of confidence from employers, members and stakeholders		2) The Fund receives professional investment advice to support manager selection, appointment and ongoing performance monitoring. 3) Officers receive and review annual internal control reports from investment managers and investigate any control issues identified. 4) The Investment and Governance Working Group provides a forum for detailed consideration of investment matters, strategic objectives, emerging risks and training needs, supported by officers and advisers. 5) The Investment Strategy Statement clearly defines the roles and responsibilities of the Pensions Committee, Board, officers, advisers, London CIV and investment managers. 6) Investment managers operate within agreed mandates and performance benchmarks which are subject to regular monitoring and review. 7) Investment training is provided regularly to Committee and Board members and relevant officers to support informed decision-making. 8) Officers and representatives attend London CIV meetings and regularly review the performance and governance of pooled investment arrangements. 9) Defined escalation procedures are in place for addressing investment manager underperformance, governance concerns or material investment risks. 10) The Fund's investment beliefs inform investment decision-making and are reflected within the Investment Strategy Statement and related governance arrangements.		
INV3	Investment/ pool operational failure and inadequate custody of assets.	Financial failure or insolvency of an investment manager Custodian failure or material event (i.e. cyber attack) Errors during asset transitions or rebalancing Breakdown in transaction processing or settlement Inadequate operational controls at London CIV or at investment manager level Cyber or systems failure affecting investment operations	Financial loss to the Fund Delayed access to assets or cash Inability to rebalance or meet liquidity needs Increased costs or legal exposure Reputational damage Loss of stakeholder confidence	9	1) Officers receive and review annual internal control reports from investment managers, custodians and other key investment service providers and investigate any material control issues identified. 2) The Fund undertakes robust procurement, due diligence and appointment processes when selecting investment managers and other investment service providers. 3) Investment mandates are governed by formal investment management agreements and benchmark requirements designed to control investment and operational risks. 4) The Fund's Investment Consultant regularly reviews investment managers and reports on performance, governance and any concerns requiring further action. 5) The Fund appoints an independent global custodian responsible for the safekeeping, settlement and reporting of Fund assets.	9	

					6) Formal contractual arrangements are in place with investment managers, custodians and service providers, setting out responsibilities, controls and reporting requirements. 7) Asset transfers and investment transactions are subject to documented authorisation and verification procedures involving the Fund, investment managers and custodian.		
INV4	Failure to appropriately identify, assess and manage ESG and climate-related risks within the Fund's investment and governance arrangements	Political, stakeholder or public pressure influencing investment decisions without appropriate consideration of fiduciary duties and financial implications Evolving legislative and regulatory requirements relating to ESG and climate reporting Inadequate monitoring of ESG and climate-related risks Limited influence over investment implementation due to LGPS pooling arrangements Insufficient stewardship and engagement activity. Inadequate ESG and climate-related reporting from investment managers or the pool Lack of clear ESG objectives and governance arrangements Failure to assess climate-related financial risks and opportunities	Reputational damage to the Fund and administering authority Failure to comply with emerging regulatory and reporting requirements Increased scrutiny from regulators, employers, members and stakeholders Poor investment decision-making due to inadequate consideration of ESG risks Failure to manage climate-related financial risks. Reduced ability to influence responsible investment outcomes through pooling arrangements Legal challenge arising from failure to appropriately consider fiduciary duties or investment risks Investment underperformance over the long term. Increased funding pressures if material ESG or climate risks crystallise	16	1) The Fund's listed equity allocation includes low-carbon investment strategies designed to support the transition to a lower-carbon economy and reduce portfolio carbon intensity. 2) The Fund maintains investments in renewable energy and other sustainable infrastructure assets. 3) The Fund's Responsible Investment Policy is regularly reviewed by the Pensions Committee, Board and Investment and Governance Working Group. 4) ESG and climate-related risks are considered as part of the Fund's investment monitoring and reporting arrangements. 5) Officers engage with the London CIV regarding responsible investment, stewardship and climate-related matters to help influence pooled investment arrangements where appropriate.	12	—